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BETWEEN:

Melcor Developments Ltd.

Columbus Investment Corporation Ltd.

Desa Stores Ltd.

- and -

Eagle Ridge Homeowners Association

**RESTRICTIVE COVENANT AND
ENCUMBRANCE AGREEMENT**

2/3cm.

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RESTRICTIVE COVENANT AND ENCUMBRANCE AGREEMENT

MADE THIS 9th day of September, 1992.

BETWEEN:

MELCOR DEVELOPMENTS LTD., ("Mecor"), DESA STORES LTD.
("Desa") and COLUMBUS INVESTMENT CORPORATION LTD.
("Columbus") all being corporations incorporated under the laws of the
Province of Alberta (hereinafter called the "Developers")

OF THE FIRST PART

- and -

EAGLE RIDGE HOMEOWNERS ASSOCIATION, a society incorporated
under the Societies Act of Alberta with registered office at 8203 Macmillan
Place in the City of Edmonton, in the Province of Alberta (hereinafter
called "the Homeowners Association")

OF THE SECOND PART

WHEREAS;

(a) The Developers are registered as owner of lands in the City of Edmonton, in the Province of Alberta described in Schedule "A" hereto (each lot on said lands being hereinafter described as a "Subdivided Lot" and all the said lands collectively being hereinafter described as the "Stage One Lands"), as to the said Mecor Developments Ltd. an undivided 29% interest, as to the said Desa Stores Ltd. and undivided 35.5% interest, and as to the said Columbus Investment Corporation Ltd. and undivided 35.5% interest;

(b) The Stage One Lands are part of a planned development in stages of lands that are herein described as the "Eagle Ridge Subdivision";

(c) The Developers wish to develop on the Stage One Lands a residential development for single-family homes, and multi-family homes or condominiums special aspects of which are to be:

- i. development control;
- ii. the sharing of maintenance of Subdivision Features by and through the Homeowners Association; and

(d) The Homeowners Association is (or will be) the holder of leases, easements and other rights in, to and over portions of Subdivided Lots within the Eagle Ridge Subdivision, including:

- i. easements for Perimeter Fences on all Subdivided Lots on the outside perimeter of the Eagle Ridge Subdivision;
- ii. easements or leases for the following subdivision common elements:
 - a. entrance gateways,

- b. a feature tower;
- iii. easements and other rights for maintenance of Subdivision Features; and
- iv. such other leases and easements as the Homeowners Association deems appropriate for the overall benefit of the Eagle Ridge Subdivision and its owners;

NOW THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

1 DEFINITIONS

IN THIS INSTRUMENT the following terms have the following meanings:

- 1.1 "Approving Authority" means:
 - 1.1.1 Unless if the Developers shall remain the legal or beneficial owners of any Subdivided Lot within the Stage One Lands; or
 - 1.1.2 If the Developers shall no longer beneficially own any Subdivided Lot within the Stage One Lands, the Homeowners Association;
- 1.2 "Architectural Guidelines" means the architectural guidelines described in Schedule "C" hereto.
- 1.3 "Homeowners Association Land Interests" means
 - 1.3.1 the easement held by the Homeowners Association on some of the Subdivided Lots within the Stage One Lands (being those identified in Schedule "A" as bearing Homeowners Association Land Interests) being an easement in writing registered at the Land Titles Office for the Northern Alberta Land Registration District as instrument No. 822 282 201; the benefit of which is assigned to the Homeowners Association by the lease described in subsection 1.3.2 below; and
 - 1.3.2 that certain lease in writing registered against the Feature Lands at the said Land Titles Office as instrument No. _____.
- 1.4 "Eagle Ridge Subdivision" means the Stage One Lands and such other lands within the lands described in Schedule "B" hereto as may hereafter become part of the subdivision known as Eagle Ridge (the extent and boundaries of which shall be determined by the Homeowners Association).
- 1.5 "Entrance Gateway" means the stone-work entries and appurtenant landscaping and lighting now or hereafter constructed on a portion of the Feature Lands and any other stone-work entries and appurtenant landscaping and lighting now or hereafter constructed on or adjacent to any roadway entrance to any part of the Eagle Ridge Subdivision.
- 1.6 "Feature Lands" means the lands identified in Schedule "A" hereto as bearing Homeowners Association Land Interests.

- 1.7 "Feature Tower" means the Feature Tower and plaza and appurtenant landscaping and lighting constructed (or hereinafter constructed) on a portion of the Feature Lands.
- 1.8 "Material Alteration" means:
- 1.8.1 any addition to a building situate on a Subdivided Lot, or
 - 1.8.2 any change in the materials or colours or textures utilized in the exterior cladding of the building that significantly affect the style or appearance of the building and is inconsistent with the styles or appearances provided for in the Architectural Guidelines,
- 1.9 "Multi-Family Land Factor" is:
- 1.9.1 twenty-five (25) if the Multi-Family Land is not subdivided further into single-family residential, semi-detached residential lots or condominium units, and
 - 1.9.2 the number of Subdivided Lots or condominium units created within the Multi-Family Land if it is so further subdivided or condominiumized.
- 1.10 "Multi-Family Land" means Lot 1, Block 80 as more particularly described in Schedule "A" hereto.
- 1.11 "Parcel" means any one of the lots described in Schedule "A" hereto.
- 1.12 "Perimeter Fence" means the perimeter fence constructed or to be constructed along the Rabbit Hill Road and Riverbend Road boundary of the Eagle Ridge Subdivision.
- 1.13 "Public Lands" means public roadways, municipal parks, school sites, environmental reserve and other lands from time to time dedicated to the City of Edmonton for public use.
- 1.14 "Rent Charge Proportion" means:
- 1.14.1 as to all Subdivided Lots, other than the Multi-Family Land, the fraction equal to one (1) divided by the Rent Charge Total, and
 - 1.14.2 as to the Multi-Family Land the fraction equal to the Multi-Family Land Factor divided by the Rent Charge Total.
- 1.15 "Rent Charge Total" means the aggregate of:
- 1.15.1 the number of Subdivided Lots excluding the Multi-Family Land from time to time situate within the Eagle Ridge Subdivision, as determined by the Homeowners Association from time to time, plus
 - 1.15.2 the Multi-Family Land Factor.
- 1.16 "Subdivided Lot" means any single-family residential lot, semi-detached residential lot or multi-family residential lot.
- 1.17 "Subdivision Features" means the Feature Tower, Entrance Gateway, the Perimeter Fence,

and Special Treatments.

- 1.18 "Special Treatments" includes patterned sidewalks, decorative street lamps, landscaped cul-de-sacs, islands, walkways, playgrounds, electrical power and lighting, common area gardens, flower beds and landscaping and other facilities now or hereafter constructed in the Eagle Ridge Subdivision the care or maintenance of which may be undertaken from time to time by the Homeowners Association.
- 1.19 "Stage One Lands" means all those lands described in Schedule "A" hereon.
- 1.20 "Term" means the period commencing on the date hereof and expiring on the 90th anniversary of the date hereof.

2 RESTRICTIVE COVENANT

THE DEVELOPERS, as registered owners in fee simple of all of the Stage One Lands, and each of the Subdivided Lots within the Stage One Lands, subject to such liens, encumbrances and interests as are notified by a memorandum underwritten, in consideration of the premises and the mutual covenants herein contained, on its own behalf and on behalf of their respective successors in title to each such Subdivided Lot, do accordingly covenant and agree with themselves as registered owners of each of the remainder of the Subdivided Lots within the Stage One Lands described in Schedule "A" hereto, and with the Homeowners Association as the holder of the Homeowners Association Land Interests and with each of their successors in title thereto that:

- 2.1 The land use and occupancy restrictions hereinafter described as being applicable to the Stage One Lands shall be and be deemed to be covenants running with the Stage One Lands and each Subdivided Lot therein and shall inure to the benefit of all other Subdivided Lots in the Stage One Lands, and may accordingly be enforced in respect of any Subdivided Lot for the benefit of which they have been granted by the owner of such Subdivided Lot and by the Homeowners Association.
- 2.2 The said covenants and conditions shall not be personally binding upon or enure to the benefit of the Developers or their respective successors and assigns in title except while it or they remain the registered or beneficial owner or owners of any of the Subdivided Lots and then only in respect of such Subdivided Lots as are owned by it or them.
- 2.3 The restrictions that shall apply to each Subdivided Lot within the Stage One Lands are the following:

- 2.3.1 No building shall be constructed on any Subdivided Lot unless the plans and specifications therefor shall meet the Architectural Guidelines set out in Schedule 'C' hereto and shall first have been approved in writing by the Approving Authority. Further, no Material Alteration shall be made to any building constructed on a Subdivided Lot without prior written approval by the Approving Authority.
- 2.3.2 The Approving Authority may designate a person, firm or corporation to act as its agent in carrying out its functions as the Approving Authority.
- 2.3.3 Approval by the Approving Authority may not be obtained unless plans and specifications of the building or the addition or alterations are first provided to the Approving Authority. Nothing in this paragraph 2.3 shall prevent any owner or occupant of a Subdivided Lot from effecting repairs to a building restoring the same to substantially the same state of appearance, design and use applying after its initial construction (or approved alteration).
- 2.3.4 No outdoor clothes-hanging devices and no outdoor communication or other satellite dishes, or aerials or similar devices shall be placed or kept on any Subdivided Lot without the prior written approval of the Approving Authority.
- 2.3.5 No recreational vehicles or trailers shall be parked or kept on any Subdivided Lot (unless inside a garage) for more than forty-eight (48) hours, without the prior written approval of the Approving Authority.
- 2.3.6 No signs or advertising material, other than "for sale" or "for rent" signs not exceeding four square feet in area shall be placed or kept on any Subdivided Lot, without the prior written approval of the Approving Authority.

Notwithstanding the foregoing, the following Architectural Guidelines shall not apply to the Multi-Family Land unless and until it is hereafter re-subdivided into single-family residential lots:

- 2.3.7 Sections 2.1, 2.2, 2.3 and 2.5, and
- 2.3.8 All of Article 3.0.

3 THE HOMEOWNERS ASSOCIATION

3.1 Membership and Voting Rights

- 3.1.1 Every owner in fee simple of a Subdivided Lot within the Eagle Ridge Subdivision shall be entitled to be a member of the Homeowners Association, subject to and bound by the Homeowners Association's Application for Incorporation, By-laws, Rules and Regulations, and this Agreement. Melsor shall be and is entitled to be a member in respect of each Subdivided Lot as to which the Developers are and remain the beneficial owner until such time (in respect of each Subdivided Lot

respectively) as the Subdivided Lot is transferred to a purchaser who buys the Subdivided Lot from the Developers. Mekor shall also be entitled to be a member in respect of such of the lands within the Eagle Ridge Subdivision as remain owned by the Developers and unsubdivided. The foregoing does not include persons or entities who hold a leasehold interest or interest merely as security for the performance of an obligation. Ownership, as defined above, shall be the sole qualification for membership. Dem and Columbus, however, acknowledge that they do not wish to be or become, and they shall not be eligible to be or become, members unless they (or one of them) become both legal and beneficial owner of the entire fee simple interest in one or more Subdivided Lot. When any Subdivided Lot is owned by two or more persons or other legal entity, all such persons or entities shall be members but they shall have voting rights limited as herein set out. An owner of more than one Subdivided Lot shall be entitled to membership in respect of each Subdivided Lot owned by him. Save as provided in paragraph (3.1.3) hereof, membership shall be appurtenant to and may not be separated from ownership of any Subdivided Lot, and entitlement to it shall be automatically transferrable by conveyance or other transfer of that Subdivided Lot. Anyone who ceases to be an owner of a Subdivided Lot shall ipso facto cease to be a member. This provision shall not apply to Mekor who shall also be a member as long as the Developers legally or beneficially own one or more Subdivided Lots or unsubdivided lands within Eagle Ridge Subdivision.

3.1.2 The Homeowners Association shall have three classes of voting membership, Class A, Class B and Class C. All votes shall be cast in the manner provided in the By-laws. When more than one person or entity holds an interest in any Subdivided Lot, the vote for each Subdivided Lot shall be exercised (as between them) as provided for in the By-laws; but in no event shall more than the number of votes hereinafter designated be cast with respect to any such Subdivided Lot. The three classes of voting memberships, and voting rights related thereto, are as follows:

3.1.2.1 Class A. Class A members shall be:

- 3.1.2.1.1 the subscribers to the Homeowners Association's incorporation and charter documents (and substitutions thereof made by Mekor); and
- 3.1.2.1.2 all owners other than Mekor of Subdivided Lots,

excluding the Multi-Family Land as long as it is not subdivided or condominiumized; and

3.1.2.1.8 if the Multi-Family Land is subdivided into single-family residential lots or semi-detached residential lots or shall be the subject of a registered condominium plan, all owners (other than Melcor) of such residential lots or condominium units.

Class A owners shall be entitled to one (1) vote for each subscriber and one (1) vote for each Subdivided Lot owned;

3.1.2.2 Class B. The Owners of the Multi-Family Land shall be the only Class B members. As long as the Developers own the Multi-Family Land, Melcor shall be the Class B member. Such Class B members shall, for as long as the Multi-Family Land remains unsubdivided and not the subject of a condominium plan, be entitled to twenty-five (25) votes in respect of the Multi-Family Land. If the Multi-family Land shall be subdivided into single-family residential lots, semi-detached residential lots or shall be the subject of a registered condominium plan, then there shall be no Class B members, but the said residential lot owners or condominium unit owners (as the case may be) shall be entitled to be Class A members (or Class C members as to Melcor relative to the lots owned by the Developers).

3.1.2.3 Class C. Melcor shall be the only Class C member. Class C members (Melcor) shall have Fifty (50) votes for each Subdivided Lot (excluding the Multi-Family Land) which the Developers own legally or beneficially and fifty (50) votes for that portion (if any) of the Eagle Ridge Subdivision that remains unsubdivided and owned by the Developers.

3.1.5 Notwithstanding the foregoing, the subscribers to the Homeowners Association's incorporation and charter documents are entitled to be and shall be members, whether or not they shall own any Subdivided Lots, until such time as the Developers shall have subdivided and sold and transferred at least one hundred (100) Subdivided Lots in the Eagle Ridge Subdivision. Further, Melcor may select and designate and retain as members substitutions for such subscribers (who may be officers, directors or employees of Melcor) who shall be eligible to be members even though they do not own any Subdivided Lots. Such persons who are

members pursuant to this clause (2.1.8) shall each and all be entitled to continue to be members until the Developers shall have sold and transferred to purchasers at least one hundred (100) Subdivided Lots. They shall automatically cease to be members after the Developer's transfer of the one hundredth (100th) Subdivided Lot. They shall, notwithstanding their ceasing to be members, nonetheless be entitled to serve as members of the Board of Directors and/or officers of the Homeowners Association until the Developers no longer own any land in the Eagle Ridge Subdivision. After the transfer of one hundred (100) Subdivided Lots by the Developers as aforesaid, the said five (5) members shall not have any power to vote in their own right; but any one (or some or all of them) may act as proxies for and cast votes for the Developers.

3.2 Rights and Obligations of the Homeowners Association

3.2.1 **Responsibilities.** The Homeowners Association, subject to the rights of the Owners set forth in this Article 3.2, shall be responsible for the management and control of all Subdivision Features, and shall keep the same in good, clean and proper condition, order and repair.

3.2.2 **Manager.** The Homeowners Association may obtain, employ and pay for the services of any entity or person (hereinafter called the "Manager") to assist in managing its affairs and carrying out its rights and obligations hereunder to the extent it deems advisable, as well as such other personnel as the Homeowners Association shall determine to be necessary or desirable, whether such personnel are furnished or employed directly by the Homeowners Association or by the Manager. Without limitation, the Homeowners Association may contract with or employ Melcor or an associated company to perform and exercise (and in the Homeowners Association so contracting Melcor and the representatives it elects under paragraph 3.1.3 hereof shall be free to exercise Melcor's voting right in the Homeowners Association) its rights and obligations or to act as Manager for any period not extending past December 31, 1968. Any management agreement must be terminable for cause upon thirty (30) days notice, be for a term not to exceed one year, and be renewable only upon mutual consent of the parties.

3.2.3 **Implied Rights.** The Homeowners Association may exercise other rights or privileges given to it expressly by this Agreement, its Articles or By-laws, or by

law, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privileges granted herein or therein.

4 COVENANT FOR MAINTENANCE ASSESSMENTS

- 4.1 There shall be payable to the Homeowners Association from time to time, as assessed and levied by the Homeowners Association from time to time, by the registered owner in fee simple of each Subdivided Lot, a sum equal to such Subdivided Lot's Rent Charge Proportion of the Homeowners Association's Costs, as and by way of a Rent Charge. If the Multi-Family Land is hereafter subdivided into Subdivided Lots or condominium units, from and after the registration of the plan for such subdivision or condominium, the Rent Charge Proportion applicable to the Multi-Family Land shall be apportioned equally between the resulting Subdivided Lots or condominium units (as the case may be) and the Rent Charge Proportion applicable to the Multi-Family Land will thereafter be limited as against each Subdivided Lot or condominium unit to the said apportioned extent. For purposes hereof "condominium unit" includes the applicable common property interest apportioned to the unit.
- 4.2 The Developer hereby, as registered owner in fee simple of each of the Subdivided Lots within the Stage One Lands (as described in Schedule "A" hereto), subject to such liens, encumbrances and interests as are endorsed hereon, grants to the Homeowners Association a Rent Charge as against and in respect of each Subdivided Lot, equal to the following:
- 4.2.1 as to each Subdivided Lot excluding the Multi-Family Land (and also as against and in respect of each residential lot or condominium unit resulting from subdivision or condominiumization of the Multi-Family Land) the lesser of:
- 4.2.1.1 \$480.00 per annum during the Term or such other amount as is determined by Special Resolution pursuant to paragraph 4.3; or
- 4.2.1.2 the Rent Charge Proportion of the Homeowners Association's Costs from time to time during the Term hereof determined as herein provided for; and
- 4.2.2 and as to the Multi-Family Land (unless subdivided or condominiumized as aforesaid) the lesser of:
- 4.2.2.1 \$12,600.00 per annum during the Term or such other amount as is determined by Special Resolution pursuant to paragraph 4.3; or
- 4.2.2.2 the Rent Charge Proportion of the Homeowners Association's Costs from

time to time during the Term hereof determined as herein provided for, and encumbers, mortgages and charges each Subdivided Lot as security for payment of the Rent Charge applicable to each such Subdivided Lot (respectively).

- 4.3 "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 Homeowners Association in and in respect of carrying out and exercising its rights, duties and obligations hereunder, as determined by the Board of Directors of the Homeowners Association from time to time. Notwithstanding the foregoing, and notwithstanding Paragraph 4.2 hereof, the Homeowners Association's costs for any Subdivided Lot except the Multi-Family Land (unless the latter is subdivided or condominiumized as aforesaid) shall not exceed four hundred and eighty (480.00) dollars per annum (and as to the Multi-Family Land shall not exceed \$12,000.00 per annum) unless authorized by Special Resolution of the Homeowners Association whereby a minimum of seventy-five (75%) percent of all of the members of the Homeowners Association approve the change.
- 4.4 The registered fee simple Owner from time to time of each Subdivided Lot (or condominium unit, if any) shall pay the Rent Charge applicable to his Subdivided Lot as and whenever required by the Homeowners Association. The Board of Directors of the Homeowners Association shall from time to time estimate the Homeowners Association's Costs (including without limitation reserves for maintenance, repair and replacement costs) for such period as it deems convenient to its administration and shall notify each Owner of the amount of such estimate and the Owner's share thereof (that is, his Rent Charge) by notice in writing delivered to or on, or mailed by ordinary mail to the address of any dwelling situate on, each Subdivided Lot. Each such estimate shall state an annual payment amount for the Rent Charge payable for the period such as will (if paid) pay the full amount of such estimate within the period. The Rent Charge for each Subdivided Lot (or condominium unit, if any) shall be the sum so notified by the Homeowners Association as applicable to the Subdivided Lot and the annual payment shall be due and payable on the 1st day of March during each year that falls within the period.
- 4.5 The Rent Charge shall be and is hereby made an encumbrance upon each respective Subdivided Lot (and condominium unit, if any) and the Homeowners Association shall have and be entitled to enforce such Rent Charge against each (respective) Subdivided Lot

(and condominium unit, if any) in the same manner as provided for an Encumbrance under the Land Titles Act of Alberta.

- 4.6 The said Rent Charge shall run with and bind the title to each respective Subdivided Lot (and condominium unit, if any).
- 4.7 Notwithstanding anything herein contained no Rent Charge shall be levied, assessed or payable for any period prior to December 31, 1993; and the Developers shall provide all duties and functions of the Homeowners Association at the Developers' sole cost and expense to such date. The Developers shall, as shall all Owners, be subject to all Rent Charges levied on Subdivided Lots owned by them (respectively) from and after December 31, 1993.
- 4.8 The Board of Directors of the Homeowners Association shall (subject to the limitation stated in paragraph 4.3 hereof) be the sole determiner of the Homeowners Association's Costs, the Rent Charge Proportion and the amount of the Rent Charges from time to time; and a certificate stating the same and signed by two or more Directors of the Homeowners Association, or signed by an officer of Melcor if Melcor is then a member of the Homeowners Association, shall be conclusive and binding on all Owners within the Eagle Ridge Subdivision (including without limitation the owners of the Subdivided Lots in the Stage One Lands). The Board of Directors of the Homeowners Association shall, for and on behalf of the Homeowners Association, determine the Subdivided Lots (and condominium units, if any) in addition to the Stage One Lands that fall within the Eagle Ridge Subdivision from time to time; and the foregoing certificate provisions shall apply as such determination.
- 4.9 Without limiting the foregoing, the Homeowners Association hereby confirms that the Rent Charge for each Subdivided Lot (except the Multi-Family Land) for the period commencing January 1, 1994, has been set at the sum of one hundred and twenty (\$120.00) dollars per annum per Subdivided Lot and for the Multi-Family Land has been set at the sum of \$3,000.00 per annum and such Rent Charge shall be payable by annual payment on the 1st day of March in each year from and including March 1, 1994. If the Homeowners Association or its Board of Directors fails or omits to determine or notify Owners of the Rent Charge for any portion of the Term hereof after December 31, 1994,

or if the Rent Charge for any portion of the Term shall otherwise not be ascertained or ascertainable then the Rent Charge for such portion of the Term shall be and be deemed to be one hundred and twenty (\$120.00) dollars per annum for Subdivided Lots other than the Multi-Family Land and to be \$2,000.00 per annum for the Multi-Family Land; provided that if the Multi-Family Land is subdivided or condominiumized, the Rent Charge applicable to each residential lot or condominium unit resulting therefrom shall be \$120.00 per annum.

4.10 Any Rent Charge not paid when due shall bear interest (and the Owner of the Subdivided Lot (or condominium unit, if any) in default shall pay interest on the Rent Charge in default) at the rate of SIXTEEN (16%) per cent per annum calculated monthly, not in advance, from the date due until paid; and such interest shall be and is hereby a charge upon the said Subdivided Lot (or condominium unit, if any).

4.11 The Homeowners Association shall be at liberty, in its sole discretion, to postpone the Rent Charge and Encumbrances herein provided for, in respect of any Subdivided Lot, to a registered first mortgage of such Subdivided Lot.

5 TERM

5.1 This Agreement and the rights, licenses, interests, privileges and charges hereby granted shall be for a term of ninety-nine (99) years commencing on the date hereof and expiring on the ninety-ninth (99th) anniversary of such date.

6 MISCELLANEOUS

6.1 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6.2 If any part of this Agreement shall be void, unlawful or unenforceable for any reason whatsoever, such part shall be severable from this agreement without affecting or derogating from the validity and enforceability of the remainder hereof.

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IN WITNESS WHEREOF the parties have each hereunto affixed its respective seal as witnessed by the hands of its proper officers duly authorized in that behalf as of the day and year first above written.

MELCOR DEVELOPMENTS LTD.

Per: [Signature]

Per: [Signature]

DESA STORES LTD.

Per: [Signature]

Per: _____

CORPORATION
COLUMBUS INVESTMENTS LTD.

Per: [Signature]

Per: [Signature]

EAGLE RIDGE COMMUNITY ASSOCIATION

Per: [Signature]

Per: [Signature]

SCHEDULE "A"

**Eagle Ridge Homeowners Association
Restrictive Covenant and Encumbrance Agreement**

PART I

The Restrictive Covenant and Encumbrance applies to all the following lands as Stage One Lands, all being Lots shown on Plan 922 2535, namely:

- (a) Firstly, in Block Eighty (80): Lot One (1) and Lots Three (3) through Ten (10), inclusive ✓
Reserving thereout all mines and minerals
- (b) Secondly, in Block Ninety-Two (92): Lots One (1) to Forty-Six (46) inclusive ✓
Reserving thereout all mines and minerals
- (c) Thirdly, in Block Ninety-Three (93): Lots One (1) through Eleven (11) inclusive ✓
Reserving thereout all mines and minerals

The foregoing are the "Stage One Lands" as defined in the annexed Restrictive Covenant and Encumbrance Agreement.

**Eagle Ridge Homeowners Association
Restrictive Covenant and Encumbrance Agreement**

The Homeowners Association Land Interests are located on the following lots, all shown on Plan 922 2535, namely:

- Reserving out of all of the said lands all mines and minerals

The feature Lands as described in the annexed Restrictive Covenant and Encumbrance Agreement are the following lots shown on Plan 922 2535, namely:

- Reserving out of all the said lands all mines and minerals

SCHEDULE "B"

**Eagle Ridge Homeowners Association
Restrictive Covenant and Encumbrance Agreement**

Multi-Family Lands as defined in the annexed Restrictive Covenant and Encumbrance Agreement
are the following, namely:

Plan 922 2435

Block Eighty (80), Lot One (1)
Reserving thereout all sales and minerals

Eagle Ridge

"Schedule C"
Eagle Ridge Homeowners
Association
Restrictive Covenant
and Encumbrance
Agreement

ARCHITECTURAL DEVELOPMENT GUIDELINES

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Introduction

This document outlines the opportunities and constraints associated with the Eagle Ridge development and provides a set of subdivision guidelines which will direct homebuyers, designers and builders towards appropriate building forms and details.

House plans will be reviewed in terms of their adherence to plans which incorporate these guidelines.

Applicants may provide alternative details to those outlined in these guidelines providing that it is demonstrated that conformity to the overall objectives for the quality of the area is being maintained. The acceptability of such alternatives is solely at the Design Committee's discretion.

Architectural Guideline Objectives

There are three primary objectives that have been considered in developing the Architectural Guidelines.

1. The general architectural thrust will encourage richly detailed homes which are uniquely suited for the stretch sized lots. Traditional and California styles are preferred. Modern designs will be considered providing that they contain sufficient detail and/or a major component of natural material in the finish.
2. The Quality of the Community - the Architectural Guidelines are the mechanism which encourages the community to be a high level of quality, reflecting an image appropriate to the setting.
3. The Diversity of the Community - the Architectural Guidelines are to be implemented selectively and to varying degrees in accordance with an overall merchandising plan. Key areas are highlighted by means of increased design control to ensure appropriate response to hillside, view lots, as well as lots adjacent to Rabbit Hill Road.

Architectural Guidelines

1.0 City of Edmonton Standards

Formal standards for development will be those as established in the City of Edmonton Land Use Bylaw. Conformity with these guidelines does not supersede the required approval process of the City of Edmonton.

2.0 Building Massing and Siting

2.1 Setbacks/Seperation Space

Minimum setbacks for all side yards will conform to those established by the City of Edmonton RF-1 District.

Side yards shall be established on the following basis:

(a) side yards shall total at least 20% of the site width, with a minimum side yard of 1.2 m (3.95 ft.), except that the minimum side yard for buildings over 7.5 m (24.6 ft.) in height shall be 2 m (6.6 ft.);

(b) on a corner site where the building fronts on the front yard the minimum side yard abutting the flanking public roadway other than a lane shall be 20% off the site width, to a maximum of 4.5 m (14.8 ft.);

(c) on a corner site where the building fronts on a flanking public roadway other than a lane, the minimum side yard abutting the flanking public roadway shall be 4.5 m (14.8 ft.).

Seperation Space shall be provided between two or more Dwellings or portions thereof on the same site, in accordance with Section 58 of the Edmonton Land Use Bylaw.

2.2 Siting and Site Coverage

The maximum site coverage is 40% for house and attached garage as per the City Bylaw.

The siting of dwelling units shall reflect the site attributes of topography, views, exposure to sunlight and the need for privacy. Lot siting should be examined to encourage proper lot drainage and height of house which does not completely obscure the view from lots up slope.

2.3 Massing and Building Heights

The maximum building height is 10 m (32.8 ft.).

The minimum roof pitch is 4:12.

The intent is to provide an overall site composition of sloped roofs while allowing for an expression of

uniqueness for individual residences and the internal functions of each house. Houses within the same street or cul-de-sac are to have a consistency of apparent volume, i.e. small homes cannot go directly beside larger homes. Minimum floor area is 186 m² (2,000 sq. ft.) for bungalow and 204 m² (2,200 sq. ft.) for split levels (calculating the upper two levels only, levels partially below grade are not included in the calculations). Minimum floor area is 260 m² (2,800 sq. ft.) for 2 storey.

Houses should be specially designed to adapt to sloped lots, i.e. split levels.

If, in the opinion of the Developer/Design Consultant, the use of the standard floor plans results in excessive grading work and retaining walls, then such homes will not be allowed.

Walkout Basement Lots: The rear house elevations for these lots should be designed to avoid 3-storey high rear wall treatments. The distance from grade to the first eave line is to be less than 20 feet.

Essentially, the architectural devices that can best achieve this rear wall requirement are downhill sloping roofs in combination with dormers, variations in the rear wall plane, retaining walls and grading.

Lots Backing on Rabbit Hill Road: The rear house elevations for these lots are highly visible to Rabbit Hill Road and therefore are critical to the public's impression of the community.

To enhance the community's image, the rear elevation should be given the same attention to design as the front elevations. This objective can be achieved through: similar detailing to that used on the front elevation, a special rear entrance treatment and variation in the two storey massing (balconies, cantilevers and roof lines, etc.). The Design Committee reserves sole discretion on the acceptability of these elevations.

2.4 Lot Grading

Lot grading is to be consistent with the subdivision grading plan. The minimum slope allowed is 2%.

Lot grading should be absorbed with the building massing (i.e. step floors, walk-out basements, etc.) to minimize the need for grades steeper than 3 to 1.

All plot plans will be prepared by the designated surveyor. The staking out of the homes will be carried out jointly by the builders and the designated surveyor. This procedure will facilitate establishing building elevations that are appropriate for the onsite grading conditions.

Sideryard Grading: In addition to the critical grade control points at the corner pins of the lots, the grade elevations along the centre length of side property lines will also be important considerations.

The Design Committee reserves the right to adjust all the grading requirements between units after both the affected homes have been submitted. A co-ordinated grading review will be carried out to ensure that the proposed final grades of the first house submitted do not adversely affect the adjacent house. The final grading requirements will be balanced to the mutual benefit of both houses.

Particular attention is to be given to the sideyard grading for those lots with front to back falls and/or side to side falls. In the case of a side to side falling lot, the base of the steps for any side door access must be approximately equal to the level of the driveway at the garage door. For those lots with grades generally falling towards the back yards, the base of these steps are to be lower than the level of the driveway. Keep in mind that in these cases, modifications to the exterior cladding may be necessary to ensure that maximum 2" purge line is maintained.

In the case of those walkout basement lots adjacent to non-walkout basement lots, retaining walls between back yards may be required.

2.5 Repetition

Designs with approximately identical house elevations may not be repeated more often than every sixth house on either side of the street.

To be different means that there is a significant change in features such as roof slopes, size and location of windows and doors, colour and finish materials. A change of material alone and reversing the plan is not sufficient.

3.0 Materials

3.1 Roof Material

The roof is to be either shakos (untreated) or clay tile. Other roof finishes will be considered if it can be shown by the applicant that these are in keeping with the overall objectives of the guidelines.

All roof stacks, flashings, etc. are to be painted out to match roof colour. All fascia board ends are to be cut within 10 degrees of vertical and are to be a minimum of 12" deep.

Rainwater leaders, eavestroughs and fascias should match the trim colour as selected.

Overhangs on upper levels are recommended to be 1' to 1'-6", and on lower levels are to be 2'.

3.2 Chimneys

The main chimney is to be brick, stone or stucco. Siding is only allowed on the secondary chimneys. All brick, stone or stucco chimneys are to incorporate corbelled detailing (Queen Anne Style) and include concrete rain caps. Vinyl clad chimneys are to have a decorative cap similar in character to the masonry caps.

Chimneys against exterior walls are to project out 2' from the wall face.

3.3 Exterior Finishes

If the predominant exterior finish is to be vinyl or aluminum siding or stucco, then the exterior finish must also include a complementary natural material (wood, stone, or brick).

Exterior siding is to be horizontal only. Fascia boards are required in a colour complementary to the siding or to match the trim colour.

Allowable materials include cedar siding, stucco, double four aluminum siding or double four vinyl siding with a 4"-5" exposed profile.

No higher than 2'-0" of concrete walls are to be exposed above grade. Higher concrete walls (i.e., walk-out basements, drive-under garages, etc.) are to be clad with the predominant siding material.

Special attention should be paid to window accents. Use of muntin bars, shutters, mouldings, trim boards or casements is encouraged.

We are strongly encouraging the use of at least one arched window and the use of muntin bars on the front elevations.

Houses on corner lots are to have two full elevation treatments adjacent to street.

Garages are to be finished in similar design and materials to the house. Garage doors are to be painted or stained wood.

Electrical meters and gas meters are to be located on the back half of the house so as to minimize any view from the front street.

3.4 False Fronts

There are to be no "false fronts". The dominant materials of the front elevations must be carried on all remaining elevations. Brick or stonework is to be quiet and even-toned. There is to be no "new-used" brick or multi-coloured stonework. All brick is to be standard or metric size with grey mortar. No jumbo brick will be allowed.

Brick or stone used as trim material on the front elevation is also to be used in a similar manner on all elevations. When brick or stone returns only on the side elevations, the front elevation will be considered to be false front and therefore will not be allowed.

3.5 Front Entries

Front entrances are to create a luxurious impression in keeping with the overall image being created for the community.

The entrance width is therefore to be a minimum of 8' wide outside the entry doors and inside the foyer.

3.6 Accessories

All homes will have the Eagle Ridge custom designed post top lights with house numbers. There will be two lighting fixtures flanking the garage door(s), one in the vicinity of the front door and one strategically placed walkway lighting fixture. The house numbers will be located on the walkway lighting fixture.

3.7 Colours

All exterior colour schemes will be approved on a lot by lot basis. However, submission of colour schemes for pre-approval is strongly encouraged. Each colour scheme submitted is to be accommodated with exact colour chips. The Design Committee reserves the right to approve or disapprove any colour scheme.

3.8 Driveways and Garages

Desirable slopes of driveways are 5% or less. Absolute maximum driveway slopes are 8%. Driveways and front walks are to be one of the following:

- * exposed aggregate;
- * paving stone;
- * exposed aggregate with stone or with brick edging;
- * exposed aggregate with coloured brick or stone pattern;

All houses are to have a 2-car attached garage at minimum.

Gable ends are not allowed on the front elevations without sufficient detailing to reduce the apparent height of the gable ends. The acceptability of such detailing rests solely with the Design Committee.

The eave line on front sloping garage roofs is to be within 1'-0" of the top of the garage doors.

Drive-under garages are permitted on sloped lots provided they do not abnormally raise the first floor more than 2'-6" above grade. The building height is to be no greater than 2 storeys for the garage portion of

the elevation.

4.0 Landscaping

4.1 Front Yard Landscaping

Landscaping of the front yards should be designed to enhance individual homes and specific sites. Plants should be chosen from species which complement house colours and neighbouring lots. Sketch landscape plans will be provided by the Builder to the Developer at time of submission of house plans.

Front yards with more than 10% grade should be terraced in shelves or by using landscaped retaining walls.

Retaining wall materials are to be compatible with the house materials.

Concrete retaining walls are permitted if they are highly patterned or of washed aggregate complete with detailed caps of brick or wood. Concrete retaining walls of more than 2'-6" in height must be terraced so that each lift is no greater than 2'-6".

4.2 Trees/Sod

Three trees and sod with a minimum 3" of topsoil are to be planted by the builder and/or homeowner in the front yard within 6 months of completion of the house. The three trees are to be a combination of 3" caliper deciduous or 10"-12" coniferous trees.

Completion of the landscaping forms part of the final acceptance requirements.

4.3 Fencing

The custom project fencing (design and colour) and light fixture post is mandatory for all lots in the Eagle Ridge Subdivision. The detailed design of the project fencing and light fixture post is available from the Design Committee.

Front Yards: Fences at front yards will be prohibited except ornamental fencing to a maximum height of 1.0 m or 3 ft. may be allowed when constructed in accordance with the design of a home.

Side Yards: Fence heights are limited to 1.8 m or 6 ft. high and are to be consistent with the visual character of the subdivision. These fences are the responsibility of the builder or individual home owners to construct and maintain.

5.0 Other Important Guidelines

5.1 Signage

All "For Sale", builders and construction signs are to be in the approved standard format. Both temporary and permanent signage will be co-ordinated and approved by the Developer.

5.2 Recreation Equipment and Commercial Vehicles

Recreation vehicles and commercial vehicles in excess of 3/4 ton capacity shall not be stored on any property for more than 48 hours unless in a garage.

Satellite antennas are not allowed.

5.3 Appearance During Construction

Each Purchaser must inspect the condition of the local improvements installed by the Vendor including but not limited to the curbs, gutters, sidewalks, street lamps, fencing, etc., in, on, or around his lot prior to commencement of construction in order to determine if any of these local improvements are damaged. Written notice of any damages must be submitted to the Vendor prior to commencing construction. Otherwise, costs for repairing damages for same shall become the sole responsibility of the Purchaser pursuant to the Offer to Option and Option Agreement and Agreement for Sale, where applicable.

The Builder and/or Owner is required to keep his lot clean and orderly during construction. There will be no burning of garbage. Builders found negligent will be back-charged for clean-up carried out by the Developer.

No trees, shrubs, lawns, fencing, buildings or other site improvements should be allowed to fall into a state detrimental to the subdivision.

6.0 Approval Process

6.1 Initial Submission

The Builder shall submit two (2) copies of the following information to the Developer along with a security deposit in the amount of \$5,000.00.

* drawings of the house (plans, elevations sections at 1:50 or 1/4" = 1'-0");

* a site plan identifying lot grades, floor elevations, setbacks, house location and driveway slope at 1:500;

* a plan of the proposed front yard landscaping for the lot;

* a complete Application Form for House Plan Approval (indicating colours, materials and other specific information as requested in the form).

Copies of forms are enclosed in these guidelines.

The Developer's Designated Design Consultant shall review the plan, and recommend approval or rejection of the application based on the adherence of the plans to the guidelines. The Developer will make the final decision as regards approval or rejection of the application. A copy of the application form and a marked up set of plans shall then be made available to the Builder. The original application form and one set of similarly marked prints will be kept for future reference.

Any changes by the Builder from approved plans must be submitted to the Developer or its Designated Design Consultant for approval in writing. Incomplete application will be returned to the Builder.

6.2 Interim Building Review

The Developer and/or its Designated Design Consultant may carry out an on-site review of the home during construction. Periodic checks may be made to ensure conformance to approved grading plans and development guidelines. Modifications may be requested related to actual site conditions.

6.3 Final Building Approval

Upon being advised by the Builder of the completion of the home, including all landscaping, the Developer's Design Consultant shall carry out a site review to confirm conformance to the Guidelines and the approval previously granted.

This inspection will form the basis of a recommendation to the Developer regarding the refund of the security deposit.