

**DECLARATION OF COVENANTS BY 100785 P.E.I. INC.
Sunbury Cove Estates
SCHEDULE "B"**

THIS DECLARATION made the 31st day of January, 2007 by 100785 P.E.I. Inc. duly incorporated under the laws of the Province of Prince Edward Island (hereinafter called the "Developer")

WHEREAS the Developer is the owner of lands located at Lot or Township No. 17, St. Nicholas, Prince County, Province of Prince Edward Island which lands include the property more particularly described in Schedule "A" hereto annexed;

AND WHEREAS the Developer wishes to subject the lands described in Schedule "A" to the covenants and restrictions made in pursuance of a building scheme established by the Developer for Sunbury Cove Estates Subdivision, each and all of which is and are for the benefit of the lands described in Schedule "A";

NOW THEREFORE the Developer declares that the lands more particularly described in Schedule "A" annexed hereto shall be held, transferred, sold, conveyed and occupied subject to the covenants and restrictions hereinafter set forth and that the burden as well as the benefit of the within covenants and restrictions shall run with the title to Lots 06-1 to 06-26 inclusive being the subdivision of lands of Michael Poczynek and William Harnett approved by the Department of Community Affairs on the 15th day of December, 2006 as Case No. 22914C and referred to as Sunbury Cove Estates.

I Restrictions

1. No more than one dwelling building and no more than one accessory building shall be erected or stand at any time upon the Lands.
2. No dwelling building shall be erected or placed on the Lands other than a newly constructed, permanent, private dwelling building. No temporary structures or mobile homes or trailers are permitted on the Lands.
3. No dwelling building shall be erected or stand upon the Lands or any part thereof which has a floor area of less than 1,400 square feet. For the purpose of this clause, "floor area" shall be calculated and measured from the outside measurements of the main walls of the dwelling building excluding the garage, porch, veranda, sunroom, attic, basement and/or semi-basement.
4. Construction of the dwelling building and landscaping shall be completed in a proper and workmanlike manner and in accordance with plans, dimensions, specifications, siting plans and plot plans approved by the Developer, and completed within one year of commencing construction.
5. The Grantee shall comply with all federal and provincial laws, regulations, by-laws and zoning and set back requirements in connection with the construction of any building upon the Lands. Upon commencing construction of the dwelling building foundation, the Developer will provide the services of a licensed Prince Edward Island land surveyor to establish the dwelling building location on the lands, top of footing elevation and suggested top of the wall elevation.
6. The Grantee shall be wholly responsible for construction and maintenance of his own well, septic tank and field tile, which shall be in accordance with the specifications established by provincial regulation and by government departments including, but not limited to, the sewer system fill requirements imposed by the Department of Community and Cultural Affairs.
7. Any building damaged by fire shall be removed or repaired within sixty days of receipt of insurance proceeds.
8. No items, including, but not limited to, exterior television, radio, aerials, satellite dishes or receivers larger than 30" in diameter, heat pumps, Selkirk/propane chimneys, and above-ground storage tanks, shall be erected or maintained on any part of the Lands.
9. The Lands and any building thereon shall not be used for the purpose of any profession, trade, employment, service, manufacture or business of any description, nor as a school, hospital or other charitable institution, hotel, apartment, house, rooming house or place of public resort, nor for any purpose other than as a private residence for the use of only one family to each dwelling building without written permission from the developer.
10. The Grantee shall have the right to rent their residence as a tourist accommodation to a single

family upon the consent of the developer.

11. Nothing shall be done upon the Lands that is or would likely be a nuisance to the occupants of any neighbouring lands or buildings within the subdivision. Without limiting the generality of the foregoing no one shall use recreational off road vehicles on the Lands or beaches and dunes adjacent to the Lands with the exception of the developer and those parties granted written permission by the developer.
12. All buildings, walls, structures, driveways and landscaping placed or maintained upon the Lands or any portion thereon shall at all times be maintained in good condition and repair, including, but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings, houses or other improvements and external appurtenances, all in a manner and with such frequency as is consistent with good property management.
13. All Lands, whether occupied or unoccupied, shall be maintained in a manner acceptable to the Developer. The Developer, in its sole discretion, may determine whether or not the Lands, or any part thereof, are orderly. The Developer may have any objectionable items removed so as to restore the proper appearance of the Lands, without liability therefore, and charge the Grantee for any costs incurred in the process and the Grantee agrees to pay such charges.
14. The Lands shall be kept clean, sanitary, free from refuse, debris and fire hazard at all times and no sewage or building waste or other waste material of any kind shall be dumped or stored on the Lands, except clean fill for the purpose of leveling in connection with the construction or erection of a dwelling or other structure therein or the immediate improvement of the Lands.
15. No major repairs to a motor vehicle, boat or trailer shall be effected on the Lands, except within a wholly enclosed garage. No portion of the Lands shall be used for the storage or repair of derelict vehicles.
16. No trailer or camper with or without living, sleeping or eating accommodations, boat, or motor vehicle in excess of one tonne shall be placed, located, kept or maintained on the Lands without written permission from the developer.
17. No portion of the Lands shall be used for the parking or storage of commercial vehicles, including, but not limited to, school buses, oil trucks, freight trucks, trucks over one tonne and any other vehicles of a similar nature.
18. No cattle, hogs, sheep, poultry, horses or other livestock or animals, other than household pets normally permitted in private homes in urban residential areas, shall be permitted or kept on the Lands. No kennels and no breeding of pets for sale shall be permitted on the Lands.
19. The Grantee shall not allow any pet to leave the Lands unless the pet is under the immediate care and control of a competent and responsible person.
20. The Grantee shall connect the dwelling on the Lands to electricity via an underground conduit from the lot line to the dwelling.

II Written Approval Required

1. No dwelling building or other building, fence (including hedges), wall, gate post, clothesline, surface or storm drainage or other structure shall be commenced, constructed or maintained on the Lands unless the plans, dimensions, specifications and siting plan showing the nature, location (including the distances from the front, side and rear limits), colour, materials and height of same shall have been first submitted to and approved in writing by the Developer who may in its discretion refuse to approve any such plans, dimensions, specifications or siting plan which, in its opinion, are unsuitable or undesirable. Plot plans are required to be submitted to the Developer indicating the lot grading design of the dwelling layout and proposed surface and storm drainage and landscaping and all other associated site works designed and certified by a qualified professional in this field of work preparing same indicated thereon. The design of the dwelling building, its location upon the lot, the colour of all roofs, exterior woodwork, siding and trim and all exterior masonry of the buildings to be erected shall be approved by the Developer in writing. In approving such plans, dimensions, specifications, siting plans and plot plans, the Developer may take into consideration the material and colour of all roofs, exterior walls, woodwork, windows, hardware and lighting fixtures, fencing, paving and landscaped details proposed and the harmony thereof with the surroundings and the effect of the structures as planned on the outlook from adjacent or neighbouring properties. The Developer shall notify the Grantee of its decision to either approve or reject the said plans, dimensions, specifications, siting plans and/or plot plans within fourteen (14) days of being provided all of the said plans, dimensions, specifications, siting plan and plot plan.
2. No fence and/or trees shall be erected or maintained on the Lands or any part thereof without written approval of the Developer.
3. No signs, billboards, notices or other advertising matter of any kind (except signs of the size and type ordinarily employed by real estate brokers in the area, offering the Lands for sale) shall be placed on any part of the Lands or upon or in any buildings or on any fence, tree or other structure on the Lands without the prior written consent of the Developer.
4. No excavation shall be made on the Lands except excavations for the purpose of building on the same at the same time of commencement of such building or for the improvement of the gardens or grounds thereof. No soil, sand or gravel shall be removed from the Lands except with the prior written consent of the Developer.

III Developer Rights

1. The Grantee hereby agrees to consent to any future land development by the Developer.
2. The Developer shall have the right to convey to any governmental agencies or other public authorities any part of its remaining lands for parks, recreational or other similar purposes, for roadways or for

pipes or conduits for sewage, drainage and electricity.

3. The Developer shall have the right to grade the lands within and adjacent to the Lands as may be a required for drainage and the construction of the streets, walkways and other improvements necessarily incidental to the Development.
4. The Developer, its successors and/or assigns, may, in its sole discretion and without the consent of the Grantee, alter, waive or modify any of the foregoing building and other Covenants, provided their substantial character is maintained.

IV Homeowner's Association

1. The Grantee, together with all others who own lots in the Sunbury Cove Estates subdivision, shall be members in the Homeowner's Association established by the Developer and shall contribute their proportionate share of the cost of road maintenance and common area maintenance, such costs to be determined by the developer.
2. The Developer may transfer the roadways and common areas to the Homeowner's Association at any time.
3. If the Developer has transferred the roadways and common areas to the Homeowner's Association then the Homeowner's Association will be considered the Developer for the purpose of covenant enforcement with all rights to grant approvals contemplated by the covenants as well as to determine levies for roadway and common area maintenance and the collection of same.

V Covenants Severable

1. The Covenants herein are severable and the invalidity or unenforceability of any Covenant shall not effect the validity or enforceability of any other Covenant.
2. The Developer, his heirs, successors and/or assigns, may in his sole discretion and without the consent of the Grantee, alter, waive or modify any of the foregoing building and other restrictions, provided the substantial character of the covenants is maintained.
3. The covenants and restrictions shall run with and bind the lands hereby conveyed shall enure, to the benefit of and be enforceable by the Developer, his heirs, successors and/or assigns, or by the owner of any land subject to this Declaration, their respective representatives, heirs, successors and assigns.
4. Enforcement of these covenants and restrictions shall be by any proceeding at law or equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or recover damages, and against the land to enforce any obligation created by these covenants, and failure by the Developer to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

VI Subsequent Purchaser

1. The Grantee agrees to obtain from any subsequent purchaser or transferee a covenant to observe the Covenants herein set forth, including this clause.

IN WITNESS WHEREOF 100785 PEI INC. has caused these presents to be signed by its proper signing officers in that behalf on the day and year first above written.

SIGNED, SEALED AND DELIVERED)	100785 PEI INC.
in the presence of:)	
)	<u>Per:</u>
)	
)	<u>Per:</u>

DATED this 31st day of January, 2007

100785 P.E.I. INC.

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DECLARATION OF COVENANTS

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DAVID R. HAMMOND, Q.C.
740A Water Street East
Summerside, PEI
C1N 5X1

File No. 06-11721