

SCHEDULE "B"

CANAAN HEIGHTS SUBDIVISION

**PARAMOUNT HOTELS LIMITED
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Telephone: (902) 542-3040**

**PHASE 1 & PHASE 2
RESTRICTIVE COVENANTS**

WHEREAS Paramount Hotels Limited (hereinafter called the "Grantor"), is the owner and developer of Canaan Heights Subdivision located in New Minas, Kings County, Nova Scotia;

AND WHEREAS the Grantor has established restrictive covenants which will preserve and protect the desirability, beauty and value of Canaan Heights Subdivision for the benefit of all the owners (hereinafter called the "Grantees") thereof, their heirs, successors and assigns;

NOW THEREFORE in consideration of the aforementioned purposes, the lands to which these restrictive covenants shall apply (hereinafter called "Said Lands") include the property described in the Purchase and Sale Agreement annexed hereto and conveyed by way of Warranty Deed.

1. **SIZE AND PRICE RANGE OF RESIDENTIAL HOUSING**

The SIZE and PRICE RANGE of housing in Canaan Heights Subdivision is not nearly as CRITICAL as the STYLE of the home and the resulting STREET SCAPE that will be created by creatively pleasing design and construction of each residence. Every residence should have an architecturally pleasing and attractive exterior that would include, for example, attractive rooflines having several or varied gables in the front exterior, staggered foot prints of the front wall building line and attractive finish with the front elevation including all doors and windows having a minimum of 50% of the wall area being brickwork or masonry facing, etc. unless alternate approval is received in writing from the Grantor. "All homes however should have a minimum floor area of 1,200 sq. ft. of living space on the ground level exclusive of the garage".

Smaller homes should have an attached garage constructed of the same design and exterior finish, which need not be finished on the interior but, for very little cost, will greatly enhance the value, the esthetics and ambience of both the residence and the street scape.

Quality stick built homes constructed piece by piece are the preferred and accepted forms of construction for housing in Canaan Heights Subdivision.

2. **RESTRICTED HOUSING**

Note: The building lots of Phase 1 and Phase 2 shall be used for private residential purposes only and no attached or semi-detached house, duplex, mobile home, log home or apartment, or any house designed for more than one family shall be erected on the lands.

Small plain bungalows with one defining simple roofline are not acceptable and not more than one detached dwelling-house with or without a fully attached private garage may be erected on any one lot. No detached garage or shed, tent or tent-like enclosure shall be erected on the lot and simple connections by means of a beam, partial roof or open breezeway do not constitute a fully attached residential garage.

Properly designed in-law suites will be allowed in a residence if the design is approved by the Grantor.

3. **APPROVAL OF HOUSE PLAN BY THE GRANTOR**

All proposed Grantees of building lots agree to submit a plan, drawing or photo to the Grantor for review and approval prior to confirmation by the Grantor of the lot sale. At this point a blueprint is not necessary.

Following presale approval of housing design and subsequent sale of lots, the blueprints of homes to be constructed are to be submitted to the Grantor and are subject to the Grantor's approval prior to submission to the Municipal authority for a building permit.

The blueprint shall show the style and variances of the roof, front, side and rear elevations of the dwelling including the window locations. It shall be indicated on the plan the type and coloring of siding, roof and eaves material, and chimney. Exposed metal chimneys are not acceptable. Metal chimneys shall be permitted if enclosed by a method approved by the Grantor.

Any changes in the elevations or building plans which the Grantee intends to make must be submitted along with a request in writing to the Grantor or the Grantor's agent for approval.

Location of the proposed dwelling on the lot is to be approved by the Grantor or the Grantor's agent prior to breaking ground.

Every set of house plans is to be clearly identified and approved by the Grantor in writing.

Subsequent to the completion of the footings for the dwelling house, the Grantee shall provide the Grantor with a surveyor's certificate showing the location and elevation of the footings. Construction of the dwelling house shall not proceed until confirmation from the Grantor that it is in receipt of the surveyor's certificate. No building shall be erected on the Said Lands, or any addition or alteration made thereto, unless the colours, plans, dimensions, specifications and locations thereof, as drawn by a duly qualified architect, have been approved by the Grantor in writing.

Any and all fencing proposed for construction on the lot for either general fencing or swimming pool fencing must be approved by the Grantor for style, openness and type of construction. See Articles 31 and 32.

4. "Garage" as used herein shall include any structure used, or to be used, for the housing or protection of motor vehicles or other materials or equipment. There shall be no unregistered vehicle on the Said Lands except within a wholly enclosed garage, and no major repairs to, or storage of, any motor vehicle, work vehicle, boat, mobile home, recreational vehicle or trailer used for living, sleeping or eating or any tractor trailer unit or part thereof shall be effected upon or stored on the said Lands except within a wholly enclosed garage. Temporary location of any of the previously stated vehicles or equipment on the said lands shall not be allowed beyond a period of one week.

The Said Lands shall not be used for large equipment or work vehicles on a consistent basis nor for the daily or weekly parking use or in the process for any other of its uses by the property owner for work or otherwise.

5. The exterior walls and finishes of all dwellings located on the said Lands shall be of earth tone color, of naturally occurring material unless otherwise approved by the Grantor in writing (no bright pinks, greens, dark colors or purples, etc.) and all colours are to be approved by the Grantor.
6. Notwithstanding anything herein contained, no outbuilding, garage, fence, swimming pool, wall (including hedges), gate, clothesline, tent, tent-like enclosure or erection of any kind shall be commenced, constructed or maintained on the Said Lands, nor shall any addition to or alteration thereof be made, unless the plans, dimensions, specifications and location thereof, as indicated by detailed drawings, plans and / or site plan (including the distances from the front, side and rear limits) shall have been first submitted to and approved in writing by the Grantor and no swimming pool, fence, gate, clothesline or other erection shall be constructed or placed on the Said Lands otherwise than in conformity with such drawings, plans, specifications, site plan and restrictive covenants.
7. FRONT YARD SETBACK
The front yard setback of every residence shall be a minimum of thirty-five (35) feet from the front property line to the front building line of the residence.
8. PROMPT CONSTRUCTION
Construction of a house on the lands shall commence within two years of the date of this deed. The covenant may be extended or waived by the Grantor or the Grantor's agent.
9. Commencement of construction shall be deemed to have occurred upon the same date that a building permit has been issued by the Municipal authority. The Grantee agrees to complete development of the Said Lands, including, but not limited to, dwelling construction, landscaping and completion of driveway areas, as soon as possible, but in any event no later than one (1) year from the start of construction of the dwelling house on the Said Lands.

CONSTRUCTION REQUIREMENTS

10. The Grantee agrees to the following requirements of the Grantor and agrees to be responsible for the following:
 - (a) To contact the New Minas Village Service Commission and the Community Development Office of the Municipality of the County of Kings to become familiar with the building regulations of both bodies.
 - (b) To adhere to all Municipal and Federal regulations and building codes.
 - (c) To install base gravel on the driveway before the basement is poured to prevent clay or topsoil from being deposited on the street by trucks. No mud, debris, building materials or other matter shall be placed by the Grantee or those working or engaged on its behalf within the street right-of-way or on other lands not owned by the Grantee. If such mud and debris is deposited, it shall be removed by the Grantee within twenty-four

(24) hours of receipt of a request to do so from the Grantor, and if it is not so removed, then the Grantor may cause the mud or debris to be removed and recover the cost thereof from the Grantee.

11. The Grantee must backfill the basement with either gravel or sand to within one foot of the rough grade. Basement and garage are to have gravel or sand (min. 6 inches) under the floor. A minimum of one floor drain plus under floor drainage supported by a backwater valve connected to the storm sewer must be installed to provide drainage for any future water leak in the house or under floor water vein.
12. Roof gutters, window wells, footing drain leaders, footing drains, sump pumps and swimming pool drains shall only be exhausted in a storm drainage system and shall not be connected to the sanitary sewer system. Roof leaders shall be connected directly to the storm sewer lateral. Backwater valves must be installed on the storm lateral upstream of the roof leader connection wherever the basement floor elevation is below street grade. Grantee owners of Building Lots Number 1 through Number 16 shall provide their own foundation and storm drainage to the vault at the rear of the lots. All other building lots shall have the basement and foundation drainage along with miscellaneous drainage previously noted tied into the development storm drainage system. The Grantor reserves the right to enter onto any property to correct any improper action at any time should the property owner fail to take corrective action within ten (10) days of written notification to do so. The Grantee shall provide access for the carrying out of testing and repairs to sanitary sewer laterals when requested. Any and all costs incurred by the Grantor because of improperly constructed lateral connections shall be the responsibility of the Grantee.
13. No dwelling house erected on any lot shall contain horizontal sliding windows.
14. No excavation shall be made on the lands except for the purpose of building or for the improvement of the gardens and grounds thereof, or for the purpose of a swimming pool. Similarly, no soil, sand or gravel shall be removed from the lands except with the permission of the Grantor or his agent.

No excavation of any kind shall be undertaken without approval by the Grantor because of concern regarding the location of both primary and secondary underground electrical distribution combined with other communication distribution.
15. The Grantor must approve both the maximum and minimum height elevation of the foundation walls of the proposed residence and in every case the minimum elevation of the front foundation wall shall be above the final paved street level a minimum of one foot.

Every Grantee or lot owner shall be responsible to check the starting elevation of the storm water drainage and sanitary sewer drainage laterals at their property line to ensure that the laterals are connected at an elevation in the residence so as to provide adequate drainage slope from each individual residence.
16. Driveways where possible should be adjacent to one another in order to create larger cleared areas.
17. All power, telephone, cable and any other services for installation to the dwelling shall be installed under-ground by the Grantee in separate and appropriate conduit extending from the underground street services so as no overhead wiring or conduits of any kind shall exist above ground level on the subject lot.
18. LANDSCAPING
Landscaping of the lands must be completed within twelve (12) months of commencement of construction of the residential building.
 - (a) Lot owners shall not plant trees that grow with a large root system within thirty (30) feet of the electrical and communication hook up stations located at the street curb lot lines.
 - (b) Smaller camouflage bushes with small root systems are acceptable but large root systems will destroy the underground wiring systems of these junction points in a period of time.
19. The Grantee will not permit the condition of the surface of the Said Lands, or any part thereof, to be in such a condition as to be below the standard of landscaping of the surface of lots which is normally found in a first class residential neighborhood. The Grantee shall be responsible for landscaping between the curb and the street line abutting his property. The landscaping shall include treed areas and the installation of a lawn either sodded or seeded covering all the area surrounding the dwelling house within the lot boundary including on the front, rear and sides of the dwelling house, together with a driveway which may be graded with Class "A" gravel the first year but must be surfaced with asphaltic paving or concrete within the second year.
20. There shall be no open ditches and any drainage areas on a lot must be treated with drainage tile and landscaped with ground cover, rock garden, mowed grass or proper decorative material.

21. SPECIAL CONDITION OF SELECT LOTS

Note: To protect the view of the lots located on the southwest side of Falcon Drive, Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 must have no roofline that is above the eighteen (18) foot view plane as measured from the center of the paved road in front of the dwelling.

However, while all homes built on these lots on the northeast side of Falcon Drive must be ONE STOREY homes relative to the street elevation, it should be noted the increased value of these particular lots for the following reasons:

- (a) The view plane or scenery on the rear elevation of these lots will never be obstructed by another home or building;
- (b) The topography of the land is such that all homes on these particular lots can have the basements open at walk in ground level at the rear of the home and thus make the basement an additional residential level of the home. This, of course, reduces construction costs significantly per square foot of living space.
- (c) There will be the use of extended land area into the subdivision parkland open space beyond the building lot rear property line which enhances the resale value and lifestyle of the homeowner.

NOTE: Similar to Lots No. 2 through No. 12 all building lots numbered 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, and 37 must have no roofline that is above the eighteen (18) foot view plane as measured from the center of the paved road in front of the dwelling. All homes built on these lots must be ONE STOREY homes relative to the street elevation to protect the view of lots to their rear located in the new Phase 2 section of the subdivision.

GENERAL COVENANTS

- 22. No horses, cattle, hogs, sheep, goats, poultry or animals other than household pets normally permitted in private homes in urban residential areas shall be kept on the Said Lands and no breeding of pets shall be carried out on the Said Lands. No owner of a dog shall permit it to run at large at any time of year in such a way as to contravene any regional Municipal By-Law. Noisy dogs, which bother the neighborhood, shall not be allowed either in the residence or outside the residence. All pets must be maintained so that they do not create a nuisance or annoyance to surrounding lots or to the neighborhood.
- 23. The lands or any buildings erected thereon shall not at any time be used for the purpose of any profession, trade, employment, service, manufacturing or business whatsoever, nor as any pre-school, kindergarten, school, daycare centre, church, hospital, hostel or other charitable institution, nor as a hotel, apartment house, boarding, lodging or rooming house or place of public resort, nor for any sport (other than such games as are usually played in connection with the normal occupation of a private residence) or for any purpose other than a private residence for the use of one family only to each dwelling unit, nor shall anything be done or permitted upon any of the Said Lands or buildings erected, or to be erected thereon, which shall be a nuisance to the occupants of any neighboring lands or buildings.
- 24. No signs, billboards, notices or other advertising matter of any kind (except signs of the same size and type ordinarily employed by real estate agents offering the Said Lands for sale or rent) shall be placed on any part of the Said Lands or upon any buildings or on any fence, tree or other structure on the Said Lands without the consent of the Grantor in writing.
- 25. The lands must be maintained so as to exhibit a neat and clean appearance both during the period that construction is taking place, or during any subsequent extension of the building period including after residential construction is completed. Trash and waste must be kept cleaned up during and after construction. Paper, etc. is not allowed to blow onto adjacent properties. All adjacent properties must be respected and not trespassed on or damaged during and after construction and landscaping of a residence on any lot.

During occupancy of the residence after construction is completed, unsightly objects such as derelict vehicles, including vehicle parts, tractors, trailers, mobile homes, recreation vehicles, campers, work related vehicles and trucks, construction equipment, farm equipment, toys, ATV'S, boats, building materials, etc. shall NOT be permitted on the lands.

NOTE: Any vehicles or equipment of this category or related to this category must be remotely stored offsite and located outside of the Canaan Heights Subdivision boundary.

No rubbish or debris of any kind shall be placed or be permitted to accumulate upon the property and no odors shall be permitted to arise therefrom so as to render such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. Only recycling and compost containers for domestic use as required by the Municipality shall be maintained on the property, which must be kept in a clean, sanitary and odor free condition.

26. In the event that the conveyance to the Grantee is a conveyance of two or more lots, these covenants, and particularly this covenant shall apply to each individual lot unless the Grantee obtains a municipal approval to consolidate the lots into one larger lot and actually performs the consolidation at which point the covenants shall apply to the consolidated lot.
27. The Grantee will not, other than to re-subdivide a consolidated lot, sever, divide, subdivide or re-subdivide the lands described herein whether by way of deed, lease, mortgage, agreement of sale, devise, partition or otherwise. In the case of a subdivision of previously consolidated lots these covenants herein shall apply to both lots resulting from the re-subdivision of the lot.
28. Any building constructed on the lands shall be kept in a reasonable state of repair and maintenance, and shall not be allowed to deteriorate and become unsightly.
29. All home heating oil storage shall be located inside the dwelling and not outside the dwelling house.
30. There shall be no application of herbicides or pesticides on the Said Lands.
31. FENCES - GENERAL FENCING WITHIN THE SUBDIVISION
 No wire fences shall be erected. No fences shall be erected or maintained on the said property other than a wooden fence of open construction, a quarry or dressed stone, or a professional brick masonry fence of open construction with none of the forementioned types exceeding a maximum of forty-two inches (42") in height above grade level at the base of the fence unless approved in writing by the Grantor. Such fences, including the case of swimming pools, shall be in compliance that no portion of any fence shall extend beyond the front of the building line of the residence to the street side of the residence on the lot. All general fencing shall have a visual see-through opening for a minimum of 80 percent of the total face area to be fenced. Fencing of plain wood, wolmanized or treated material is to be painted white. All fencing must be submitted and approved by the Grantor for style, openness and type of construction. Fences must not detract from the appearance or value of the property or the neighboring property.
32. SWIMMING POOLS AND SWIMMING POOL FENCES
SWIMMING POOLS
 Above ground swimming pools shall not be allowed in Canaan Heights Subdivision. Only properly designed in-ground swimming pools shall be allowed after obtaining approval from the Grantor in writing.
SWIMMING POOL FENCING
 In-ground pools shall be located such that additional required enclosures around the swimming pool including the pool deck and the pool yard area shall have the fencing located so as to maintain a minimum of twenty (20) feet in distance between the property lines and the swimming pool fencing lines.
 Swimming pool fencing in this regard must comply with By-Law # 73 of the Municipality of the County of Kings to the extent that the fence must be five (5) feet in height above grade level. However, in complying with by-law # 73, no swimming pool fencing shall exceed over five (5) feet in height above grade level at the base of the fence and must comply with construction approval and format as previously outlined for general fencing construction. As an example open wooden construction with vertical pickets or boards shall have a spacing being no closer than three (3) inches clear viewing space between the boards when looking directly at the boards. As with general fencing, all swimming pool fencing must be approved by the Grantor.
33. No living tree with a butt diameter of more than four inches (4") shall be cut down, destroyed or removed from the Said Lands at any time without the expressed written approval of the Grantor. If such a tree is cut down, destroyed or removed with the written approval of the Grantor, the same shall be replaced forthwith by the Grantee at his expense; provided, however, that trees standing within the area to be excavated for the erection of a building thereon or the immediate improvement of the grounds may be cut down or removed as directed by the Grantor.
34. No recycling (except recycling and composting containers for domestic use as required by the governing municipal authorities to be located within fifty feet (50') of the dwelling), incinerator or other refuse-burning device shall be erected or maintained upon the Said Lands without the written approval of the Grantor, and no such incinerator or other refuse-burning device shall be used other than in accordance with the requirements of any statute, regulation or by-law promulgated by any governmental agencies having jurisdiction in that regard. No refuse, building waste, car bodies or other obnoxious material of any kind shall be dumped or stored on the Said Lands except clean earth for the purpose of leveling in connection with the erection of a building thereon or the immediate improvement of the Said Lands.
35. The Grantee shall not withhold consent to the construction of sidewalks, pavement, sewers, water mains and other local improvements that may be petitioned for by the Grantor. The Grantee shall not withhold consent to the

erection or installation and maintenance at the front or side of any lot contained in Canaan Heights of electric, natural gas, telephone and/or television poles, lines and equipment and guys, anchors and other fastening devices in connection therewith and underground cables, all for common use, with all necessary access from time to time for all employees of the person, firm or corporation, or persons, firms or corporations furnishing, maintaining and repairing same.

36. The Grantor shall have the right to convey to the Municipality of Kings County or other public authority any part of Canaan Heights (other than the lands already conveyed) for park, recreational or similar purposes.
37. The Grantee shall meet any and all requirements imposed on his individual lot by the Municipality of the County of Kings By-Laws, and any permits issued pursuant to the Municipality of the County of Kings By-Laws, and by the Nova Scotia Department of the Environment, including, but not limited to, the Erosion and Sediment Control Plan for the specific lot. If infractions are not complied with, the Grantee shall allow the Grantor or his agents to access Said Lands for the purpose of rectifying the problem. The Grantor will back charge the Grantee for any costs associated with the foregoing, and these costs will be due and payable immediately by the Grantee.
38. No erections including, but not limited to, exterior television or radio aerials or antennas, solar panels, heat pumps, Selkirk/propane chimneys and above ground storage tanks shall be erected or maintained on any part of the Said Lands without the written approval of the Grantor. Satellite dishes with a diameter of less than eighteen (18) inches may be mounted only on the rear exterior of the dwelling house.
NOTE: All Selkirk chimneys, vents, metal ducts, air conditioning systems, etc. which protrude more than 1' - 0" (12") above the roof shall be enclosed with a wooden structure that contains the same exterior finish and colour as the finish of the residence.

CLOTHESLINES

While the installation of clotheslines is not recommended, the Grantor will, however, allow exterior clotheslines in the back yard of any residence which conforms to the following guidelines:

- Clotheslines must be placed to the back of the house and located within twenty (20) feet of the house to minimize visibility to neighbours and any public traversing through the subdivision;
 - Clotheslines must be installed at ground level including a ground level patio;
 - Clotheslines must be compact and foldable either in a tree form or umbrella style, retractable style mounted to an installed post or some similar design;
 - Pulley clotheslines or walk-along clotheslines stretching across backyards are not permitted.
39. Any damage to any of the municipal services which have been installed by or on behalf of the Grantor (which services shall include, but are not limited to, water service lines and curb stops) caused by the Grantee, or by any person working or engaged on his behalf, shall be repaired at the Grantee's expense. If the Grantee does not effect such repairs within a reasonable time upon receipt of a notice to repair from the Grantor, then the Grantor may repair the same and recover the cost thereof from the Grantee.
 40. Notwithstanding anything herein contained, the Grantor and its successors shall have the power, by instrument or instruments in writing from time to time to waive, add, alter or modify the above covenants and restrictions in their application to the Said Lands or to any part thereof without notice having to be given to the owner of any other lot in the Said Lands.
 41. Contraventions shall not affect the validity or enforceability or any other restrictions. The Grantor is not responsible for the enforcement of compliance with these covenants; however, in the event that the Grantor chooses to enforce compliance with the covenants, the party in fault with the covenants is responsible to the Grantor for all claims, damages, costs or expenses resulting therefrom, including legal fees on a solicitor-client basis.
 42. SUCCESSORS
Any subsequent Grantor of a lot or residence shall not, and hereby agrees not to grant, sell or convey any interest in or to any part or parcel in the said subdivision, without inserting in the conveyance thereof each of the covenants and restrictions contained herein and the Grantor further covenants that subsequent conveyance of the said premises conveyed herein shall be subject to all the covenants and restrictions contained herein and that any future purchaser or grantee of any part or parcel in the subdivision shall be required to also execute their signature on the deed being transferred to them which contains the Restrictive Covenants.
 43. It is hereby declared and agreed that each of the foregoing stipulations, restrictions, provisions and covenants shall remain in force at all times and shall run with the above, described parcel of land and shall remain in full force and effect as against any owner of the lands or any part thereof until the year of 2024 A.D. whether such ownership was or is acquired by purchase, foreclosure, devise, inheritance or otherwise: and further that the undertakings herein shall be enforceable by injunction or otherwise by the Grantor or by the owner of any lot within the said Subdivision.