

SASKATCHEWAN RIGHT OF WAY AGREEMENT (PIPELINE)

THIS AGREEMENT made the ____ day of _____ A.D. 20_____.

BETWEEN: «**Landowner Name**» of «Owner1_City», «Province1»,
(hereinafter called the "Grantor") being the registered owner or entitled to become the registered owner of an estate in fee simple, subject however to such encumbrances, liens and interests as may be noted upon the existing Certificate of Title in all of that certain tract of land situate, lying and being in the Province of Saskatchewan, namely:

LAND DESCRIPTION: «Quarter» «Sec»-«Township»-«Range» W«Meridian»M «Extension»

CERTIFICATE OF TITLE NO.: «Certificate_of_Title»

SURFACE PARCEL NO.: «Surface_Parcel»

EXCEPTING THEREOUT ALL MINES AND MINERALS

(hereinafter called "the Said Lands"); and

STEEL REEF INFRASTRUCTURE CORP.

(hereinafter called the "Grantee")

NOW THEREFORE in consideration of the sum of One Dollar (\$ 1.00) (receipt and sufficiency of which is hereby acknowledged) paid to the Grantor by the Grantee and in consideration of the covenants hereinafter contained THE GRANTOR DOES HEREBY GRANT, CONVEY, TRANSFER AND SET OVER, to and unto the Grantee, its successors and assigns, a right-of-way across, over, under, on or through the Said Lands to construct, operate and maintain a pipeline or pipelines including accessories and appurtenances and for any other purpose preparatory or incidental thereto including the right to repair or replace the said pipeline or pipelines. The right to construct more than one pipeline in the right-of-way hereby granted shall be limited to those pipelines which are constructed during one construction operation.

The Grantor and the Grantee hereby covenant and agree to the following terms and conditions:

1. FILING PLAN OF SURVEY

The Grantee agrees that on or before one year after the date of this Agreement it will file at the appropriate Land Titles Office a Plan of Survey of the right-of way **fifteen (15) metres** in width across the Said Lands, in the appropriate location as shown on a sketch plan initialled by the parties and delivered to the Grantor upon signing of this Agreement. If the Grantee has not either filed a Plan of Survey within the one-year period, or should the Grantee not forward to the Grantor a Plan of Survey showing the location of the right-of-way to be substantially in the location shown on the sketch plan, on or before one year from the date hereof, this Agreement will be null and void and the Grantee shall thereupon execute and register such documents as may be necessary to remove the registration of this Agreement from the title to the Said Lands.

2. PARTIAL WITHDRAWAL AND DISCHARGE OF RIGHT OF WAY

Upon filing the Plan of Survey at the appropriate Land Titles Office, the Grantee shall cause to be registered such documents as shall restrict this Agreement and the rights herein granted to the right-of-way shown upon the Plan of Survey.

3. ADDITIONAL PAYMENT

Upon the filing of the Plan of Survey at the Land Titles Office or prior to commencing any construction on the Said Lands, whichever occurs first; the Grantee, subject to clause 20, shall pay an additional consideration to the Grantor calculated at the rate of _____ Dollars (\$ _____) per acre of right of way shown on the Plan of Survey which has been or will be filed.

4. PROTECTION OF RIGHT OF WAY

(a) Subject to clause 18 and the following, the Grantor shall have the right to use and enjoy the right of way provided that:

i. The Grantor shall not use the right of way for any purpose which might either interfere with the rights granted herein to the Grantee, or which might incur a liability for damages payable by the Grantee, without the prior written consent of the Grantee; including, in particular:

- A) The Grantor may not erect any permanent structures on the right-of-way without the written consent of the Grantee.
- B) The Grantor may not alter the physical condition of the right-of-way to diminish or add to the ground cover over any pipeline without the written consent of the Grantee.

ii. The Grantor hereby agrees to indemnify and save harmless the Grantee from all actions, causes of action, proceedings, claims, demands, losses, costs, damages and expenses which the Grantee may pay or incur as a result of or in connection with any use by the Grantor of the right of way.

(b) The Grantee shall be responsible for and compensate the Grantor for reasonable additional costs incurred by the Grantor which may be caused by the existence of the said pipeline, pipelines and right-of-way in connection with the excavation, drilling, installation, erection, repair or construction for any permitted operation for agricultural or related purposes across, over or under, on or through the right of way. If the Grantee and the Grantor fail to agree as to the amount of compensation for reasonable additional costs incurred as a direct result of the existence of said pipeline, pipelines and right-of-way, then the matter shall be referred to arbitration in accordance with clause 13 hereof.

5. REMOVAL OF PROPERTY

Notwithstanding any rule of law or equity, the pipeline or pipelines shall at all times remain the property of the Grantee, notwithstanding that the same may be annexed or affixed to the Said Lands and shall at any time and from time to time be removable in whole or in part by the Grantee.

6. DAMAGES

The Grantee shall pay compensation for any and all damage where such damage occurs as a result of the operations of the Grantee, its servants, agents or contractors.

7. LIABILITY

The Grantee covenants and agrees to indemnify and save harmless the Grantor from any and all liabilities, damages, costs, claims, suits or actions caused by or resulting from the construction, operation, maintenance or repairs of the said pipeline or pipelines or any related fixtures and appurtenances affixed to the right of way other than through wilful damage or gross negligence by the Grantor.

8. TOPSOIL

Insofar as it may be practicable to do so, the Grantee shall, unless otherwise requested by the Grantor, strip from the ditch line prior to construction such width of topsoil as may be required under good oil field practices and in compliance with existing regulations and replace the topsoil as near as possible to its original condition following construction.

9. TAXES

The Grantee shall pay all rates and taxes that may be assessed and levied from time to time against its interest in the Said Lands and installation or in connection with its operations thereon. The Grantor or any person to whom the Grantor assigns any right to receive any payments hereunder (whether by Direction to Pay or otherwise) shall be and shall remain liable for all income taxes assessed against either of them in respect of such payment, without recourse to the Grantee.

10. ABOVE GROUND INSTALLATION

The Grantee shall, so far as may be practicable, locate any above ground installation in such a fashion as to provide a minimum of inconvenience to the Grantor. The Grantee agrees to compensate the Grantor for such above ground installation by separate agreement and failing such agreement within sixty (60) days from the date of such installation, the matter of compensation shall be submitted to arbitration in accordance with clause 13 hereof.

11. DISCONTINUANCE AND ABANDONMENT

Upon the discontinuance of the use of the said right-of way and of the exercise of the right(s) hereby granted, the Grantee shall restore the Said Lands to the same condition, so far as may be practicable to do so, as the Said Lands were prior to the entry thereon and the use thereof by the Grantee. PROVIDED HOWEVER, that the Grantee may, at its option, leave and abandon the said pipeline or pipelines in place. The Grantee agrees to withdraw and discharge any encumbrance registered in the Land Titles Office pertaining to this Agreement upon abandonment of the said right-of-way.

12. DISCHARGE OF ENCUMBRANCES

The Grantee shall have the right at its option, to pay or discharge any balance owing under any agreement of sale or mortgage or any tax charge, lien or encumbrances of any kind or nature whatsoever, which may exist prior to the registration of this Agreement, upon or against or in any way affecting the Said Lands, in which event the Grantee shall be subrogated to the rights of the holder or holders thereof and may, in addition to exercising and enforcing such rights, at its option, apply and credit the amount so paid by it, to the consideration as set forth above in this Agreement.

13. DISPUTE RESOLUTION

If the amount of compensation under any of subclause 4(b), clause 6 or clause 10 hereof cannot be agreed upon by the Grantor and the Grantee, the matter at issue shall be determined by the Surface Rights Board in accordance with provisions of the surface rights legislation then in force in the Province of Saskatchewan; provided that if the provisions of the surface rights legislation do not permit resolution of the matter at issue, the matter at issue shall be determined by three disinterested arbitrators, and the decision of any two of such three arbitrators, shall be final and conclusive; PROVIDED THAT in all other respects the provision of the arbitration legislation then in force in the Province of Saskatchewan shall apply to each submission. In any event, the responsibility for the arbitration costs shall be determined by the appointed arbitrators. No right of action shall accrue to either Grantor or Grantee in respect of a dispute or difference hereunder until such dispute or difference has been decided upon by the Surface Rights Board or by arbitration as aforesaid.

14. DEFAULT

Notwithstanding anything herein contained to the contrary, the Grantee shall not be in default in the performance of any of its covenants or obligations under this Agreement, unless and until the Grantor has notified the Grantee in writing of such default and the Grantee has failed, within thirty (30) days of the receipt of such notice, to commence action to remedy the same. For the purpose of this clause, a letter by the Grantee of its intent to remedy a default shall constitute a commencement of action to remedy the said default.

15. FORCE MAJEURE

Neither party shall be considered in default in performance of its obligations under this Agreement, to the extent that the performance of such obligations or any of them, is delayed by circumstances, existing or future, which are beyond the reasonable control of the pertinent Grantor or the Grantee.

16. ADDITIONAL TERMS

Any additional terms, expressed or implied, shall be of no force or effect unless made in writing and agreed to by the Grantor and the Grantee.

17. ASSIGNMENT

The rights, licences and privileges granted under this Agreement shall be deemed to be and are covenants running with the land. All the covenants and conditions herein contained, shall extend to, be binding upon and enure to the benefit of the executors, administrators, successors, and assigns of the Grantor and the Grantee respectively.

18. QUIET ENJOYMENT

The Grantee while performing and observing the covenants and conditions on its part to be performed and observed, shall and may peaceably hold and enjoy the rights, liberties and easements hereby granted without hindrance, molestation or interruption on the part of the Grantor or any person claiming by, through, under or in trust for the Grantor for so long thereafter as the Grantee, his successors and assigns continues to use the right of way for the purposes herein set forth.

19. NOTICES

All notices to be given hereunder may be given by registered letter addressed to the Grantee at Suite 1200, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1 and to the Grantor at «Landowner Address», «Landowner City», «Landowner Province» «Landowner Postal Code» or such other addresses as the Grantor and the Grantee may respectively from time to time designate in writing, and any such notice shall be deemed to have been given to and received by the addressee fourteen (14) days after the mailing thereof, postage prepaid.

20. NON-EXERCISE OF RIGHTS GRANTED

If the Said Lands are not entered upon except for survey purposes or the additional consideration has not been paid within three hundred sixty-five (365) days of the date of this Right of Way Agreement, the Grantee shall pay to the Grantor the sum of Five Hundred Dollars (\$500.00) for the right to survey and all other inconveniences and this Right of Way Agreement shall terminate. The grantee shall thereupon execute and register such document as may be necessary to remove the registration of this Agreement from the title to the said land.

21. PERSONAL INFORMATION CONSENT

By providing personal information to the Grantee, the Grantor consents to the Grantee's collection, use, retention and disclosure of that information for any and all purposes and uses as permitted or contemplated under this Agreement and as needed to comply with any legal requirements.

22. NON-RESIDENT STATUS

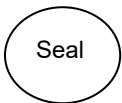
Each Grantor represents that he or she is not a non-resident of Canada within the meaning of the Income Tax Act (Canada), and that if the Grantor's status for income tax purposes changes, the Grantor will promptly notify the Grantee in writing. Subsequent to such notification, any payment made by or on behalf of the Grantee to the Grantor under this Lease will be made net of any deduction or withholding as required by the Income Tax Act (Canada) or any other applicable law.

IN WITNESS WHEREOF the Grantor has hereunto set his/her hand and seal and the Grantee has executed this Agreement by its authorized representative in that behalf the day and year first above written.

SIGNED, SEALED AND DELIVERED

by the above named Grantor in the presence of:

GRANTOR
«Company_Name»

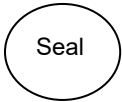


Witness:

«Owner1»

Witness:

«Owner2»



GRANTEE

STEEL REEF INFRASTRUCTURE CORP.

Per:

AFFIDAVIT OF EXECUTION

CANADA
PROVINCE OF SASKATCHEWAN
TO WIT:

I, _____ of Estevan, in the Province of Saskatchewan, "Land Agent", make oath and say:
(Occupation)

1. That I was personally present and did see «Owner1» named in the within instrument, who is (are) personally known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
2. That the same was executed at «Owner1 City», in the Province of Saskatchewan, and that I am the subscribing witness thereto.
3. That I know the said «Owner1» and he (or she) is, (or they each are) in my belief, of the full age of eighteen years.

SWORN before me at Estevan)
 in the Province of Saskatchewan, this _____ day of)
 _____ A.D. 20 _____.)
 _____)
 _____)
 A Commissioner for Oaths)
 for the Province of Saskatchewan)
 My commission expires: _____)

**AFFIDAVIT
HOMESTEADS ACT, SASKATCHEWAN**

CANADA
PROVINCE OF SASKATCHEWAN
TO WIT:

I, «Owner1» of «Owner1 City», «Province1», make oath and say that:

1. That I am the Grantor named in the within disposition.
 2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.
- or -
2. I have no spouse.
- or -
2. My spouse is a registered owner of the land that is the subject matter of this disposition and a signatory of this disposition.
- or -
2. My spouse and I have entered into an interspousal agreement pursuant the Family Property Act in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.
- or -
2. An order has been made by the Court of Queen’s Bench pursuant to the Family Property Act declaring that my spouse has no homestead rights in the land that is subject of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

SWORN before me at «Owner1_City»)
 in the Province of Saskatchewan, this _____ day of)
 _____ A.D. 20 _____.)
 _____)
 _____)
 A Commissioner for Oaths)
 for the Province of Saskatchewan)
 My commission expires: _____)

_____ **«Owner1»**

AFFIDAVIT OF EXECUTION

CANADA
 PROVINCE OF SASKATCHEWAN
 TO WIT:

I, _____ of Estevan, in the Province of Saskatchewan, "Land Agent", make oath and say:
 (Occupation)

1. That I was personally present and did see «Owner2» named in the within instrument, who is (are) personally known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
2. That the same was executed at «Owner2_City», in the Province of Saskatchewan, and that I am the subscribing witness thereto.
3. That I know the said «Owner2» and he (or she) is, (or they each are) in my belief, of the full age of eighteen years.

SWORN before me at Estevan)
 in the Province of Saskatchewan, this _____ day of)
 _____ A.D. 20 _____.)
 _____)
 _____)
 A Commissioner for Oaths)
 for the Province of Saskatchewan)
 My commission expires: _____)

**AFFIDAVIT
 HOMESTEADS ACT, SASKATCHEWAN**

CANADA
 PROVINCE OF SASKATCHEWAN
 TO WIT:

I, «Owner2» of «Owner2_City», «Province2», make oath and say that:

1. That I am the Grantor named in the within disposition.
 2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.
- or -
2. I have no spouse.
- or -
2. My spouse is a registered owner of the land that is the subject matter of this disposition and a signatory of this disposition.
- or -
2. My spouse and I have entered into an interspousal agreement pursuant the Family Property Act in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.
- or -
2. An order has been made by the Court of Queen's Bench pursuant to the Family Property Act declaring that my spouse has no homestead rights in the land that is subject of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

SWORN before me at «Owner2_City»)
 in the Province of Saskatchewan, this _____ day of)
 _____ A.D. 20 _____.)
 _____)
 _____)
 A Commissioner for Oaths)
 for the Province of Saskatchewan)
 My commission expires: _____)

_____ «Owner2»