

SCHEDULE "B"
GLASGOW HILLS RESORT & GOLF CLUB
RESTRICTIVE COVENANTS

The lands and premises in Schedule "A" attached hereto (the "Property") and conveyed hereby are subject to the following stipulations and provisions for the benefit of all lots in the Glasgow Hills Resort Inc. Subdivision:

1. No building shall be entered on any Property other than a detached private dwelling home and for use of a single family.
 - a. The said dwelling house shall be constructed on site and no mobile home, house trailer or modular home shall be placed or permitted on the Property.
 - b. No dwelling house shall be constructed, erected or stand upon the Property or any part thereof which will have a ground floor area of less than:
 - i. 2,200 square feet in the case of one story dwelling.
 - ii. 1,500 square feet in the case of a two story dwelling.
 - c. No dwelling house shall be constructed, erected or stand upon the Property or any part thereof which will have a ground floor area of more than:
 - i. 3,500 square feet in the case of one story dwelling.
 - ii. 2,500 square feet in the case of a two story dwelling.

And in either case, not more than 800 square feet of additional ground floor area, may consist of garage or utility area.
 - d. No dwelling house shall be constructed, erected or stand upon the Property or any part thereof without an attached garage.
 - e. No dwelling house shall be constructed, erected or stand upon the Property or any part thereof which will have a height in excess of 30 feet measured from the centre of the road adjacent to the front of the Property.
 - f. No dwelling house shall be constructed, erected or stand upon the Property or any part thereof which will have a length in excess of 85 feet measured along a line running parallel to the road adjacent to the front of the Property.
2. No house, building, fence (including hedges), wall, gate post, clothesline, proposed surface and storm drainage or other structure (an "Undertaking") shall be commenced, constructed or maintained on the Property unless the plans, dimensions, specifications and siting plan showing the nature, location (including the distances from the front, side and rear limits), color, materials and height of any such Undertaking shall have been first submitted to and approved in writing by Glasgow Hills Resort Inc. who may in its discretion refuse to approve any such plans, specifications or siting plan which in its opinion are unsuitable or undesirable. Plot plans are required to be submitted to Glasgow Hills Resort Inc. 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 house, its location upon the lot, the color of all roofs, all exterior woodwork, siding and trim and all exterior masonry of the buildings to be erected shall be approved by Glasgow Hills Resort Inc. in writing. In approving such plans, specifications and siting plans, Glasgow Hills Resort Inc. may take into consideration the material and color of all roofs, exterior walls, woodwork, windows, hardware and lighting fixtures, fencing, paving and landscape details proposed and the harmony thereof with the surroundings and the effect of the structures as planned on the

outlook from adjacent or neighboring properties.

3. Every Undertaking constructed upon any Property shall be constructed in a proper and workmanlike manner and in accordance with such approved plans, specifications and siting plans. Construction is to be completed within nine (9) months from the date construction commences. The grantee shall comply with all federal and provincial laws, regulations, by-laws and zoning and setback requirements in connection with the construction of any Undertaking upon the Property. Upon commencing construction of the dwelling house foundation, Glasgow Hills Resort Inc. will provide the services of a licensed Prince Edward Island Surveyor to establish the house location of the Property, top of footing elevation and suggested top of the wall elevation. Every Undertaking constructed upon the Property shall be built in such a manner as to ensure consistency in setbacks, centering and floor elevations to maximize views, all of which shall be determined by Glasgow Hills Resort Inc. in its sole and absolute discretion.
4. The Property or any building erected or to be erected thereon shall not be used for the purpose of any profession, trade, employment, service or 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 other purpose than as a private residence for the use of only one family to each dwelling unit, nor shall anything be done or permitted upon any Property or buildings that shall be a nuisance to the occupants of any neighboring property and, notwithstanding the foregoing, the following uses are expressly permitted upon the property:
 - a. An in-law suite shall be permitted in any single dwelling unit, which may include spaces specifically designed and intended to be used for sleeping, bathing and cooking, but which suite is accessible from the main dwelling unit, provided that it does not exceed 30% of the gross floor area and that it does not have direct access to the exterior of the dwelling house on the facade of the building; and
 - b. An office use shall be a permitted home occupation in any single residential dwelling unit provided that it does not exceed 20% of the gross floor area and that no external signage is used.
5. No temporary buildings of any kind shall at any time be erected on the Property other than sheds or workshops required in connection with the erection of permanent buildings, which have been authorized and on completion of the permanent buildings such sheds and workshops shall be immediately removed.
6. No fence and/or trees shall be erected or maintained on any Property or any part thereof without written approval of Glasgow Hills Resort Inc.
7. No signs, billboards, notices or other advertising matter of a kind (except signs of the size and type ordinarily employed by real estate brokers in the area, offering the Property for sale) shall be placed on any part of the Property or upon or in any buildings or on any fence, tree or other structure on the Property without the prior written consent of Glasgow Hills Resort Inc.
8. No excavation shall be made on the Property except excavations for the purpose of building on the same at the time of commencement of such building or for the improvement of the gardens and grounds thereof. No soil, sand or gravel shall be removed from the Property except with the prior written consent of Glasgow Hills Resort Inc. No building waste or other material of any kind shall be dumped or stored on the Property except clean earth for the purpose of leveling in connection with the erection of a building thereon or the immediate improvement of the ground.
9. No living tree in excess of 2.5 inches in diameter at ground level shall be cut down or removed without the consent of Glasgow Hills Resort Inc. other than trees indicated for removal on site and grading plan submitted by the Grantee and approved by Glasgow Hills Resort Inc. for the construction site of any building and/or garage. If any such tree be cut down, destroyed or removed in contravention of this restriction, the same will be

replaced at the expense of the Grantee.

10. No commercial vehicle of any kind larger than a 3/4 ton truck or mini van shall be parked, kept or stored upon any part of the Property or any public street within the development without the written consent of Glasgow Hills Resort Inc. No major repairs to any motor vehicle shall be effected save within a wholly enclosed garage, nor shall any derelict or abandoned vehicles remain upon the Property.
11. No trailer (with or without living, sleeping or eating accommodation), boat, truck in excess of 3/4 ton, camper, snowmobile, snowmobile trailer or other recreational vehicle shall be parked, kept or stored, upon any part of the Property unless in a wholly enclosed garage or at a location approved in writing by Glasgow Hills Resort Inc.
12. No animals other than household pets normally permitted in private homes in urban residential areas shall be kept on the Property. No breeding of pets for sale shall be carried out upon the Property.
13. No items, including but not limited to, exterior television, radio, aerials, or satellite T.V. systems in excess of 30" in diameter, heat pumps, Selkirk/propane chimneys and above ground storage tanks may be erected or maintained on any part of the Property without the prior written consent of Glasgow Hills Resort Inc.
14. The property shall be kept clean, sanitary, free from refuse, debris and fire hazard, and contain no unsightly storage of miscellaneous materials at all times. No sewage is to be placed or to remain on any Property and no waste material of any kind shall be dumped or spread or allowed to remain on any Property except clean earth, rocks, or gravel used for grading or landscaping purposes.
15. The Grantee hereby agrees to consent to any future land development by Glasgow Hills Resort Inc.
16. Glasgow Hills Resort Inc. shall have the right to convey to any governmental agencies or other public authority any part of its remaining lands for park, recreational or other similar purposes, or roadways or for pipes or conduits for sewage, drainage, and electricity.
17. Underground power and central water are provided to the lot line. These services must continue underground to the dwelling.
18. The Grantee agrees to complete the development of the Property including but not limited to dwelling construction, landscaping and the driveway which shall have a hard covered surface (concrete, buck, asphalt) with a material which is not susceptible to tracking on the street or roadway resulting from weather conditions and traffic onto and from the Property being developed as approved by Glasgow Hills Resort Inc. as soon as practicable but in any event to be completed within nine months of the start of construction of the dwelling.
19. Glasgow Hills Resort Inc. shall have the right to grade the lands within and adjacent to the Property as it requires or as may be a requirement of the Municipal Engineering Department and the grading shown on the approved engineering plans until the construction of the streets, walkways, adjacent lots and development of Glasgow Hills Resort Inc. is completed or as required from time to time for alterations and improvements to the golf course provided, however, that Glasgow Hills Resort Inc. shall be responsible for repairing any incidental damage caused to the Property.
20. Ponds are Golf Course property and are not to be used for recreational purposes. All golf course property is private property with access restricted to players or other authorized persons so designated by the Golf Course Management.
21. The design and maintenance of lawns and landscaping shall be governed by Glasgow Hills Resort Inc. All lawns and the approved landscaping of the Property lot shall be maintained in a professional manner by the Grantee, and shall be extended to the street

pavement. The Grantee may install culverts the full width of the Property as part of the Grantee's landscaping design.

22. Glasgow Hills Resort Inc. may at its sole and absolute discretion, and without the consent of the Grantee, alter, waive or modify any of the foregoing building and other restrictions so long as their substantial character is maintained. Notwithstanding the aforementioned, any changes to the covenants contained herein that affect, relate to or concern the Golf Course or its operation shall require the consent of Glasgow Hills Resort Inc.
23. All buildings, walls, structures, driveways and landscaping placed or maintained upon the Property 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. All property whether occupied or unoccupied shall be maintained in a manner acceptable to Glasgow Hills Resort Inc. Glasgow Hills Resort Inc. in its sole direction, may determine whether or not the property is orderly. Glasgow Hills Resort Inc. may have any objectionable items removed so as to restore the proper appearance of the Property, without liability therefore, and charge the Grantee for any costs incurred in the process.
24. Lots purchased and not built within 12 months from the Closing Date shall be mowed to a reasonable height to suit the surrounding properties and to be approved by Glasgow Hills Resort Inc., failing which, the Glasgow Hills Resort Inc. has the right to contract maintenance of the Property and back charge the Grantee and the Grantee agrees to pay such charges.
25. Glasgow Hills Resort Inc. shall be responsible for the water system servicing the lots located within the Glasgow Hills Resort Inc. subdivision, including the supply and quality of water, until such time as at least fifty-one per cent (51%) of the lots in the Glasgow Hills Resort Inc. subdivision have been sold and a homeowners association takes over responsibility. Until such time, Glasgow Hills Resort Inc. shall charge each owner of a lot an annual fee of \$250.00 for water. Charges become payable once an owner of a lot has connected to the water system.
26. Glasgow Hills Resort Inc. shall be responsible for maintenance of the roads located within the Glasgow Hills Resort Inc. subdivisions, including snow removal, until such time as the roads are conveyed to the Government of Prince Edward Island.
27. Golf Privileges - See Schedule "C" continued.

SCHEDULE "C"

So long as the golf course continues to operate the special privileges of this license are as follows:

1. Golfing privileges shall be limited to two (2) individual persons owning and/or residing on the Property, designated in writing to the golf course operator on or before May 1 of the then current year, (each an "Owner Golfer"). An Owner Golfer shall be entitled to play golf without payment of any charge or fee except as set out herein. The Grantee acknowledges and agrees that it will provide to the Grantor or to golf course operational representative's proof in a form satisfactory to the Grantor as to the ownership of the Property.
2. An Owner Golfer may only have three separate reserved Tee-off times outstanding at any one time during a playing season.
3. The Grantee acknowledges that this is a public golf course and that this is a non-exclusive license that shared with all entitled grantees of property in Glasgow Hill's Subdivision. This license and all privileges under this license shall only be transferable upon the registration of a deed transferring the Property.
4. The Grantee acknowledges and agrees that the Grantor is the owner of the golf course and shall have the right to amend and rescind these golf related special privileges in accordance with the requirements of the golf course, including temporary suspension of operations due to circumstances that affect the course, including but not limited to, adverse weather conditions, damage from other sources or Acts of God, and as determined by the Grantor in its sole and absolute discretion.