

RESTRICTIVE COVENANT

THIS AGREEMENT made this 22nd day of March, 2007.

BETWEEN:

740984 ALBERTA LTD.
of Box 671, Blairmore, AB T0K 0E0
(hereinafter referred to as the "Grantor")

- and -

740984 ALBERTA LTD.
of Box 671, Blairmore, AB T0K 0E0
(hereinafter referred to as the "Grantee")

WHEREAS 740984 Alberta Ltd. is the registered owner of those lands set out in Schedule "A" attached hereto (the "Lands");

AND WHEREAS 740984 Alberta Ltd., carrying on business as a developer under the name "Valley Ridge Country Estates", wishes to subdivide and sell the Lands as individual lots (individually "a Lot" and collectively "the Lots");

AND WHEREAS all of the Lots are part of a building scheme and each Lot is both a dominant and servient tenement to every other Lot;

AND WHEREAS 740984 Alberta Ltd. as both Grantor and Grantee wishes to insure that, as part of the building scheme, the future development and use of the Lots shall be subject to the restrictions set out herein and to the general intent of the building scheme;

NOW THEREFORE the Grantor of the Servient Tenement hereby covenants and agrees with the Grantee of the Dominant Tenement to observe and be bound by the following provisions, namely:

A. COVENANTS RUNNING WITH THE LAND

1. The Lands form part of a building scheme.
2. The land use and building restrictions and conditions contained herein are covenants running with the Lands and
 - (a) enure to the benefit of the Lot Owners of the dominant tenement, and
 - (b) are binding upon the Lot Owners of the servient tenement, and
 - (c) are binding on all Lot Owners and their successors in title.
3. The burden of the covenants herein contained are binding on each Lot Owner and every successor in title but only so long as that party is an owner of a Lot.
4. The benefits of the covenants herein contained may be enforced by any Lot Owner(s) from time to time at his/their own expense.

B. LAND USE RESTRICTIONS

5. Unless the context otherwise requires, the following terms are defined:
 - (a) "Domestic Animals" means cattle, swine, sheep, goats, buffalo, llamas, pigs and poultry;
 - (b) "Dwelling Unit" means a building for residential occupancy containing two or more self-contained rooms, provided with sleeping, cooking, dining and sanitary facilities intended to be used permanently or semi-permanently, as a residence, for one or more individuals, as a single housekeeping unit. And further, the roof area dimensions of the unit shall

not be less than 1,200 square feet. Further, a mobile home as herein defined is expressly excluded from this definition and use;

- (c) "Harbourer" means the person who is the owner of the lands and who permits the domestic animals to remain on the said lands;
 - (d) "Mobile Home" means a single family detached dwelling unit which is designed to be transported on its own chassis and wheels system, to a residential lot, for year round habitation and may include:
 - (i) a single wide mobile home which is towed in a single load;
 - (ii) a double wide mobile home which consists of two or more sections which are towed separately, but are designed to be joined together in one integral unit;
 - (iii) an expandable mobile home which consists of parts which may be folded, collapsed or telescoped in the process of being towed, but which can be extended for additional space when it is located on a residential site.
 - (e) "Owner" includes one or more persons who are identified on the Certificate of Title, issued by the Registrar of the South Alberta Land Registration District, and any subsequent successors in titles;
 - (f) "Lands" means any one or all of the parcels identified in Schedule "A" attached hereto and forming part of this Agreement.
6. (a) A Lot shall be used for a single family private dwelling unit only.

- (b) Notwithstanding the foregoing subparagraph, a Lot Owner may, in accordance with the Municipality of Crowsnest Pass Land Use By-Law, carry on an in-home business that does not create any additional vehicular traffic to a Lot (e.g. an internet business). Provided, however, in no circumstance may a Lot be used for a Bed and Breakfast business.
7. No more than one single family dwelling unit may be constructed on a Lot. No attached or semi-detached house, apartment or mobile home shall be erected or installed or located on any Lot.
8. No dwelling unit, garage or any other improvement shall be constructed on a Lot except in accordance with the Municipality of Crowsnest Pass Land Use By-Law.
9. No Lot or building thereon shall be used in a manner so as to create either a nuisance or unsightly premises.
10. No Lot Owner shall harbour or permit any domestic animals as defined to remain, be kept or harboured on his Lot. In addition, no Lot Owner shall permit more than two (2) horses to be kept on his Lot.
11. No fence may be built on a Lot unless:
- (a) it is approved by 740984 Alberta Ltd. as Grantee, and
 - (b) complies with the Municipality of Crowsnest Pass Land Use By-Law, and

- (c) where vertical boards or panels are installed, they do not obstruct vision to the Lot and are maintained, including painting or staining, in proper order on a continuous basis.

Notwithstanding the foregoing, no barbed wire fences are permitted.

C. ENFORCEMENT

- 12. In the event of a breach of any of the provisions hereof, 740984 Alberta Ltd. or any Lot Owner, at his own expense, may commence legal proceedings for the enforcement of the provisions contained herein, for damages and for any other remedy as may be deemed appropriate in either law or in equity.
- 13. 740984 Alberta Ltd., as Grantee, shall have the right to assign this Agreement or any of its rights hereunder including the right of enforcement.
- 14. Failure by 740984 Alberta Ltd. or any Lot Owner, as Grantee, to enforce or require compliance with any provision hereof shall not be deemed to be a waiver of the right of enforcement of any subsequent breach hereof.
- 15. In the event that 740984 Alberta Ltd. or any Lot Owner successfully pursues legal proceedings as a result of a breach of any provision hereof, then the Owner of the Lot in breach or default shall be responsible to pay to the successful party all of the legal fees and disbursements incurred on a solicitor and client basis by the successful party in connection with such legal proceedings.
- 16. No action shall lie against 740984 Alberta Ltd. for any loss or damages arising under this Agreement unless such loss or damage arises from the ownership of a Lot by 740984 Alberta Ltd. and not in its capacity as a developer.

D. REGISTRATION

17. This Restrictive Covenant may be registered with the Registrar of the South Alberta Land Registration District.

E. SINGULAR AND PLURAL

18. This Agreement shall be read with all changes of gender and number as required by the context.

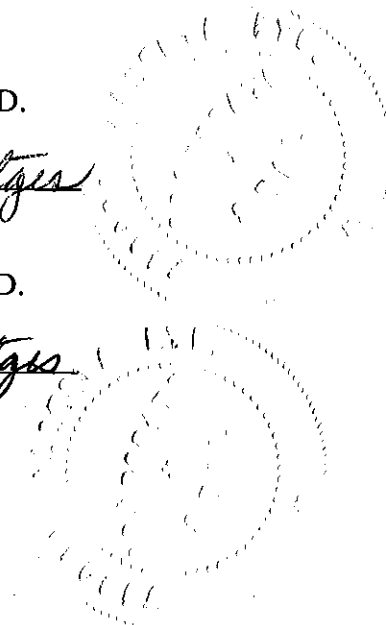
IN WITNESS WHEREOF the parties hereto have executed this Agreement this 22nd day of March, 2007.

740984 ALBERTA LTD.

PER: *H. Koentges*

740984 ALBERTA LTD.

PER: *H. Koentges*



SCHEDULE "A"

PARCEL ONE:

LOTS 1 TO 25

BLOCK 2

PLAN _____

PARCEL TWO:

LOTS 1 and 2

BLOCK 3

PLAN _____

PARCEL THREE:

LOTS 1 TO 3

BLOCK 4

PLAN _____