

CONSERVATION EASEMENT AGREEMENT

THIS AGREEMENT effective as of the 29th day of August, 2007.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN, as represented by the Minister of Agriculture and Food (the "Grantor")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN, as represented by the Minister of Agriculture and Food (the "Holder")

WHEREAS:

1. The Grantor is the Crown in right of Saskatchewan, the registered owner of an estate in fee simple of land in the Province of Saskatchewan in respect of which the Grantor wishes to grant a conservation easement pursuant to the provisions of *The Conservation Easements Act*.
2. The Holder is the Crown in right of Saskatchewan and as such is authorized to hold a conservation easement within the meaning of *The Conservation Easements Act*;
3. The Crown in right of Saskatchewan, pursuant to *The Conservation Easements Act*, wishes to enter into a conservation easement agreement as both Grantor and Holder, in order to:
 - (a) grant rights and privileges to the Holder respecting land that relate to the purpose for which the conservation easement is granted; and
 - (b) impose obligations, either positive or negative, on the Grantor respecting that land that relate to the purpose for which the conservation easement is granted, and that will bind any subsequent registered owner of the land.

THE PARTIES AGREE AS FOLLOWS:

1.0 GRANT OF EASEMENT

- 1.1. Subject to the terms and conditions of this Agreement and the provisions of *The Conservation Easements Act*, the Grantor grants to the Holder by way of this agreement a conservation easement over, under, on or through:

Surface Parcel 117511826

**Reference Land Description: NE Sec 29 Twp 28 Rge 04 W3 Extension 0
Reserving to the Crown all Mines and Minerals**

(the "Land").

Attached as Schedule "A" is a sketch of the Land to which the conservation easement relates.

- 1.2 For the purposes of this Agreement and in particular Schedule "B", the sketch of Land shown on Schedule "A" shall be depicted as follows:

(b) that portion with hatching – "natural cover area".

- 1.3 Subject to the provisions of this Agreement and *The Conservation Easements Act*, this conservation easement runs with the Land and is enforceable by the Holder against the Grantor or any subsequent owner of the land. The term "Grantor" in this Agreement means the registered owner of the land from time to time.

2.0 PURPOSE OF CONSERVATION EASEMENT AGREEMENT

- 2.1 The purpose of this Agreement is to insure that the present natural habitat on the Land will be preserved in perpetuity.
- 2.2 Subject to the terms, conditions and restrictions set forth in this Agreement, nothing herein limits or affects the Grantor's rights accruing from ownership of the Land, including the right to engage in or permit, or invite others to engage in all uses of the Land.
- 2.3 The Grantor shall have the sole right to control access to the Land by third parties, but shall be responsible to the Holder in accordance with this Agreement for any damage to the Land or breaches of this Agreement that may result from the activities of those third parties on the Land.

3.0 TERM

3.1 Subject to Article 10.0, the term of this Agreement shall commence on the effective date and continue thereafter in perpetuity.

4.0 RIGHTS AND PRIVILEGES OF THE HOLDER

4.1 Subject to the Grantor's reserved rights in this Agreement and to clause 4.2, the Holder has the right to enter the Land to inspect, monitor and enforce compliance with this Agreement at all reasonable times.

4.2 For the purposes of exercising the rights described in clause 4.1, the Grantor shall be entitled to a minimum of seven clear days notice.

4.3 Notwithstanding the notice requirement in clause 4.2, the Holder shall have the immediate right of entry upon the Land if, in the Holder's sole judgment, such entry is necessary to prevent immediate damage to the habitat.

4.4 Subject to the terms and conditions of this Agreement, including Article 4.0, the Holder may peaceably hold and enjoy the rights and privileges granted herein without any hindrance, molestation or interruption on the part of the Grantor or any person claiming by, through or under the Grantor.

5.0 MAINTENANCE, ASSESSMENTS AND TAXES

5.1 The Grantor shall pay all municipal taxes, rates, charges and assessments levied on or assessed against the Land. The Holder shall not, under any circumstances, be liable to pay any such taxes, rates, charges or assessments.

5.2 Except as expressly agreed to in writing by the Holder, the Grantor agrees to:

- (a) maintain the Land in accordance with this Agreement, and subject to obtaining any consents required by this Agreement, promptly repair any damage to the Land caused by breach of this Agreement, including but not limited to damage to improvements or fences; and
- (b) without limiting the generality of clause 11.1, bear all costs and liabilities of any kind relating to the operation, upkeep, maintenance, restoration and repair of the Land, including but not limited to improvements and fences, and the Grantor does hereby indemnify and hold the Holder harmless therefrom.

6.0 PERMITTED USES AND PRACTICES OF THE GRANTOR

- 6.1** The Grantor may conduct the activities, practices or uses more fully described in Schedule "B" - for the natural cover area of the Land (depicted with hatching on Schedule "A")

7.0 PROHIBITED USES AND PRACTICES

- 7.1** The Grantor shall not conduct, pursue or permit the activities, practices or uses more fully described in Schedule "B" - for the natural cover area of the Land (depicted with hatching on Schedule "A")

8.0 BREACH

- 8.1** In the event the Grantor conducts, pursues or permits any prohibited activity, practice or use as set forth in Schedule "B", the Holder may, but is not obligated to, notify the Grantor in writing of such actions. Upon receipt of such notice the Grantor agrees to immediately cease such actions.
- 8.2** The obligations in this conservation easement, whether positive or negative, may be enforced by an action in the Court of Queen's Bench by the Grantor, the Holder or, in the court's discretion, anyone else who is eligible to be a holder (the "Enforcer").
- 8.3** In enforcing this conservation easement, the Enforcer shall be entitled to apply for and obtain any relief or remedy set forth in *The Conservation Easements Act*, or any and all legal and equitable remedies.
- 8.4** The Enforcer may, without reasons, determine not to enforce any or all of the provisions of this Agreement or in *The Conservation Easements Act*, without liability. Any delay in enforcement shall not be construed as a waiver on the part of the Enforcer nor shall it constitute a waiver of or abrogate from any of the provisions of this Agreement.
- 8.5** Without derogating from any other rights of the Enforcer, in addition to any other rights, if the Enforcer reasonably believes that default will occur the Enforcer may apply for injunctive relief to prohibit or prevent default or the continuance of default.

8.6 The rights of the Enforcer under this Agreement and *The Conservation Easements Act* are continuing and may be exercised from time to time, and as many times as the circumstances may require.

9.0 ASSIGNMENT

9.1 This Agreement, and any of its rights or obligations, may be assigned by the Holder to anyone eligible to be a holder within the meaning of *The Conservation Easements Act*.

9.2 The current Holder will make every reasonable effort to ensure that any party to whom it assigns this Agreement has the same goals of protection, enhancement or restoration of the natural ecosystem and wildlife habitat of the Land.

10.0 TERMINATION

10.1 This Agreement may be terminated by:

- (a) a written agreement between the Holder and the Grantor;
- (b) a court order pursuant to section 10(1)(b) of *The Conservation Easements Act*.

11.0 INDEMNIFICATION

11.1 The Grantor shall indemnify and save harmless the Holder and all Ministers, officers, employees, servants, agents and representatives of the Holder, whether past or present, against all claims, liabilities, losses, damages, costs, expenses and causes of action, whatsoever arising from the negligent, willful or other wrongful act or omission of the Grantor or any of the Grantor's family members, employees, servants, contractors, agents, licensees, invitees, directors or officers, or arising from or in any way connected with the Lands.

11.2 The Holder shall indemnify and save harmless the Grantor from and against any and all claims, liabilities, losses, damages, costs, expenses and causes of action whatsoever arising from the negligent, willful or other wrongful act or omission of the Holder or any of the Holder's Ministers, officers, employees, servants, agents and representatives arising from or in any way connected with the exercise of the Holder's rights and privileges granted pursuant to this Agreement.

12.0 SUBSEQUENT SALE

12.1 Subject to the provisions of *The Conservation Easements Act*, nothing in this Agreement precludes the Grantor from selling, conveying or relinquishing his interest in the Land. The Grantor agrees to notify the Holder in writing of any disposition of interest in the Land by sending written notice to the Holder. The Grantor further agrees to provide a copy of this Agreement to any subsequent owner of the Land.

13.0 MISCELLANEOUS

13.1 Any notice or other communication required to be given under this Agreement or which either party may wish to give or serve on the other party may effectively and sufficiently be given or served if delivered or addressed and mailed to:

(a) in the case of the Grantor:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN, as represented by the Minister of Agriculture and Food

(b) in the case of the Holder:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN, as represented by the Minister of Agriculture and Food

13.2 This Agreement, including Schedules "A", and "B", constitutes the entire agreement between the parties. No amendment of this Agreement shall be effective unless it is in writing and executed by the parties.

13.3 Each of the terms and conditions contained in this Agreement is severable from every other term and condition and the invalidity and unenforceability of one or more of the terms or conditions of this Agreement shall not affect the validity or enforceability of the remaining terms and conditions of this Agreement.

13.4 The Grantor may grant more than one conservation easement with respect to the Land so long as there is no conflict between the rights and privileges granted and the obligations imposed by the conservation easements.

13.5 The Holder shall bear all costs of administering the rights and obligations of the Holder pursuant to this Agreement.

13.6 This Agreement shall be interpreted in accordance with the laws of the Province of Saskatchewan.

IN WITNESS WHEREOF, this agreement has been executed by the parties.

HER MAJESTY THE QUEEN IN
RIGHT OF SASKATCHEWAN

Beverly-Anne Day Sept 11/07
Witness Date

[Signature]
Grantor JAMES I. SCHEUM

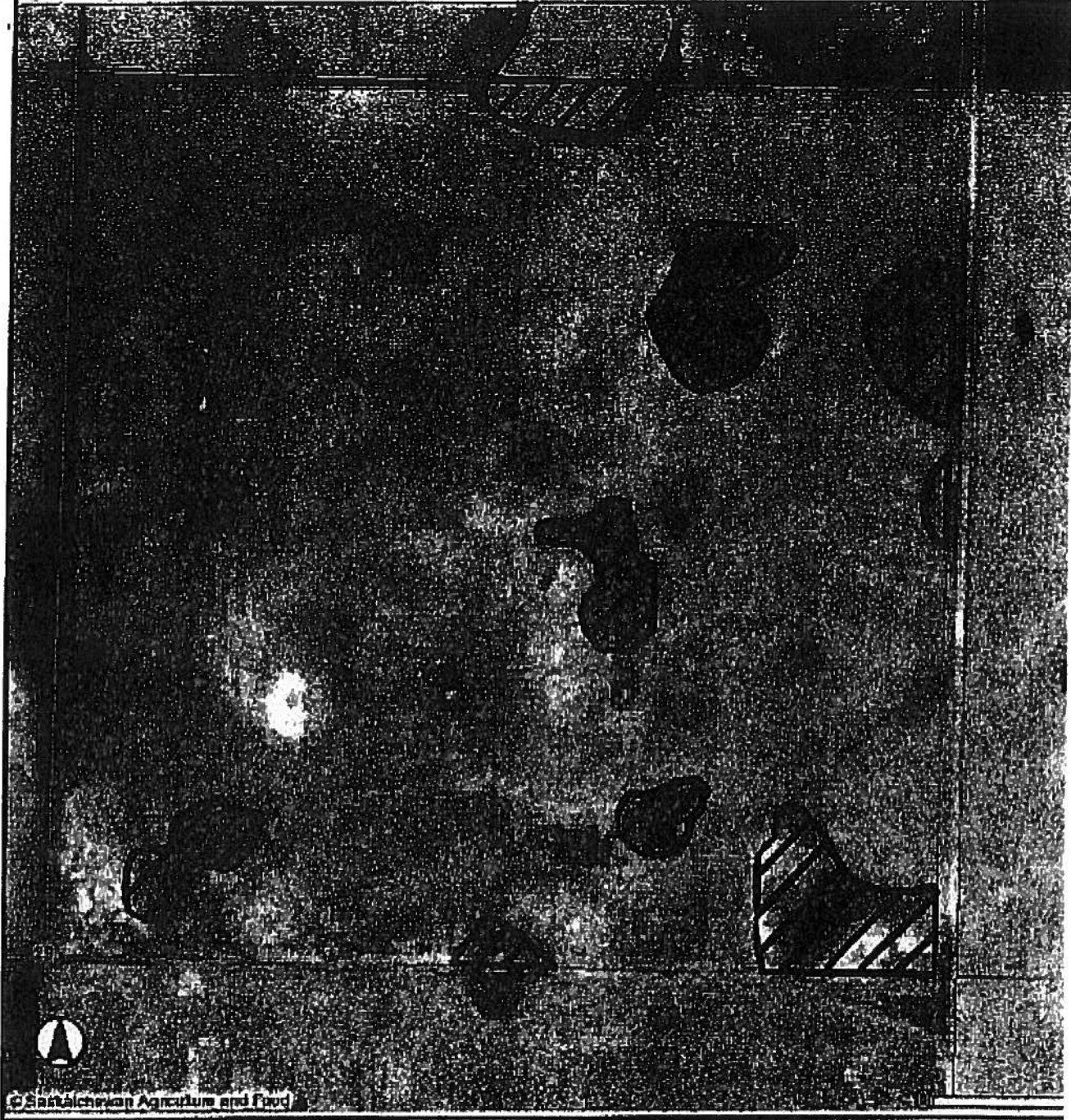
HER MAJESTY THE QUEEN IN
RIGHT OF SASKATCHEWAN

Beverly-Anne Day Sept 11/07
Witness Date

[Signature]
Holder JAMES I. SCHEUM



NE-29-28-04-3 Conservation Easement



SCHEDULE "A"
NE-29-28-04-3 - 27.50 acres
ISC PARCEL No. 117511826
~~Conservation Easement~~

SCHEDULE "B"
NE-29-28-04-3
(Surface Parcel 117511826)

1.0 PERMITTED ACTIVITIES, PRACTICES AND USES ON THE NATURAL COVER AREA OF THE LAND (area with hatching on Schedule "A")

1.1 The Grantor may, subject to applicable legislation, conduct the following activities, practices or uses on the natural cover area of the Land as shown on Schedule A:

- (a) Engage in any activity on the natural cover area of the Land with the exception of those activities listed in 2.1 of this Schedule;
- (b) Pasture livestock during the summer grazing season;
- (c) Graze livestock and in so doing, conduct any extensive range management practices that do not harm the natural grasslands prairie ecosystem;
- (d) Graze livestock and undertake all activities incidental to the grazing of livestock including the development of water sites and the construction of corrals;
- (e) Rejuvenate those lands previously developed for forage or annual crops;
- (f) Construct and maintain fences and fence lines for the purpose of grazing livestock. Fence line clearing is limited to a 50 foot maximum width on the perimeter of this parcel;
- (g) Develop and maintain any water management projects provided any necessary regulatory approvals are obtained;
- (h) Use herbicides and other agri-chemicals to control weeds and insects;
- (i) Control pests, including beavers and all activities incidental to the control of such pests, providing any necessary regulatory approvals are obtained;
- (j) Engage in recreational activities that do not disturb the natural cover, including hunting and trapping for animals and birds;
- (k) Allow intensive development, such as oil and gas sites; gravel pits; yard sites, provided the total area of all such developments do not exceed 10% of the total acreage of the protected Land, and provided that upon abandonment of a developed site, it is restored, as near as possible, to natural grasslands prairie;
- (l) Develop and maintain any registered or unregistered utility structures and/or corridors including providing inspection and maintenance at all times;
- (m) The Grantor will allow upgrading of existing and the construction of new Municipal right of ways.

2.0 PROHIBITED USES AND PRACTICES ON THE NATURAL COVER AREA OF THE LAND (area with hatching on Schedule "A")

2.1 The following uses or practices are inconsistent with the purposes of this conservation easement, and the Grantor shall not conduct or pursue them, or permit them to be conducted or pursued, on the natural cover area of the Land:

- (a) Cultivate any of the Land;
- (b) Cultivate or disturb the natural cover on the land, other than described for fence line clearing in 1.1 (f) or water development in 1.1 (d) of this Schedule;
- (c) Introduce tame forage species or noxious weed species on the Land;
- (d) Construct, conduct or operate any intensive livestock operation, including a feedlot or the over wintering of any livestock;
- (e) Establish or construct any residential, commercial or industrial facilities or development.