

**ALBERTA GOVERNMENT SERVICES
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

142418184

ORDER NUMBER: 27529500

ADVISORY

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.

ENCUMBRANCE

TO SECURE ANNUAL RENT CHARGE PER PARCEL PURSUANT TO "THE LAND TITLES ACT"

GRAYDON HILL DEVELOPMENTS LTD., of #1000, 10104 – 103 Avenue, Edmonton, Alberta, T5J 0H8, as encumbrancer (hereinafter called the "**Encumbrancer**"), being the registered owner of the lands legally described on Schedule "A" attached hereto (the "**Lands**") and desiring to render the said Lands available for the purposes of securing to and for the benefit of **GRAYDON HILL HOMEOWNERS LTD.** of #1000, 10104 – 103 Avenue, Edmonton, Alberta, T5J 0H8 and its successors and assigns hereunder, as encumbrancee (hereinafter called the "**Encumbrancee**") payment of the Rent Charge (as hereinafter defined), do hereby encumber the Lands for the benefit of the Encumbrancee with the Rent Charge for each year, such Rent Charge to be paid to the Encumbrancee in lawful money of Canada at the Encumbrancee's office in the City of Edmonton as aforesaid (or such other place as the Encumbrancee may from time to time designate in writing) commencing on the Commencement Date and ending on the 31st day of December, 2127. ✓

1. In this Encumbrance, including the preamble, the following words shall have the following meanings:
 - (a) "**Association**" or "**Homeowners Association**" shall mean that certain homeowners association established by, or to be established by, the Developer for the following purposes, *inter alia*: to manage, operate and maintain certain improvements and amenities located on or in the vicinity of the Lands, including improvements and amenities on privately owned lands and publicly owned land; to determine and set the Rent Charge and to carry out duties and functions relating to the collection of same; and to carry out duties and functions relating to the affairs of the Neighborhood, including the duties and functions under any Maintenance Agreements; such association to be known as GRAYDON HILL Homeowners Association or such other name as is chosen by the Developer in its discretion;
 - (b) "**Association's Cost**" or "**Homeowners Association's Costs**" for any period, shall mean any and all costs incurred or to be incurred in such period (including without limitation reasonable reserves for future maintenance, repair and replacement costs) by the Association in and in respect of carrying out and exercising its objects and its rights, duties and obligations under the Association's application for incorporation and its bylaws and under any Maintenance Agreements or other agreements to which it is a party, from time to time, as determined by the Board from time to time;
 - (c) "**Board**" means the board of directors of the Homeowners Association;
 - (d) "**Commencement Date**" means the earlier of the following dates; (i) the date that the Board of the Homeowners Association determines by resolution that the Rent Charge is to commence for the Lot and/or Units, provided always that at prior written notice of the Commencement date is given to the Owners of the Lot and/or Units; and (ii) December 31, 2019;
 - (e) "**Common Facilities**" shall mean those facilities designated by the Developer and may include entry gates and features, street boulevards, traffic islands, planting beds (including trees and shrubs), banner posts, walkways, landscaping, fencing and other urban amenities or facilities and any other improvements that may be built and

designated from time to time by the Developer for the use, benefit and enjoyment of the residents of the Neighbourhood;

- (f) **“Developer”** shall mean Graydon Hill Developments Ltd.;
- (g) **“Directors”** means duly elected directors of the Association from time to time;
- (h) **“Encumbrancee”** shall mean Graydon Hill Homeowners Ltd. and its successors and assigns from time to time;
- (i) **“Lands”** means the lands or Lots and/or Units legally described on Schedule “A” attached hereto;
- (j) **“Lots and/or Units”** shall mean all the Lots and/or Units described in Schedule “A” attached hereto as such lands may be subdivided from time to time, and **“Lot and/or Unit”** shall mean one of the Lots and/or Units;
- (k) **“Maintenance Agreements”** means any and all maintenance agreement entered into between the Developer or the Association and the City of Edmonton, from time to time or as may be assigned by the Developer to the Association from time to time, respecting the maintenance and repair of improvements or areas constructed or located in the Neighbourhood;
- (l) **“Mortgagee”** shall mean any of the lender or lenders granting a mortgage on the security of any of the Lands;
- (m) **“Neighbourhood”** means the portion of the Graydon Hill Neighbourhood in the City of Edmonton located or to be located on the Project Lands;
- (n) **“Owner(s)”** shall mean the registered owner or owners of the fee simple estate in a Lot and/or Unit from time to time;
- (o) **“Prime Rate”** means the interest rate charged by the Toronto Dominion Bank at its Main Branch, Edmonton, Alberta, to its most preferred commercial customers;
- (p) **“Project Lands”** means the lands legally described as Lot 1, Block 3, Plan 132 0711;
- (q) **“Rent Charge”** shall mean;
 - (i) prior to the Commencement Date:
 - a. the sum of Two Hundred Fifty (\$250.00) Dollars per Lot and/or Unit; and
 - b. for any part of the Project Lands comprising Units, or intended for a multi-family development for subdivision as Units or otherwise, the sum of Six Hundred (\$600.00) Dollars per acre, calculated as to the actual acreage of the said Lands which sum shall be payable on or before transfer of each Lot and/or Unit or land as described above by the Developer to the Owner;
 - (ii) from and after the Commencement Date:

- a. subject always to paragraph (q)(ii)(b), the sum of Two Hundred Fifty (\$250.00) Dollars per Lot per annum, payable annually in advance; or
- b. subject always to paragraph (q)(ii)(c), if a Unit, the sum of Six Hundred (\$600.00) Dollars per acre, proportional to the Unit size, payable annually in advance; or
- c. such other amount or amounts as are determined by the Board of the Association from time to time in accordance with the provisions hereof,

together with any interest as provided for in this Agreement and all such costs as may be incurred by the Association in enforcing its security for the payment of the aforementioned amounts;

- (r) "Units" shall mean condominium units, if any, created as a result of registration of a condominium plan with respect to a portion of the Lands, whether or not same form part of an attached residential building, and "Unit" shall mean one of the Units.
2. The true consideration for the granting of this Encumbrance and for the covenant to pay the Rent Charge hereby secured is the payment of One Dollar (\$1.00) and other good and valuable consideration by the Developer to each Owner paid upon transfer of each Lot and/or Unit by the Developer to the Owner (the receipt of which is hereby acknowledged).
 3. Commencing on the Commencement Date and continuing on the anniversary date of the Commencement Date of each and every calendar year thereafter, each Owner shall pay the Rent Charge applicable to its Lot and/or Unit to the Encumbrancee. In circumstances in which the Rent Charge commences on a date other than the 1st of January, the Rent Charge shall be prorated for the portion of that calendar year and shall be payable for that portion of the calendar year on the first (1st) day of the month following one (1) month's written notice by the Encumbrancee to the Owner.
 4. The Owner of a Lot and/or Unit and shall pay the Rent Charge applicable to its Lot and/or Unit to the Encumbrancee at the time and place hereinbefore set forth without deduction or declaration, and any amount in default shall bear interest at the rate of Ten (10%) per cent per annum above the Prime Rate, calculated and compounded monthly, and payment of the Rent Charge and such interest shall be secured by this Encumbrance. The Board shall have the authority to waive any interest at its sole discretion.
 5. The Rent Charge shall be determined by the Board of the Association as follows:
 - (a) The Board shall estimate the Association's Costs from time to time for such period as it deems convenient to its administration and shall set the amount of the Rent Charge for each Lot or Unit based thereon. The Rent Charge for each Lot or Unit shall be the sum so stated by the Association as applicable to the Lot or Unit. Notice of the estimate of the Association's Costs, the Rent Charge and the annual payment amount shall be given to each Owner in writing. Payment of the Rent Charge shall be due and payable on the first (1st) day of each calendar year or as otherwise determined by the board and notified to the Owners;
 - (b) The Board shall make the determination of the Association's Costs and the amount of the Rent Charge from time to time in its sole and absolute discretion and a certificate stating

the same and signed by two or more Directors shall be conclusive and binding on all Owners.

6. The Owner of each Lot and/or Unit from time to time, by becoming the registered owner of the Lot and/or Unit subject to this Encumbrance, hereby covenants to make payment of the Rent Charge in accordance with the terms and provisions herein; hereby confirm and ratifies the mortgage, encumbrance and charge contained herein and hereby further encumbers, mortgages and charges its Lot and/or Unit and/or Unit as security for payment of the Rent Charge respecting its particular Lot and/or Unit and/or Unit in accordance with the terms and provisions hereof. For certainty, it is hereby confirmed and stated that, notwithstanding anything got the contrary contained herein, the Rent Charge shall form a mortgage, charge and encumbrance on each Lot and Unit for the amount of the Rent Charge payable respecting that particular Lot or Unit together with any accrued interest thereon or legal or collection costs relating thereto as provided for herein.
7. The Rent Charge shall run with and bind each Lot and Unit within the Lands in accordance with the terms and provisions hereof, provided always that, notwithstanding anything contained herein, the Developer shall have no liability for payment of the Rent Charge and excepting the payment referred to in paragraph 1(q)(i) hereof, a builder who purchases a Lot and/or Unit from the Developer ("Builder") shall have no liability for a payment of the Rent Charge respecting that Lot or Unit. Excepting set out in paragraph 1(q)(i), the Rent Charge respecting any Lot and/or Unit shall not accrue and become payable until a dwelling is constructed thereon, is substantially completed, ready for occupancy, and transferred to a third party. Upon the transfer of the Lot or Unit to the third party as aforesaid, the Rent Charge shall commence and become due and payable in accordance with the terms and provisions hereof.
8. The Encumbrancee, or its successors in title, shall be entitled to and hereby granted the right of distress together with all powers and remedies of an Encumbrancee under the *Land Titles Act* (Alberta).
9. For the purpose of realizing the security hereby granted by the Owner to the Encumbrancee, the Encumbrancee shall be deemed to be a mortgagee enjoying all the rights and privileges of a mortgagee as provided under the laws of the Province of Alberta, and the Encumbrancee shall be entitled, without restricting the generality hereof, to take any proceedings for sale and/or foreclosure concurrently or otherwise with any other step or proceeding available to it at equity or in law.
10. That in case of default being made in any of the covenants, agreements, provisos and stipulation herein contained, and by reason of such default the Encumbrancee considers it necessary to place this Encumbrance in the hands of its solicitors for the purpose of having such default remedied, or for the realization or enforcement of any of the covenants or security contained herein, then the Owner covenants and agrees with the Encumbrancee to pay the full cost of said solicitors, on a solicitor and his own client, full indemnity basis, and the amounts thereof shall form a charge hereunder.
11. The waiver of any one or more defaults under this Encumbrance or otherwise in relation to the Rent Charge secured hereunder shall not be constructed as a waiver of any subsequent or other default.
12. The Encumbrancee may register this Encumbrance against the title to the Lands in the Land Titles Office for the Alberta Land Registration District.

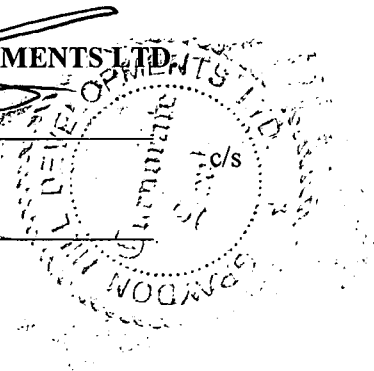
- 13. This Encumbrance and the Rent Charge secured hereby may, in the sole and absolute discretion of the Encumbrancee, be subordinated and postponed to any first specific mortgage charge by an Owner to a mortgagee in respect to any Lot and/or Unit and any improvements thereon upon such terms and conditions as the Encumbrancee shall determine in its sole and absolute discretion.
- 14. Any notice to be given by the Encumbrancee to the Owner may be forwarded by ordinary mail addressed to the Owner at the municipal address of its Lot and/or Unit or to the last post office address of the Owner known to the Encumbrancee, and shall be deemed to have been received by the Owner within the ordinary time required for delivery of mail from the post office where mailed to such address.
- 15. Nothing herein precludes the owners of a portion of the Lots and/or Units from entering into maintenance agreements or creating further homeowners association amongst them for the provision of services in addition to the association's cost such as private roadway maintenance, lawn maintenance and snow removal, it being understood that the owners of such Lots and/or Units shall not be obligated to include all owners of the Project Lands.
- 16. 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 of a Lot and/or Unit, male and 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 the case of more than one Owner of a Lot and/or Unit, the said covenants, provisos, conditions and agreements shall be construed and held to be joint and several.
- 17. This Encumbrance shall enure to the benefit of and be binding upon the successors and assigns of the Encumbrancee and shall be binding upon the registered Owners from time to time of the Lots and/or Units and the said Owners' executors, administrators, assigns and successors in title and the Encumbrancee shall have the right to assign and transfer all of its right, title and interest to the Association at such time and upon such condition as it in its sole discretion deems advisable and the Association shall bear all costs and expenses associated with such assignment and transfer, including legal costs on a solicitor and his own client, full indemnity basis.
- 18. And for the better securing to the Encumbrancee payment of the Rent Charges hereby secured and all other amounts payable hereunder, the Encumbrancer does hereby encumber to the Encumbrancee all of its right, title and interest in and to the Lands.
- 19. This Encumbrance shall be construed and governed by the laws of the Province of Alberta.

IN WITNESS WHEREOF the Owner has hereunto caused its corporate seal to be affixed by its proper signing officers duly authorized in that behalf, as of the ___ day of December, 2014.

GRAYDON HILL DEVELOPMENTS LTD.

Per: _____

Per: _____



SCHEDULE "A"**The Lands****PLAN 142 1503****BLOCK 4****LOTS 1 TO 49 INCLUSIVE ✓****BLOCK 5****LOTS 1 TO 60 INCLUSIVE ✓****BLOCK 6****LOTS 1 TO 14 INCLUSIVE ✓****LOTS 23 TO 38 INCLUSIVE ✓****EXCEPTING THEREOUT ALL MINES AND MINERALS**



142418184

142418184 REGISTERED 2014 12 10
ENCU - ENCUMBRANCE
DOC 1 OF 1 DRR#: B1314AE ADR/CWOODWAR
LINC/S: 0036098119 +