

BETWEEN:

6625835 CANADA LTD.,
a body corporate, carrying on business
in the Province of Saskatchewan

(hereinafter referred to as the "Grantor")

OF THE FIRST PART

- and -

6625835 CANADA LTD.,
a body corporate, carrying on business
in the Province of Saskatchewan,

(hereinafter referred to as the "Grantee")

OF THE SECOND PART

RECIPROCAL RESTRICTIVE COVENANT AGREEMENT



Barristers & Solicitors
1500-1881 Scarth Street
Regina, Saskatchewan
S4P 4K9

THIS AGREEMENT made effective the 1st day of August, A.D. 2007.

BETWEEN:

6625835 CANADA LTD.,
a body corporate, carrying on business
in the Province of Saskatchewan
(hereinafter referred to as the "Grantor")

OF THE FIRST PART

- and -

6625835 CANADA LTD.,
a body corporate, carrying on business
in the Province of Saskatchewan,
(hereinafter referred to as the "Grantee")

OF THE SECOND PART

RECIPROCAL RESTRICTIVE COVENANT AGREEMENT

WHEREAS 6625835 Canada Ltd., a body corporate with head offices in the City of Courtenay, in the Province of British Columbia (hereinafter referred to as "the Developer"), is registered owner of certain lands situated in the Rural Municipality of McKillop, in the Province of Saskatchewan, and more particularly described in Schedules "A" and "B" attached hereto and by the reference made a part hereof (hereinafter collectively called "the Lots" or individually referred to as a "Lot" as the content hereof requires) subject to the encumbrances, liens, estates or interest notified by memorandum endorsed thereon;

AND WHEREAS the Developer is developing a planned housing subdivision on the Lots and considers it is desirable for the greater enjoyment of the Lots and it is for the benefit of all if the future Purchasers of the individual Lots and that it will protect the Purchaser of each Lot against the improper development and use of surrounding Lots and that it will prevent haphazard or inharmonious improvements or repairs or improper design or material, to impose certain restrictions and covenants on the Lots and in making

sales of the Lots that the Lots shall be conveyed subject to the restrictions, covenants and limitations hereinafter set forth.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that the Developer does for itself, its transferees and assigns covenants and agree as follows:

Restrictive Covenant as to Lot and House Condition

1. 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 shall be binding upon and enure to the benefit of each Lot and the registered Purchaser of each Lot while they are such registered Purchasers from time to time.
2. No external alterations or changes to the structure or appearance (including colours) on or in respect to any dwelling, garage or other structure erected on any Lot may be made on or permitted except with the written approval of the Developer.
3. The design, location and elevations of any structure or landscaping on any Lot shall not be such as to interfere with the drainage of surface water.
4. No yards or vacant Lots shall be used for storage of materials or equipment other than such as are usually stored in connection with the occupation of a building used for private residential purposes. This extends to no parking on any Lot of recreational vehicles for the purpose of accommodation, including but not limited to class A and C motor homes, 5th wheels, trailers, campers and camper vans except as stated in clauses 5, 6 and 7 below.
5. Any vehicle, including but not limited to class A and C motor homes, 5th wheels, trailers, campers and camper vans, ATVs, trucks, cars, vans, motorcycles, boats, personal water craft, etc., stored on any lot outside of a garage must be licenced and insured.

6. There shall not be erected or maintained on any Lot any building or structure other than a detached single-family dwelling house together with or without an attached or detached garage. Mobile homes, modular homes and manufactured homes assembled off-site shall not be permitted as residences on any Lot except brand-new manufactured Ready to Move (RTM) cabins or houses that meet with the architectural guidelines and written approval of the Developer. Any existing single-family home moved on to any Lot must meet with the architectural guidelines and written approval of the Developer.
7. Until a residence is constructed on any Lot, two (2) registered and insured recreational vehicles for the purpose of accommodation and manufactured no earlier than 1990 will be permitted to be parked on any Lot provided no structures, fixtures or skirting of a permanent nature can be installed or built on to or around the recreational vehicle. After a residence is constructed on any Lot, one (1) registered and insured recreational vehicle for the purpose of accommodation and manufactured no earlier than 1990 will be permitted to be parked on any Lot provided no structures, fixtures or skirting of a permanent nature can be installed or built on to or around the recreational vehicle.
8. No TV or radio antenna, transmitter or receiver, satellite dish or other communication devices shall be erected on any structure or Lot except with written approval from the Developer.
9. No excavation shall be made on the Lots except excavation for the purposes of building on the same at the time or commencement of such building or for the improvement of the gardens and grounds thereof, and no soil, sand, gravel shall be removed from the lots except in such case with the prior written permission of the Developer.

10. No building waste or other material of any kind shall be dumped or stored on the Lots except clean earth for the purpose of leveling in connection with the erection of a building thereon or for the immediate improvement of the grounds.
11. No signs, billboards, notices or other advertising matter of any kind shall be placed on any part of the Lots or upon or in any buildings or on any fences, trees or other structures on the Lots without prior written consent of the Developer.
12. Any vacant lot or the exterior of any dwelling and its gardens and grounds shall not be left in any unsightly and unreasonable untidy condition.
13. No horses, cattle, hogs, sheep, poultry or other stock animals other than those normally permitted in private homes in residential areas shall be kept upon the lots. No breeding of pets for sale shall be carried on upon the Lots.
14. No garbage or refuse may be stored so that the containers or refuse can be visible from the street, municipal reserves or parks.
15. Any existing fence shall be painted and maintained in good repair by the new Lot Purchaser.
16. A Lot Purchaser shall not apply for a building permit for the Lot prior to:
 - delivery to the Developer of two (2) full sets of building plans that show exterior finish details
 - obtaining written approval from the Developer of the building plans for a single-family house or cabin on that Lot
17. This Agreement and any form or type of architectural design or building construction whatsoever that occurs on the Lots shall be subject to the additional

architectural guidelines and restrictions as are more particularly described in Schedule "C" hereto and by the reference made a part hereof.

18. In the event the Purchaser does not comply with the restrictive covenants contained herein, the Developer may at its sole discretion issue a violation notice and the Purchaser shall pay to the Developer a penalty of two hundred dollars (\$200.00) per month from the date the violation notice was issued, and the Developer shall take whatever action available at law or equity to remedy the Purchaser's default.
19. In the restrictive covenant, the masculine and the singular shall be read as feminine, neuter and plural where the context requires.
20. Any provisions of this agreement made void or rendered invalid by any law in force in the Province of Saskatchewan or adjusted not to be a covenant running with the lands shall not invalidate or render unenforceable the remaining provisions of this agreement.
21. This Agreement shall enure to the benefit of the Grantee and its successors and assigns and shall be binding upon the Grantor and its successors and assigns.
22. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

IN WITNESS WHEREOF, the Grantor has hereunto executed this document as of the date and year first above written.

6625835 CANADA LTD.

Per: _____

Per: _____

IN WITNESS WHEREOF, the Grantee has hereunto executed this document as of the date and year first above written.

6625835 CANADA LTD.

Per: _____

Per: _____

SCHEDULE "A"

Refer to Shoreline Ph. I, Plan Showing Proposed Subdivision of Part of Parcel A, Plan No. 101870928 and part of SE ¼ Sec. 14 Twp. 22 Rge. 23 W.2M. Saskatchewan, prepared by G.D. Craig, SLS, dated May 29, 2007.

SCHEDULE "B"

Refer to Shoreline Ph. II, Plan Showing Proposed Subdivision of Part of Parcel A, Plan No. 101870928 and part of SE $\frac{1}{4}$ Sec. 14 Twp. 22 Rge. 23 W.2M. Saskatchewan, prepared by G.D. Craig, SLS, dated May 29, 2007.

SCHEDULE “C”**ARCHITECTURAL GUIDELINES AND RESTRICTIONS**
Shoreline**I. OBJECTIVES**

The objectives of these guidelines are to establish a setting of high-quality homes in keeping with the nature of the *Shoreline* lakefront resort subdivision. The total design for each home will be assessed on its own merits and approval will be at the sole discretion of 6625835 Canada Ltd.* (“the Developer”).

The housing theme or architecture will be based upon prairie, lake-cottage styling with good streetscape articulation. Any futuristic or extreme designs or extreme styles will not be permitted. These guidelines have been established for the benefit of all community residents so that they may be secure in the knowledge that the general appearance of the community will be of a high standard and the general interests of the community will be promoted to the fullest extent.

* Quest Homes operates in Saskatchewan as 6625835 Canada Ltd.

II. ARCHITECTURAL DETAILS

House size minimum:

- Bungalows – 800 square feet main floor
- Bi-Levels – 800 square feet main floor
- Split Levels – 1050 square feet two levels
- Two Storeys – 1050 square feet two levels

The homes are to have the aforementioned minimum floor areas excluding garages and basements regardless of development status. Furthermore, the floor sizes are an absolute minimum and the homes must still incorporate the appropriate design and detailing in order to obtain approval.

III. EXTERIOR MATERIALS**1. Exterior Cladding**

All homes shall be faced with materials of high quality and durable in nature. There shall be no more than two (2) exterior colours and/or materials (with the exception of brick or stone) used on any building exterior. Window trim and other similar details are excluded from this requirement.

2. Permitted Exterior Finishes

- Siding – wood, finished log or smart board
- Fascia – aluminum or wood; minimum 150 mm
- Soffit – aluminum, vinyl or wood
- Roof – architectural-grade asphalt shingles or cedar shakes
- Brick Facing – must have a minimum of 300 mm return
- All street-facing elevations shall include various trim including shadow trim; this requirement shall be at the discretion of the Developer
- Battens – 150 mm or more around windows and doors; aluminum not permitted
- Decks – must be completed with the construction of the home on all corners, pathways or park-facing lots and match the front porch

In addition to the above exterior details a minimum of three (3) of the following design features must be incorporated:

- Muntin bars on windows
- Shutters where battens not in place
- Special door details (side panels, glazing, etc)
- Awnings
- Front verandas or covered porches
- Architectural roof design incorporating dormers or gables
- Steep roof pitches – 6/12 or greater
- Special trim details
- Wide eaves overhangs – 600 mm or greater

IV. DRIVEWAYS AND GARAGES

Front-drive garages and/or front drives are allowed. Front driveways, lot approaches and installing culverts are the responsibility of the Purchaser. Asphalt, concrete or crushed stone approaches are acceptable; however, onsite parking for two (2) vehicles must be provided.

V. SITING SETBACKS

Setbacks will adhere to the current building codes and bylaws as determined by the Rural Municipality of McKillop (RM McKillop).

VI. PLAN REPETITION

Plan repetition is not allowed within three (3) lots. Similar colour schemes are to be separated by three (3) lots.

VII. LOT MAINTENANCE PRIOR TO AND AFTER CONSTRUCTION

All showhomes, spec inventory and vacant lots will be maintained to the highest of standards. Upon failure to comply with this request, ten (10) days' written notice by the Developer will be given and all costs incurred in the cleanup will result in the Purchaser's being charged back.

The following items will be properly maintained at all times prior to and after construction:

- Water – all lots containing heavy rainfall should be pumped and kept as dry as possible
- Lawns – weeds will be kept to a minimum and all lawns neatly maintained

VIII. GENERAL DESIGN GUIDELINES

- All front sidewalks and steps are to be poured concrete
- All front yards are to be sodded by the Purchaser or maintained with native grasses and landscape materials
- No more than three (3) risers will be allowed on porches at the entrance to any home
- Exterior materials on all elevations must be consistent with that on the front of the home
- All roof vents and flues with heights of over 900 mm shall be boxed in with materials consistent with the body of the home
- Fencing is to be with natural wood products such as cedar or fir and shall be built to a maximum height of five (5) feet
- Front elevations must be articulated using architectural elements such as front porches, bay/bow windows and brick/stone detailing
- Outbuildings will be permitted provided they comply with zoning and building-permit guidelines of RM McKillop along with the written approval of the Developer

IX. MODIFICATIONS AND VARIATIONS

The Developer reserves the right to modify or make changes to these guidelines, without notice, as it deems reasonably necessary. The Developer may vary any guideline or requirements herein if the proposed home is suitable in size and style to the lots, has meritorious design and complies with any restrictive covenants on the lot at the time. The Purchaser may request modification in writing to accommodate charges relative to actual site conditions.

X. ADDITIONAL NOTES

1. Purchaser Review

The Purchaser is responsible for reviewing and checking the building grade plan, geotechnical report, legal plan, drainage plan and utility right-of-way plan approved by the Developer and/or RM McKillop prior to the home design and construction.

The Purchaser shall be solely responsible for checking the site as to the location of all light standards, fire hydrants, catch basins, transformer boxes, telephone and cable pedestals, etc.,

which may affect his/her driveway location or his/her house orientation, and must do so prior to house design. It is assumed by the Developer that such a check has been performed by the Purchaser prior to start of construction.

The Purchaser shall comply with all statutory regulations, bylaws, building codes or other regulations of the municipal or provincial authorities. It is not the purpose of the architectural-approval process to check for compliance with the statutory requirements.

2. Garbage Containers

The Purchaser shall maintain a clean job site during the house construction to avoid garbage accumulation in the subdivision. The Developer has the right to clean and/or remove garbage and debris from the purchased lots at the cost of the Purchaser. Debris containers must be placed on the lot under construction and not on streets, sidewalks or adjoining lots.

3. Signage

No signage will be allowed on any lot without express written consent of the Developer.

4. Footing Check

Upon receipt of a building permit from RM McKillop, the Purchaser is to excavate the basement to approved grades and form the footings. It is the Purchaser's responsibility to ensure that the footings are placed at the approved elevation. A tolerance of 100 mm above the approved footing design elevation will be acceptable. Any difference greater than this or elevation less than the approved design elevation will not be acceptable.

5. Overland Drainage Control

The Purchaser is responsible for erosion control during construction and until occupancy. The Purchaser must adhere to the grades and drainage patterns shown on building grade plan and drainage plan. The Purchaser must ensure all debris is kept clear of the drainage system as damages will be charged back to the Purchaser.

6. Construction Time Limits

The Purchaser agrees that it will, within six (6) months following approval of a building plan by the Developer and the issuance of a building permit from RM McKillop, commence construction on the land purchased.

In the event the Purchaser has not commenced construction within six (6) months following the issuance of a building permit from RM McKillop (unless the Purchaser has been delayed by reasons beyond its control such as strikes, lock-outs or acts of God, in which event the date for compliance shall be extended by the extent of the delay), the Purchaser shall pay to the Developer a penalty of two hundred dollars (\$200.00) per month from the date the building permit was issued and the Developer shall take whatever action available at law or equity to remedy the Purchaser's default.

Construction shall be deemed to be commenced when basements have been excavated, footings poured and basement walls completed. Construction must be completed within eight (8) months from commencement.

7. *Disposal of Excavation Dirt and Construction Wastes*

Extra excavation material must be piled in a location designated by the Developer, and anyone requiring extra material may draw from these stockpiles with the approval of the Developer. Excavation material must be kept within the confines of the lot.

When spillage on a road or sidewalk occurs, the Purchaser will be requested to remove the dirt; and if the work is not done by the time utility contractor crews are approaching the location, the material will be removed and the incurred costs charged to the Purchaser. Please contact the Developer to obtain the location designated for excess material.

8. *Underground Power and Telephone Lines*

Shoreline will be using underground telephone lines and underground power lines. Extreme caution should be exercised in any excavation in areas with underground wiring. These power lines may be located in easements between lots, along the rear of the lot line or along the front lot line.

9. *Plan Approval*

Any Purchaser planning to build or make exterior alterations shall submit two (2) sets of building plans for approval not less than four (4) weeks prior to commencement of construction to the Developer at the mailing address below. The building plans shall be approved or rejected based on the adherence of the building plans to these restrictions.

One (1) set of plans shall be kept on file. Approval will not be unreasonably withheld. Construction including excavations shall not commence until the Purchaser receives approval from the Developer in writing.

Developer:

6625835 Canada Ltd.
Suite 10, 145 19th Street
Courtenay, BC
V9N 9G2

DATED: August 1, 2007

6625835 CANADA LTD.

- and -

6625835 CANADA LTD.

**RECIPROCAL RESTRICTIVE
COVENANT AGREEMENT**

McDOUGALL, GAULEY LLP
BARRISTERS & SOLICITORS
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