

This agreement made this day of 20 .

BETWEEN:

NORTH EAST MUNI-CORR LTD.
Of 5015 - 49 Avenue, St. Paul, Alberta T0A 3A4
(Hereinafter called the "Northeast Muni-Corr Ltd.")

OF THE FIRST PART

-And-

COUNTY OF ST. PAUL NO. 19
Of , 5015 – 49 Avenue, St. Paul, AB T0A 3A4
In the Province of Alberta

(Hereinafter called "COUNTY OF ST. PAUL")

OF THE SECOND PART

UTILITY RIGHT-OF-WAY AGREEMENT

WHEREAS Northeast Muni-Corr Ltd. owns lands legally described in **Schedule "A"** (the "Lands"); and

WHEREAS COUNTY OF ST. PAUL. wishes to locate a water line within the Lands as illustrated in **Schedule "B"** and

NOW THEREFORE this Agreement witnesses that in consideration of the premises, the covenants herein contained and other good and valuable consideration, the parties hereby agree as follows:

IN CONSIDERATION OF **ONE DOLLAR** (\$1.00) plus G.S.T. (if applicable) now paid and exchanged between the parties hereto, the receipt and sufficiency of which is acknowledged, and of the promises and covenants herein contained and for other good and valuable consideration, the parties hereby agree as follows:

- 1 Subject to the terms of this Agreement, Northeast Muni-Corr Ltd. grants to COUNTY OF ST. PAUL rights to use and occupy that portion of the Lands necessary for purposes of construction, use, operation, maintenance and repair of the water line.
2. a) COUNTY OF ST. PAUL is hereby entitled to use and occupy the portion of the Lands containing the water line for construction, normal operation, use, maintenance and repair of the water line provided that no provision herein shall restrict, hinder or prohibit North East Muni-Corr Ltd's. use of the Lands for the purposes for other uses as may be approved for the Land. Use of the Lands means recreational trial use and/or a utility corridor.
- b) The water line placed within the Land shall be buried at least six (6) feet below the surface.

With respect to any work carried out by COUNTY OF ST. PAUL in or on the Lands and with respect to its water line in the Lands, COUNTY OF ST. PAUL shall:

- i) provide all lines, materials, equipment and labor;
 - ii) provide North East Muni-Corr Ltd's. representative (Marianne Price) at least forty-eight (48) hours notice before commencing work within the Lands;
 - iii) carry out all such work to the satisfaction of North East Muni-Corr Ltd's. representatives;
 - iv) construct the water line by trenchless method; open excavations to install structures and create drilling pits will be permitted as required; where trenchless construction is not feasible for pipe installation in isolated areas, open excavation may be permitted.
 - v) install any work at the location in the Lands as illustrated on **Schedule "B"**, hereby declared to be part of this Agreement;
 - vi) restore the Lands and/or surface disturbance insofar as practical to their former condition upon completion of construction, maintenance, replacement and/or removal of the water line within the Lands; see **Amendment "A"**
 - vii) after construction is complete, submit as-built plans of the water line within the Lands to North East Muni-Corr Ltd. These plans should also show a contact person in case of emergency.
 - viii) be permitted to install some structures and blow-offs along the line. The structures will be buried but will have a secure manhole lid at the surface with valve stems and vent pipes that will be exposed if required.
3. COUNTY OF ST. PAUL shall at all time and at their expense keep and maintain the water line in good and sufficient repair. Any exposure of the water line required for construction of a facility owned by North East Muni-Corr Ltd. shall be carried out by North East Muni-Corr Ltd. and COUNTY OF ST. PAUL will reimburse North East Muni-Corr Ltd. for reasonable incremental costs associated with the exposure.
4. Neither party shall be considered in default in performance of its obligations under this Agreement, to the extent that the performance of such obligations is delayed by circumstance which are beyond the control of North East Muni-Corr Ltd. or COUNTY OF ST. PAUL; provided however, COUNTY OF ST. PAUL shall not be in default in the performance of any of its covenants or obligations under this Agreement until North East Muni-Corr Ltd. has notified COUNTY OF ST. PAUL of such default and COUNTY OF ST. PAUL has failed to commence timely action to remedy the same upon receipt of such notice.
- If COUNTY OF ST. PAUL violates any provision of this Agreement, all rights accruing to COUNTY OF ST. PAUL under this Agreement shall, unless North East Muni-Corr Ltd. otherwise decides, cease upon THIRTY (30) DAYS written notice if not remedied within that period, but North East Muni-Corr Ltd. shall retain the right to proceed with the enforcement of any security or indemnity provided in satisfaction of any claim, loss or expense of any kind whatsoever arising under this Agreement.
5. COUNTY OF ST. PAUL shall indemnify and hold harmless North East Muni-Corr Ltd. against all actions, suits, claims, demands and expenses made or suffered by any person or persons, in respect of any loss, injury, damage or obligation to compensate, arising out of, or in connection with, or as a result of operations conducted by COUNTY OF ST. PAUL, as well as in respect of any loss, injury or damage arising out of, or in connection with, any breach by COUNTY OF ST. PAUL of the terms and conditions of this Agreement, and this obligation shall survive the expiration or termination of this Agreement.

6. North East Muni-Corr Ltd's. officers, employees, agents and contractors and invitees shall have the right at any time to enter upon the Lands for the purpose of using the Lands, reconstruction, maintaining, repairing or inspecting the Lands or improvements thereto. North East Muni-Corr Ltd. shall in undertaking such activities use reasonable efforts to cause its officers, employees, agents and contractors to minimize disruption or damage to the water line and shall repair or replace any damage to the water line which occurs pursuant to such activities to the extent that any loss, damage or injury shall have been caused by the acts of North East Muni-Corr Ltd's. officers, employees, agents or contractors.
7. In the event COUNTY OF ST. PAUL no longer requires the right to operate and maintain the water line in the Licensed Area, it shall, within a reasonable period of time, purge and abandon the water line in compliance with applicable provincial regulatory acts or regulations if applicable.
8. COUNTY OF ST. PAUL agrees to keep the water line thereto in good repair to the reasonable satisfaction of North East Muni-Corr Ltd. in conformance with the prevailing standards of maintenance.
9. If any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be invalid by the decision of a Court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.
10. This Agreement shall ensure to the benefit of and be binding upon the parties hereto NOTWITHSTANDING any rule of law or equity to the contrary; and this Agreement shall be governed and construed in accordance with the laws of the Province of Alberta.
11. COUNTY OF ST. PAUL shall be liable for and pay all taxes, rates and assessments of every description whatsoever, that may be imposed by any lawful authority, by reason of the presence of the water line, or by reason of this Agreement or of anything done pursuant to this Agreement and shall indemnify Northeast Muni-Corr Ltd. from and against all such taxes, rates and assessments.
12. In the case of default by COUNTY OF ST. PAUL in carrying out any of the provisions of this Agreement, North East Muni-Corr Ltd. may give sixty (60) days notice thereof to COUNTY OF ST. PAUL to rectify same, and COUNTY OF ST. PAUL covenants and agrees to proceed with due diligence to carry out the same. If COUNTY OF ST. PAUL fails to proceed to remedy such default within the said sixty (60) day period, will cause the termination of this Agreement.
13. This Agreement shall be for TEN (10) years from the date above stated, unless earlier terminated. If COUNTY OF ST. PAUL is not in default of any provisions of this Agreement (having received notice of said default as per clause 12 of this Agreement), this License shall be automatically renewed for a further TEN (10) year term (including the right of renewal), and shall be automatically renewed in TEN (10) year terms for as long as COUNTY OF ST. PAUL requires use of the Lands for operation of the water line.
14. In the event that COUNTY OF ST. PAUL and North East Muni-Corr Ltd. cannot agree on compensation for each subsequent 10 year term or for damages to the lands, the matter at issue will be determined by three independent arbitrators in accordance with the provisions of the arbitration legislation then in force in the province of Alberta. Where the matter at issue is to be determined by arbitration, one arbitrator will be appointed by COUNTY OF ST. PAUL, one by North East Muni-Corr Ltd., and the third by the other two arbitrators so appointed, and the

decision of any two of such three arbitrators shall be final and conclusive. The appointed arbitrators shall determine the responsibility for the arbitration costs.

15. All notices, reports and other communications required or permitted by this Agreement shall be deemed to have been properly given and delivered when delivered by hand or sent by written telecommunication or registered mail with all postage or charges fully prepaid and addressed to the parties, respectively, as follows:

North East Muni-Corr Ltd.
5015 - 49 Avenue
St. Paul, Alberta T0A 3A4
Attention: Tim Mahdiuk, Controller

COUNTY OF ST. PAUL NO. 19
5015 – 49 Avenue
St. Paul, AB T0A 3A4

or to the latest known address of the party concerned, as furnished pursuant to subsection (c) of this section.

Any notice, report or communication so mailed shall be deemed to have been received by the addressee fourteen (14) days after posting thereof. In all other instances, the date of receipt by addressee shall be the date of actual delivery at the said address.

Either party may change its address for the purposes hereof by giving written notice thereof to the other party at its latest known address.

This Agreement is and shall be binding upon and ensure to the benefit of the parties hereto, their executors, administrators, successors and assigns, as the case may be.

16. In the event North East Muni-Corr Ltd. agrees, COUNTY OF ST. PAUL shall register this document or a caveat relating thereto against the Lands in order to protect the interests granted herein.
17. In the event of any conflict between a metric and imperial expression of measurement in this agreement, the metric expression of measurement shall govern.

IN WITNESS WHEREOF, the parties hereto have hereunder executed these presents as of the day, month, and year first above written.

NORTHEAST MUNI-CORR LTD.

Per_____

Per_____

COUNTY OF ST. PAUL NO. 19

Per_____

Per_____

SCHEDULE A

The Lands - legal description

THE NINETY-NINE FOOT RIGHT OF WAY WITHIN:

S 1/2 27-59-11-W4th

NE 27-59-11-W4th

N 1/2 26-59-11-W4th

SE 26-59-11-W4th

SW 25-59-11-W4th

NE 24-59-11-W4th

N ½ 19-59-10-W4th

SE 30-59-10-W4th

W ½ 29-59-10-W4th

NE 29-59-10-W4th

NW 28-59-10-W4th

SW 33-59-10-W4th

E ½ 33-59-10-W4th

SE 4-60-10-W4th

W ½ 3-60-10-W4th

NE 3-60-10-W4th

E ½ 10-60-10-W4th

NW 11-60-10-W4th

S ½ 14-60-10-W4th

NE 14-60-10-W4th

E ½ 23-60-10-W4th

NW 24-60-10-W4th

COMPRISING PLAN 1085 EO – COUNTY OF ST. PAUL
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE B

The Lands – legal description