

## Overview Of Restrictive Covenant Agreement

This document was created to provide readers with additional context about Restrictive Covenants and to provide an overview of the form of the Restrictive Covenant Agreement to be used for the Restrictive Covenants created for Lake Bonavista. This Restrictive Covenant aims to preserve the nature of Lake Bonavista as a lake-front community, with primarily single-family homes.

While the form of the Restrictive Covenant reflects the insights of our lawyer and a team of volunteers potential signatories are encouraged to seek independent legal advice about the form of the Restrictive Covenant Agreement insofar as they have any concerns about the document.

### What is a Restrictive Covenant?

- A Restrictive Covenant is a contractual undertaking between landowners in which each party restricts the use of its land in some way for the benefit of other landowners in return for that party also receiving a similar benefit from those other landowners.
  - Each signatory basically burdens its own lands in favour of other lands that benefit from the Restrictive Covenant.
  - Because the Restrictive Covenant is a mutual agreement, each such burdened party is also a party that benefits from the corresponding undertakings of the other parties to the Restrictive Covenant.
  - The net effect is that each signatory is signing the Restrictive Covenant as both a “Burdened Party” for the restriction created with respect to its own lands and a “Benefitting Party” as the beneficiary of restrictions created by the other signatories with respect to their lands.
- The Restrictive Covenant is then registered on the land title to the property, so that it continues to apply to the lands even after the lands are sold.
- The obligations in a Restrictive Covenant can take many forms. They can, for example, go so far as to address architectural restrictions about such matters as colours, style of roofing and fencing, and can include restrictions on the type of garage or storage buildings that you might have.
- In our case, the focus of the Restrictive Covenant is a prohibition against subdividing properties and changing the character of lots from single-family homes to multi-family units.
- We are not concerned, for example, about renovations to existing homes or tearing down and rebuilding a new residence for your family. Subject to compliance with the City’s building restriction requirements re setbacks, height, etc., you retain the same freedom as you have today in this regard.
- The rights and obligations in the Restrictive Covenant **only** apply to lots subject to the Agreement.