

Appendix "A"

RESTRICTIVE COVENANT AND ARCHITECTURAL CONTROLS

STONEGATE MEADOWS- PHASE TWO

THIS AGREEMENT made this _____, 20____.

BETWEEN:

KD JEN LTD.

Grantor

-and-

KD JEN LTD.

Grantee

WHEREAS KD JEN LTD. (at the time of the registration of these Restrictive Covenants and Architectural Controls) is the registered owner of the development known as StoneGate Meadows situated in the Town of Raymond, in the Province of Alberta (hereinafter called the "Subdivision"), and is in the process of developing the Subdivision into a series of residential lots;

AND WHEREAS the controls contained herein are intended to implement standards of appearance and quality in the Subdivision by attaching certain restrictions, covenants and conditions restrictive in nature in respect of the exterior design, use (to the extent that use is a function of design) and development, to each lot located within the Subdivision (hereinafter referred to as a "Lot", or referred to as the said "Lands" when referring collectively to all of the lots located within the Subdivision) and each and every part thereof and the buildings, structures, improvements and premises to be erected on each and every part of the Lands;

AND WHEREAS the restrictions, covenants and conditions herein are not meant to detract or derogate in any way from any applicable laws, regulations or by-laws (including but not limited to land use by-laws of the Town of Raymond as may be enacted from time to time), but are in addition and supplementary to, the restrictions, covenants and conditions contained in any such laws, regulations and by-laws;

AND WHEREAS the Grantor covenants with the Grantee to observe and comply with the following restrictions and architectural controls, the burden of which shall run with each of the lots:

- PHASE 2- Block 3- Lots 5, 6, 8-20
- PHASE 2- Block 4- Lots 10-14, 16
- PHASE 2- Block 5- Lots 10-13
- PHASE 2- Block 6- Lots 6-7

EXCEPTING THEREOUT ALL MINES AND MINERALS

All on PLAN _____ part of E½ SEC. 9, TWP. 6, RGE. 20, W 4 M,

all within the Town of Raymond, Alberta, Canada

hereinafter called the "Lands".

This covenant shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties.

ARCHITECTURAL CONTROL DEPOSIT

1. The Grantor promises, covenants and agrees to pay to the Development Manager an Architectural Control Deposit in the sum of \$2,500.00 on or before the closing date of the purchase of any of the aforesaid Lands from the Vendor, which monies shall be held as security for compliance to this Agreement by the Grantor or his assigns within the terms of the Architectural Controls setout herein.
2. The Development Manager covenants upon satisfactory compliance by the Purchaser with the Architectural Controls, the Architectural Control deposit shall be refunded to the Purchaser without interest.

CONSTRUCTION TIMELINE

3. Construction of any residence or building upon the Lands shall be commenced within one (1) years of the date of title transfer availability by the purchaser of the said Lands. Extensions may be granted on an individual case-by-case basis.
4. The construction of any residence or building upon said Lands shall be completed within one (1) year of the date of commencement by any owner of the said Lands. Extensions may be granted on an individual case-by-case basis.

BUILDING SPECIFICATIONS

5. No residence shall be constructed on the Lands which encroaches upon or straddles the property line with any Lot adjacent to it on either side, regardless of ownership of the adjacent lot.
6. No residence shall be constructed on the Lands which shall have a floor area above grade of less than the following dimensions:

All Phase 2 Lots- Bungalow, Split Level, Bi-Level, Two Story: must be minimum of 1200 square feet (111 square meters) for the main floor or for a total of floor space above ground, in any case; The measurements may include the outer walls of the residence, including covered or screened in porches, but shall exclude any garage, patio, deck, or the like part of a building.
7. Notwithstanding the foregoing, no residence or dwelling shall be constructed on the Lands until the area and dimensions regardless of size have been approved by the Development Manager.
8. No mobile home, trailer, manufactured home, or previously built residence or building or structure shall be allowed to be placed upon or moved onto any of the aforescribed Lands (quality house packages which require substantial on-site construction and assembly may be permitted with the approval of the Development Manager).
9. A granny suite or legal suite may be constructed upon the said Lands, but must:
 - Be approved under the Town of Raymond Land Use Bylaw, accompanied by an approved development permit from the Town of Raymond.
 - Exist within the framework of the home itself, such as a suite above the garage or in the basement, indistinguishable to an onlooker from the street.
10. Lot owners must consult the Development Manager for any building development that incorporates a walk-out basement, prior to proceeding with construction, to determine if the same is permitted, and if so, what requirements there may be with respect to the same.
11. No building shall be constructed upon the said Lands until the "Plot and Design Plan" has been approved by the Development Manager. The Plot and Design Plan must be approved in accordance with the overall plan and layout of the development as determined by the Development Manager. The

decision of the Development Manager is final. It is strongly recommended that the owner seek direction from the Development Manager prior to making final decisions regarding a house plan.

SETBACKS

12. All buildings or structures shall be within the parameters of the approved building envelope and must comply with the Land Use Bylaw of the Town of Raymond in force at the time of the granting of the Development Permit.

ROOFING MATERIALS

13. No roof shall be constructed on any residence on said Lands with a roof pitch of less than 5:12, unless special permission from Development Manager is obtained based on the house style; i.e. Prairie Home style. No metal cladding or metal sheeting on the roof area shall be permitted unless it meets the following criteria. Tar and gravel roofing, and rolled roofing are not acceptable. Acceptable roofing materials include:
 - architectural asphalt shingles;
 - laminate shingles;
 - concrete tiles;
 - shakes;
 - slate tiles; or
 - metal roofing simulating slate, shakes, or shingles
14. The roof colour of any permanent structure (including but not limited to the residential dwelling and garage) located on a Lot shall be compatible with the colour of the exterior finish of the residential dwelling on such Lot.

GARAGE

15. No garage shall be constructed on the Lands unless it is a minimum of double attached or detached garage and must be included as part of the overall design concept of the house and yard development and the exterior finish must be similar to that of the main residence and the roof line and pitch of the roof on the garage must be compatible with the design of the main residence.
16. Any detached building being built on the property must be approved in size and location by the Development Manager.
17. The Lands shall not be used for the storage of
 - Abandoned vehicles or equipment, non-functioning vehicles or equipment, auto or truck bodies, and other vehicles or equipment not currently in a functioning state; and
 - Gasoline, diesel fuel or similar fuel or volatile, explosive or dangerous substances other than those used for ordinary household or acreage purposes in quantities reasonably appropriate for ordinary household or acreage use.

CODE & BYLAW COMPLIANCE

18. No building shall be constructed on the Lands unless it meets or exceeds the Alberta Building Code and complies with all Bylaws of the Town of Raymond, in the Province of Alberta. Prior to construction of a building (including accessory structures such as detached garages, shed, etc.) the Lot owner must

obtain all necessary local, provincial and federal permits including a development permit from the Town of Raymond, regardless of obtaining approval for construction by the "Development Manager."

LANDSCAPING

19. A "Landscaping Plan" for all portions of each yard which front a public roadway must be included with each Design Plan showing the driveways, walkways, fencing, ground cover and planting material. No Cottonwood trees allowed as per Town of Raymond request.

FENCING

20. No individual fence shall be constructed which does not comply with the Land Use By-Law of the Town of Raymond and the location of which must be approved by the Development Manager. All fences must be maintained in a structurally sound and esthetically pleasing condition. No lot owner is required to construct a fence.
21. All fencing materials must be approved by the Development Manager. The standard approved materials are a 4 ft. in height, polyester powder coated black chain link fence with matching posts and gates for any back and side yards. Simulated wrought iron or similar black metal fencing is also acceptable on approval of the Development Manager. Stone or brick will be accepted for architectural features, either separate from or part of the fence. It is preferred that trees and shrubs be used wherever windbreak or privacy is desired.

LOT GRADING AND RETAINING WALLS

22. No construction shall be carried out on the Lands until a "Lot Grading" plan is approved by the Development Manager. The plan must include the finished floor levels for all levels of the house including the bottom of footings and garage elevations. The finished sod grades at the house must be shown as well as arrows indicating drainage patterns, or swales. The grade at each corner of the Lot shall be compatible with that of its neighboring land as to achieve efficient service water drainage away from that house and other developments and must not change existing drain patterns or block or interfere in any with the drainage ditch along the boulevard. Any deviation from the recommended grade levels must be presented in writing to the Development Manager and a written decision must be required before any deviation from the recommended grade levels is carried out on the said Lands. The cost of retaining walls situated on a Lot shall be the responsibility of the Lot Owner. All retaining walls and their foundations are to be within Lot boundaries. Landowners are responsible for ensuring that drainage courses are protected and maintained. Landowners are responsible for adhering to final Lot grade requirements.
23. Any Owner which has an easement for a drainage corridor on their Lot shall not suffer or permit dirt, fill, loan, gravel, paper, other debris, weeds snow, ice, or slush (collectively referred to as "material") to fill or other wise accumulate or remain upon the said lands and which would:
 - Restrict, impair, impede, alter or otherwise interfere with the drainage across said lands including, without limiting the generality of the foregoing drainage a grass swale, concrete or asphalt gutter or other drainage gutter or other drainage control structure which may be erected on the said lands.
 - Alter, remove, damage or other wise interfere with any drainage control fence, grass swale, concrete or asphalt drainage gutter or other drainage control structure which may be erected on the said lands.
 - If a Lot has a natural or any other type of drainage corridor, access must be granted for maintenance, if maintenance is required.

PROCEDURE FOR DEVELOPMENT APPROVALS

24. All parties constructing any structure on the aforescribed Lands must submit the following to the Development Manager:
- Plot and Design Plan showing all building location, setbacks, driveways, sidewalks, fences and Landscaping;
 - Lot Grading Plan, showing all grades and Lot corner elevations;
 - Landscaping Plan showing the Landscaping design of the public facing portion(s) of the yard;
 - House Plans showing the layout of each level including roof design and dimensions including:
 - i Building elevation of each side of the house showing window types and sizes, finishes, roof, elevations, chimneys, flues and vents; and
 - ii Cross sections showing foundation and footing elevations and all dimensions, in particular the relationship between all levels including the garage;
 - Completed Development and Permit application forms; and
 - A sample or description of all exterior finishing material including colour schemes.
33. All requested and provided information will be processed by the Development Manager within one week of receipt if the information is deemed acceptable. If the application does not comply with the Architectural Controls or other by-laws and regulations, then the application will be returned to the applicant marked “unacceptable”.
34. The decision of the Development Manager is final and binding and, in order to avoid delays, it is recommended that a preliminary consultation be made with the Development Manager prior to the application submission.
35. There shall be no deviation from the plans contained in an approved Application unless the same is consented to in writing by the Development Manager.
36. In the event:
- a building on the property is not completed in its entirety in accordance with the Architectural Controls and the approved plans, or
 - the workmanship on the building is judged by the Development Manager to be incompatible with the Architectural Control;
- The Developer may, but is not obligated to;
- Complete the building in accordance with the Architectural Controls, or the approved plans, as the case may be; or
 - Replace the unacceptable workmanship, all at the purchaser’s expense.
37. Any monies expended by the Developer to complete the building in accordance with the Architectural Controls, or the approved plans, as the case may be, or replace unacceptable workmanship shall become a charge on the building being built and a caveat or other charging document may be registered by the Developer against title to the property and the Developer may apply the Architectural Controls Security Deposit to any such monies expended; and, take all steps available to it at law to collect any other such monies so expended.
38. Prior to construction of a building (including accessory structures such as detached garages, shed, etc.) the Lot owner must obtain all necessary local, provincial and federal permits including a development permit from the Town of Raymond, regardless of obtaining approval for construction by the “Development Manager.”

MAINTENANCE

39. Every Lot Owner shall keep his Lot, including gardens and all improvements thereon, in good order and repair including but not limited to the seeding, watering and mowing of grass, the pruning and cutting of all trees and shrubbery, and the painting, or other appropriate external care, of all buildings and other structures in the manner and with the frequency that is consistent with good property management.
40. All Lots must be cared for in a husbandly manner in order to maintain high quality land investments

GENERAL

41. The Developer and the Development Manager shall be responsible for the interpretation of the Architectural Controls and may modify any of the provisions stated therein at their sole discretion. Any dispute which may arise in connection with the Architectural Controls shall be determined by the Developer whose decision shall be final and binding.
42. Failure on the part of the Developer or the Development Manager to enforce promptly and fully the conditions, covenants, and restrictions of the Architectural Controls shall not be deemed to be a waiver of the right of the Developer to enforce the conditions, covenants and restrictions of the Architectural Controls.
43. All owners shall be expected to take normal precautions to prevent damage to installed improvements. In particular, they shall:
 - Protect all service lines including telephone, cable, electricity, gas, and water lines on the owner's property and extending to the adjoining Lands.
 - Protect driveway accesses, culverts, roads, ditches, etc., when it is necessary for vehicles to be driven across them.
 - Keep the road in front of the lot clean during construction, and keep the ditch and catch basin free of debris and in working order at all times.
 - Avoid placing excess soil or constructions debris on adjacent lots.
44. Any damage to installed improvements noticed prior to construction must be identified to the Development Manager at the time of discovery. The Manager will record the damage, and attempt to identify the party responsible for causing the damage. If this can be determined, the Development Manager will attempt to recover the cost to repair the damage from the party causing the damage. Any damage to improvements not identified prior to construction will be assumed to be caused by the owner, unless the owner can identify a third party who caused the damage. If the Development Manager is unable to recover the cost to repair the damage from the third party, the owner shall become responsible for the cost of the repair. Any damage caused by the owner must be repaired at the owner's cost.
45. The Lot Owner shall take all measures necessary to protect any and all survey pins located on each Lot. If it is required to replace a damaged or missing survey pin, the same must be done by an Alberta Land Surveyor, and the cost of the same shall be at the sole expense of the Lot Owner.
46. Any owner of any Lot within the Development may enforce the Architectural Controls or other Controls of this Restrictive Covenant.
47. Each Lot shall be deemed to form part of a Building Scheme, the land use and building restrictions and conditions contained in the Restrictive Covenants and Architectural Controls shall be deemed to be covenants running with each of the Lots and shall be binding upon each individual owner of each Lot and for the benefit of the owners of all the other Lots set out herein and their successors in title or such subsequent plan of subdivision of the same area as may hereinafter be filed. The Developer, or any inspection agency contract by it, shall in its sole discretion determine the date when completion of construction has occurred.

- 48. Should any one or more provisions of this Restrictive Covenant be determined to be illegal, unenforceable or otherwise invalid, the same will be severed, but all other provisions will remain in effect.
- 49. IT IS NOT THE INTENTION OF THESE RESTRICTIVE COVENANTS OR ARCHITECTURAL CONTROLS TO IMPOSE ANY LIABILITIES ON THE DEVELOPER OR THE DEVELOPMENT MANAGER.
- 50. The failure by the Developer, Development Manager or any consultant hired in connection with these Controls to require performance of any provision of these Controls shall not affect their right to require performance at any time thereafter, nor shall a waiver of any breach or default of these Controls constitute a waiver of any subsequent breach or default or a waiver of the provision itself unless the subsequent breach or default was waived in writing by the Development Manager.

PROPOSED TIME LINE SCHEDULE FOR DEVELOPMENT UPON THE AFORESAID LAND

- 51. **Purchase of Lands by Owner.**
- 52. **Initial consultation with the Development Manager.**
- 53. **Drawings (Plot and Design Plan, Driveway Placement, Grading Plan, House Plan, etc.) completed with a Stamp of Approval by Development Manager.**
- 54. **Upon title being made available, and upon receipt of the required permits, the builder can proceed with the construction phase that must be completed within four (4) years of the Closing Date.**
- 55. **Upon completion of the house and other structures in accordance with the approved plans and permits, the Owner of the Lands notifies the Development Manager that he can make an inspection.**
- 56. **After inspection and acceptable completion within the terms of the Restrictive Covenant and Architectural Controls set out herein, the Architectural Control deposit shall be refunded by the Development Manager to the owner.**

IN WITNESS WHEREOF the Grantor and Grantee have set their hands and seals effective

as of this _____ day of _____, 20__.

KD JEN LTD.

Per: _____
 President/Secretary Grantor

KD JEN LTD.

Per: _____
 President/Secretary Grantee