

TORWOOD ESTATES
SUBDIVISION

Schedule "B"

STATUTORY BUILDING SCHEME

DECLARATION of COVENANTS and RESTRICTIONS

Page One

The within Statutory Building Scheme is declared by
TORWOOD ESTATES Subdivision
st
as Grantor, this 1 Day of December, 2005

WHEREAS:

A. The Grantor is the registered owner in fee simple of certain real property situated in the Peace River Regional District in the Province of British Columbia, which property is legally known and described as:

For the preliminary purpose of this Building Scheme
Lot 5, District Lot 3181 Peace River Regional District

(hereinafter called the "property")

B. The Grantor intends to develop a complete subdivision upon the Property comprising of single family residences.

C. The Grantor desires to have the Subdivision developed, maintained and preserved for high quality residential use and enjoyment;

NOW THERE THIS BUILDING SCHEME WITNESSETH that in consideration of the foregoing, the Grantor does hereby for itself, its successors, and assigns in Title, covenant and agree to observe and be bound by the hereinafter mentioned covenants, which said covenants shall be construed to be and shall be covenants running with the Land and shall be appurtenant to all of the said bare land lots for the benefit of all the respective owners thereof, from time to time, as follows:

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SECTION 1 - LAND USE RULES & REGULATIONS:

a. Compliance with Laws and Building Schemes

All buildings must be in compliance with Fire and Insurance building regulations, as well be in accordance with all Federal and Provincial Building Codes.

b. Buildings:

Development is restricted to ONE single-family resident per Lot together with such ancillary improvements and uses as are expressly provided for herein. No owner may construct, cause to be constructed, place or permit to be placed, any trailer or “package” home, any manufactured or modular home, or any similar type of dwelling unit. Each residence built upon each Lot in the Subdivision must be stick built or otherwise constructed in a manner expressly approved by the Grantor, and in any event shall be site-designed pursuant to the provision of the Building Scheme.

c. Use and Condition of Lots:

Development of improvements on each Lot shall be restricted to the development area specified by the Grantor for each Lot. The remainder of each Lot shall be a non-disturbance area, which area shall be left in its natural state. No change in the natural topography of the Lot or removal of any natural ground and/or tree cover shall be permitted, except in the instance of removal of dead trees, shrubs or other vegetation as is deemed by the Grantor to be a fire or safety hazard, in which instance such trees, shrubs or other vegetation shall be removed. No man made improvements shall be constructed upon or placed or maintained within a non disturbance area on any Lot.

The development area/non-disturbance area for each Lot shall be defined by means of a development plan specific for each Lot. Such development plan shall be provided to the purchaser as part of the Agreement of Purchase and Sale by the Grantor. No disturbance of any Lot shall be permitted prior to the owner obtaining written approval from the Grantor and obtaining a Building Permit in a manner hereinafter provided.

SECTION 1 - LAND USE RULES & REGULATIONS con't.

d. Use and Condition of Lots cont'd.

No Lot owner, or resident, tenant or visitor to any Lot shall cause or permit any noxious or offensive activity to be carried on upon their Lot, nor shall any activity occur that shall cause a nuisance, embarrassment, disturbance or annoyance to any other Lot owner. No discharge of firearms. All terrain vehicles, skidoos or motorcycles shall not be permitted to be operated upon the property. Motorized vehicles shall be allowed only on permitted trails on Peace Reach Adventures property. The operation of power tools between the hours of 10pm and 8:30am shall not be permitted.

e. Camping and Clothes Lines:

There shall be no camping or any other form of temporary occupation upon any Lot. No clotheslines shall be permitted to be erected upon any Lot. Removable, temporary clothes trees shall be permitted.

f. Vehicle Storage and Operation:

No mobile home, travel trailer, truck camper, house trailer, horse trailer, nor any derelict or unlicensed motor vehicle shall be kept, parked, stored or maintained on any Lot unless same is fully enclosed within the owner's garage so as to be removed from view from any adjoining Lot. Storage or any of the foregoing items may be accommodated with the Grantor' Vehicle/Equipment Storage Compound. No off-road motorcycles, all-terrain vehicles or similar types of recreational vehicles shall be permitted to be operated or driven upon any Lot except for parking.

g. Garbage:

No garbage, rubbish or trash shall be kept upon any Lot except in covered receptacles. No garbage receptacles shall be visible from any adjoining Lot or from the access road. All garbage containers must be bear proof, and the containers must be approved by the Grantor. All garbage shall be removed to Hudson's Hope Land Transfer site or any other approved Transfer Site when Lot Owners are not on site or in Residence

SECTION 1 - LAND USE RULES & REGULATIONS con't.

h. Use of Residences:

No owner shall cause or permit the owner's residence to be used for other than a single family residence, and in particular, no residence shall be used for the purpose of any trade, trade vocation, commercial enterprise of any description, charitable, religious or educational uses, or for the provision of any apartment, boarding house, with the exception of Rental Pool placement for the exclusive use of Peace Reach Adventures Ltd., and/or Peace Reach Heli-Ski. Rental rate will be split 60% Owner and 40% Peace Reach Adventures Ltd.

i. Destroyed Improvements:

All improvements, which have been partially or totally destroyed, shall be fully repaired, reconstructed or removed within three (3) months from the date of destruction or such reasonably longer period of time as may be necessary to complete any repair or reconstruction with due diligence and continuity, provided however, that the time for completion of such repair, reconstruction or removal shall be extended for the period of actual delay encountered due to reasons beyond the owner's control (other than the owner's financial inability), such as strikes, lockouts, embargoes, shortage of labour and/or materials, wars, riots, and acts of God. In the event of removal, the Lot shall be cleared of all debris and restored to the grade which existed prior to the destruction of the improvement thereon (provided, however, that all basements and similar excavations shall be restored to the level of the surrounding grade), and shall be landscaped promptly.

j. Antennae:

No pole, mast, antenna or aerial structure shall be installed or maintained on any Lot. No satellite dishes or exterior television receiving dish or antenna of any sort shall be permitted on any Lot except such dishes as are less than 18" in diameter.

k. New Materials:

All improvements shall be constructed with new materials (except for used materials incorporated in the improvements for decorative or aesthetic effect), and NO used structure shall be relocated to or placed upon any Lot.

SECTION 1- LAND USE RULES & REGULATIONS:

1. Fences:

No permanent fencing shall be constructed on the street side of any Lot. All fencing materials must be approved for such purposes by the Developer prior to construction. Fences constructed for the purpose of dog runs, child protection areas and swimming pools, etc., must be 54”in height and must be not less than 15 feet set back from the boundaries of the Lot in question.

m. Fires:

Outdoor fire pits or similar structures shall be permitted upon any Lot. No owner shall permit any use of a fire pit or similar structure which creates or permits a fire hazard upon the Lot, or is in violation of any applicable fire prevention or fire hazard restrictions when in place.

n. Utility Lines and Propane Tanks:

All power, telephone, water, sewer, television and other utility lines servicing any Lot shall be installed underground. Propane tanks for the purposes of home heating and cooking shall be placed according to Gas Installation Regulations, abiding by Lot and Building Scheme set backs, skirted and camouflaged from view. Refilling access shall not trespass on adjoining Lots or properties, nor shall access trespass on Peace Reach Adventures property, recreational or otherwise.

o. Tree Removal:

No living tree or trees may be cut or removed or caused to die without the express approval of the Grantor: provided however, the Grantor may authorize the reasonable removal and/or trimming of trees and natural vegetation from a Lot during the approval of plans and construction phase of development, as set out in section 4 thereof. Thereafter, owners desiring to remove trees to provide, improve or protect views shall be obliged to obtain the prior written permission of the Grantor prior to such removal, etc.

SECTION 2 - ARCHITECTURE

The following architectural controls are applicable to all construction, reconstruction and refinishing of all improvements placed or constructed upon any Lot, and shall be complied with by each owner.

It is intended that the appearance of residences within the Subdivision shall be completed to ensure an overall aesthetically pleasing and harmonious streetscape.

The architectural theme for residences and all other related components of the subdivision shall be Alpine Mountain. Preferred materials will generally include metal or architectural fiberglass roofing, rough-sawn timber beams and columns, hand hewn or machine hewn log, wood battens; horizontal wood siding and shake wall cladding, stone and rock accents and other such complementary products.

The configuration, shape and form of residences and permitted related improvements should reflect and be integrated with existing natural and man-made opportunities and constraints. The natural features would include topography, view lines, tree cover sun exposure and other such issues. The man-made conditions would include road access, servicing, utilities, drainage and adjoining property development.

a. Homes - Styles and Sizes:

The residence style and size permitted with the Subdivision shall have the following MINIMUM sizes:

- i) single story - 900 sq. ft. footprint, not including attached garage
- ii) split level - 900 sq. ft. footprint, not including attached garage
- iii) two story - 900 sq. ft. footprint, not including attached garage

Repetitive use of similar dwelling styles (form, shape and appearance) will not be accepted. Each house should be individual and distinct from others in the subdivision. No Carports permitted, only enclosed garages.

The house footprint, including the attached garage, should not occupy more than 25% of the Lot area.

SECTION 2 –ARCHITECTURE cont'd.

- b. Accessory Buildings or Sheds:
The use of accessory buildings for storage shall NOT be permitted.

- c. Outside Walls or Siding:
Outside walls or siding shall be clad wood, brick, stone or log. No vinyl or metal siding is acceptable

Trim and accents may consist of rough-sawn timber plank and post, milled or natural log, rough-sawn or hand-split stakes or wood singles, brick, natural or synthetic boulder, natural or cultured stone and other such rustic materials.

- d. Roofs:
All house roofs shall have a minimum pitch of 7 in 12 with minimum eave and gable extension of 16". Roof cladding shall consist of pre-finished metal, terra cotta, clay, concrete, asphalt composite (architectural grade) fiberglass, or other low combustible materials. Cedar or wood shakes or singles are not permitted.

- e. Fascia, Soffits and Eavestrough:
All fascia shall be wood with a minimum of 8" wood. Vinyl or metal soffits shall be permitted. On gable ends, fascias shall be double layered. All eavestroughing and downspouts shall be colour coordinated with the trim of the house, but eavestroughing shall not essential in all areas. Exposed wooden rafters are permitted.

- f. Exposed Foundation Walls:
Exposed concrete of basement foundation walls shall not be more than 24" and the exposed face shall be parged.

- g. Fireplaces and Chimney Cladding:
Both wood or gas fireplaces and stoves are acceptable. All fireplace chimneys on an outside wall and any chimney flues must be enclosed and clad to complement the exterior appearance of the house, and rock, brick or stone shall be preferred

SECTION 2 – ARCHITECTURE cont'd.

h. Colours:

No house shall have more than three (3) colours displayed on any exterior wall, excluding natural wood and stone. Medium to dark earth tone shall be preferred. All colours must have the prior written approval of the Grantor

i. Animals and Pets:

No owners shall permit their animals to roam at large within the Subdivision. Dogs must be leashed when NOT upon owner's Lot. Owners may construct a dog run upon their Lot but such a dog run must:

i) be within the disturbed area of the Lot, fully 15ft from side boarders:

ii) constructed of wood (no chain link structure shall be permitted) and be 48" maximum in height;

iii) be constructed at the rear of the owner's house and hidden and/or camouflaged from view;

iv) maximum square footage of such dog run shall not exceed 330 sq. ft;

v) no horses, goats, sheep, cows, chickens or other such domestic animals shall be allowed; and

vi) maximum of two (2) dogs and two (2) cats shall be permitted on each Lot

j. Parking:

No owner or tenant shall cause or permit vehicles to be parked on the Subdivision access roads. All vehicular parking must be restricted to the owner's driveway and and the owner's enclosed garage. No carports are permitted.

k. Exterior Lighting:

All exterior lighting installed either upon the exterior of the house or upon the lot shall conform to the following standards:

i) no mercury vapour lamps or lamps which light with a similar character

ii) no neo lamps or tube lighting of any kind

iii) no flashing lights of any type shall be used on any Lot, and

iv) low voltage bulbs are recommended.

Exterior lighting should be selected for aesthetic illumination except where safety or security is the primary reason for illumination. Lights shall not exceed a lumen level of 1 foot candle at the ground, unless otherwise required for safety reasons.

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SECTION 2 – ARCHITECTURE cont'd.

1. Signs:

All signs are prohibited within the Subdivision with the exception of:

- i) temporary signs (not to exceed 2'x3' and set in approved frames for the purpose of advertising the Lot or the house For Sale;
- ii) temporary construction signs (during the time of construction only) denoting the architects, engineers, contractor and other related subjects shall be permitted.
- iii) identification signs showing the name of the owner or occupant, and/or the house number or name, not to exceed 24" in height.
- iv) any sign erected by the Grantor; and
- v) street identification signs erected by the Grantor

SECTION 3 – CONSTRUCTION COVENANTS

Each owner shall abide by the restrictions described below during the course of any construction upon the owner's Lot, and shall in all cases contract with one of the Grantor's approved contractor (as provided in Section 4(a) (iv) below) prior to the commencement of construction.

a. Grading and Excavation

Unless otherwise approved by the Grantor, no owner shall take or borrow any neither fill or topsoil material from any other area of the Property, nor dispose of any materials from the owner's Lot on any other area of the property or any other vacant Lots.

b. Debris and Trash Removal:

All trash and debris on the construction site shall be cleaned up and removed from each construction site at least once a month to an approved, off-site landfill disposal. Each construction site must have a dumpster or disposal bin placed on it for the deposit of construction debris, and such dumpster or disposal bin shall be serviced weekly. Light weight material, packaging and similar items shall be covered or weighted down to prevent wind from blowing such materials off the construction site. Concrete trucks shall wash out spill pans after leaving the site on the area designated for it by Grantor.

SECTION 3 – CONSTRUCTION COVENANTS cont'd.

- b. Debris and Trash Removal:
Each construction site shall be kept neat and shall be policed properly to prevent it from becoming a public eyesore or nuisance. Dirt, mud, debris or concrete resulting from activity on each construction site shall be removed from public or private roads, open spaces, driveways and other portions of the Property.
- c. Compliance with Laws:
Each owner shall comply with all laws governing or administering the construction of improvements upon the Owner's Lot.
- d. Dust and Noise:
All lots will be developed and improvements will be maintained thereon by the Grantor and other third parties. Each owner understands and accepts that such activities may result in the creation of dust, noise, vibrations and other nuisances by the Grantor or by such third parties, and agrees that such construction activities, dust, noise, vibrations and other nuisances shall not constitute a breach of any covenant or warranty by the Grantor or serve as the basis for the filing of any suit against the Grantor for abatement or injunction of such activities, due to noise, vibrations or nuisances or for damages or otherwise or for any complaint with any court or regulatory agency.

SECTION 4 – PROCEDURES for APPROVAL of PLANS and CONSTRUCTION:

No construction (including land clearing, grading, excavation or fill work) shall be performed or commenced on any Lot without the prior written approval of the Grantor.

SECTION 4 – PROCEDURES for APPROVAL of PLANS and CONSTRUCTION

a. Prior Approval:

Each Lot Owner shall:

- i. Pay to the Grantor a security deposit in the amount of \$2,500
- ii. Provide to the Grantor all Architectural plans and specifications in respect of the proposed design and construction of the proposed improvement upon the Lot; and
- iii. Make a formal application for all permits only after written receipt of the Grantor's approval of the proposed improvements, if required.

Plans and Specifications shall include:

- i. A site plan for the parcel showing (A) proposed building locations, (B) existing and proposed contour lines (C) proposed location of all amenities and utilities, (D) proposed auto access, and (E) proposed parking. Final siting of all buildings shall be determined by Grantor:
- ii. A grade slip showing the elevations for lowest top of footings and the final grade;
- iii. Working drawings of the floor plans;
- iv. Drawings showing all elevations of all improvements;
- v. Description of exterior materials and colour, with samples;
- vi. The owner's proposed construction schedule shall provide for completion within eighteen (18) months of the date of the Grantor's approval, under this section, excepting landscaping and driveway completion, which shall be completed within 24 months of the Grantor's approval.

- b. Construction Requirements: There is no requirement to commence construction at any time. If, however, the Owner commences construction, that construction must be completed within 18 month of commencement.

SECTION 4 – PROCEDURES for APPROVAL of PLANS and CONSTRUCTION

- c. Subsequent Changes:
Any amendments, variations, changes, or omissions from the addition to any item previously approved by the Grantor (other than amendments, variations, changes, and additions which are immaterial or insubstantial) shall require the Grantor's written prior approval.

- d. Completion of Work:
All work approved by the Grantor shall be prosecuted to completion diligently and in good faith. Promptly upon the completion of any work for which the approval of the Grantor is required, the owner doing such work, shall give written notice thereof to the Grantor, and within four (4) days thereafter the Grantor, or the Grantor's duly authorized representative may inspect such work to determine whether it was done in compliance with the Grantor's approval, and shall notify the owner of any non-compliance within four (4) day period, whereupon the owner shall remedy such non-compliance within a period of twenty-one (21) days after notice of such non-compliance is received by the owner, or if such non-compliance reasonably cannot be remedied within the said twenty one (21) day period, the owner shall begin to remedy such non-compliance within the said twenty-one (21) day period and with due diligence shall remedy such compliance as soon as reasonably possible. Upon final completion of the improvements the owner shall apply to the Grantor for a completion certificate. Upon receipt of the same, the owner will be entitled to a refund of the aforesaid security deposit, subject only to the provisions of subparagraph (e) below.

SECTION 4 – PROCEDURES for APPROVAL of PLANS and CONSTRUCTION:

- e Breach of Covenant:
The owner will not allow any breach of any of the covenants contained herein to continue for a period in excess of twenty-one (21) days after notice in writing is delivered to the Lot owner by the Grantor. In the event the Owner allows such breach to continue, then the Grantor may cause such work as may be necessary to cure such breach to be performed and the cost thereof including any administrative and legal costs shall be a debt owing by the Owner, payable on delivery to the owner of such Lot of an invoice for such work. The above mentioned security deposit may, at the option of the Grantor, be applied by the Grantor to the payment of such curative work, administrative and/or legal costs, in which case the Owner shall have no further right to repayment of the said security deposit.

- f Rejection of Approval:
Any rejection of a request for approval with respect to these restrictions shall be final and binding and shall not be open to question by the Owner of the Lot, and failure of the approving body to enforce these restrictions or to exercise its power in a judicial manner shall not render the approving body liable in damages or to any claims or demands whatsoever.

- g. Alterations, etc.,
After construction of any improvement upon the Lot is completed, no Owner shall, except with prior written approval of the Grantor, make any alterations to such improvements that would affect the exterior appearance thereof.

- h. Exterior Maintenance:
Each owner shall maintain the exterior of all improvements so that the exterior does not in any way appear to be in a state of disrepair or neglect. Any change in exterior colour or materials will require the prior written approval of the Grantor.

SECTION 5 – NO REPRESENTATION by the GRANTOR;
NON-LIABILITY:

No review of approval by the Grantor of any item submitted to the Grantor pursuant to this Statutory Building Scheme shall constitute a warranty or representation to anyone, direct or indirect, that such item:

- a. has been prepared free of defects or is of good workmanship or design, or will result in improvements which are readily marketable or free of design or construction defects; or
- b. complies with any or all applicable laws (including building code requirements); or
- c. will result in any Government entities or any other person's approval of same.

The Grantor shall not be liable to the Owner or any other person for any damage, loss or prejudice suffered or claimed on account of:

- a. the Grantor's mistake in judgment or negligence; or
- b. the approval or rejection of, or the failure to approve or reject, any plans, drawings and specifications or other requests or items whether or not defective; or
- c. the construction of any improvement or performance of any work, whether or not such construction or performance complies with this Statutory Building Scheme; or
- d. the manner, appearance, style or quality to or in which any Lot shall be developed, improved, landscaped, maintained or occupied.

SECTION 6 - ENFORCEMENT of this STATUTORY BUILDING SCHEME:

PART 1 – Persons Entitled to Enforce this Building Scheme:

The following persons (the "Enforcing Person") shall have the right to exercise any remedy at law or in equity for the enforcement of this Statutory Building Scheme:

- a. the Grantor, for such period of time as the Grantor shall retain ownership of the Lots within the Subdivision;
- b. thereafter, and in perpetuity, the designated representative of the Owner or its assignee.

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SECTION 6 – ENFORCEMENT of the STATUTORY BUILDING SCHEME

PART 2

If any Owner or other person subject to this Statutory Building Scheme shall breach or fail to comply with any provision of this Statutory Building Scheme, and such breach or non-compliance shall not be fully remedied within 21 days after notice of the breach or non-compliance is sent to or received by the Owner or, if such breach or non-compliance cannot reasonably be remedied within the said 21 day period, such Owner shall have failed to begin to remedy such non-compliance within the said 21 day period, and shall have failed to exercise good faith and due diligence to remedy such breach or non-compliance as soon as reasonably possible, then each Enforcing Person (except as otherwise stated) shall have the following rights and remedies:

- a. without liability to the Owner or any other person for trespass or damages, to enter upon any Lot and require such Lot Owner, at the Owner's cost and expense to perform immediately all work necessary or desirable to remedy such breach or non-compliance, and/or to abate summarily and remove any improvement or anything else or any condition which is not in compliance, and/or;
- b. to commence and maintain actions and suits to require the Owner to remedy such breach or non-compliance or for specific performance, or to enforce by mandatory injunction or otherwise all of the provision of this Statutory Building Scheme, or to restrain or enjoin any breach or threatened breach of this Statutory Building Scheme, or to recover damages; and/or
- c. to pursue all other rights and remedies available at law or in equity

In any action for the enforcement of the provision of this Declaration or for damages or any other form of relief, the prevailing party in such action shall be entitled to recover from the losing party all of the prevailing party's costs, expenses and reasonable solicitors' fees.

No remedy herein reserved is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to any remedy given hereunder or now or hereafter existing at law or in equity. The Enforcing Person shall have the right to hire contractors and agents in performing any work to be performed by the Enforcing Person.

No Enforcing Person, nor any other person, shall have any liability whatsoever if it or any other Enforcing Person elects not to enforce any of the provisions of this Statutory Building Scheme or if it or any other Enforcing Person undertakes such enforcement and thereafter terminates enforcement activities or does not succeed in such enforcement activities.