

BYLAW NO. 05-02

A BYLAW OF THE RURAL MUNICIPALITY OF FRENCHMAN BUTTE NO. 501 TO ENTER INTO AN AGREEMENT FOR REMOVAL OF SAND OR GRAVEL.

1. The Rural Municipality of Frenchman Butte No. 501 is hereby authorized to enter into an agreement with the following:

Charles Marchadour
 Jerry Marchadour
 Denis Marchadour
 Michelle Werren


The terms of which are attached hereto and marked Exhibit "A"

2. The Reeve and Administrator of the Rural Municipality of Frenchman Butte No. 501 are hereby authorized to sign and execute the attached agreement identified as Exhibit "A" to this bylaw.

(SEAL)

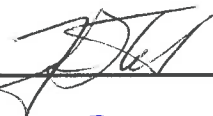


 Reeve

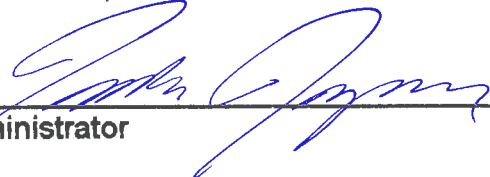


 Administrator

Certified a true copy of Bylaw No. 05-02
 adopted by resolution of Council on the
 17th day of March, 2005



 Reeve



 Administrator

(SEAL)



MEMORANDUM OF AGREEMENT

Made in Duplicate this 17th day of March, 2005.

BETWEEN:

CHARLES MARCHADOUR, of Box 24,
Paradise Hill, Saskatchewan, S0M 2G0

JERRY MARCHADOUR, of Box 51,
Lorette, Manitoba, R0A 0Y0

DENIS MARCHADOUR, of Box 1068,
Lloydminster, Saskatchewan, S9V 1E9

MICHELLE WERREN, of Box 34,
Kitscoty, Alberta, T0B 2P0

(all above hereafter referred to as the "Lessor" of the First Part)

- and -

The Rural Municipality of Frenchman Butte No. 501
Box 180
Paradise Hill, Saskatchewan, S0M 2G0
(hereinafter referred to as the "Lessee" of the Second Part)

WHEREAS the Lessor is the registered owner of the following land:

**Portion of SW 22-51-23-W3 as shown on the drawing attached
Hereto, as Appendix "A" and forming part of this agreement**

AND WHEREAS the Lessor has agreed to grant the Lessee the exclusive right to remove sand or gravel from a portion of the said lands.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the payments, covenants and conditions herein reserved and contained, the Lessor does lease and demise unto the Lessee the exclusive right as against all parties, including the Lessor, to enter upon the said portion of land for the purpose of removing therefrom all and any sand or gravel to be found in, upon, or under the said portion of land for a period of five (5) years commencing on January 1, 2005 and ending on December 31, 2009.

1.0 The Lessee covenants:

- 1.1 That it will pay to the Lessor by way of royalty for each and every cubic yard of sand or gravel removed from the said portion of land pursuant to the terms of this agreement the following amounts:
 - 1.1.1 One Dollar (\$1.00) per cubic yard of crushed gravel removed, the amount removed to be measured and verified by the crusher, and;
 - 1.1.2 One Dollar (\$1.00) per cubic yard of pit run removed as measured by the Lessee on the basis of the number of truck loads of pit run removed.
- 1.2 That it will report to the Lessor within fifteen (15) days of the expiration of each month during the currency of this agreement the quantity of sand or gravel crushed from the said portion of land during the month previous and that it will at that time pay to the Lessor the accrued royalty hereinbefore mentioned on the sand or gravel crushed in the previous month. Records of the Lessee will be open for inspection by the Lessor or his agent at the office of the Lessee during regular working hours.

- 1.3 That it will remove sand and gravel in a good and workmanlike manner and will not commit any willful waste upon the said portion of land.
- 1.4 That upon termination of this agreement it will yield up peaceable and quiet possession of the said portion of land, and will insofar as is practicable restore such areas of excavation as shall no longer be required by replacement of topsoil so that such areas shall be restored to their former condition as much as is reasonably possible.
- 1.5 That it will conduct its operations in such a manner as to comply with governmental regulations as may be applicable to its operations including restoration of the land and environmental regulations.
- 1.6 That if required by the Lessor, the Lessee will construct and maintain a gate at the access to prevent free access for cattle and other livestock to and from the said portion of land. The Lessee will further maintain the access road to the gravel pit site at its cost, and shall be entitled to upgrade the access road across any low spots.
- 1.7 That it will use the full depth of gravel to a depth where substrata is evidenced.
- 1.8 That it will remove and pay for a minimum of 4,500 cubic yards of gravel each year.

2.0 The Lessor Covenants:

- 2.1 That the Lessee shall have peaceable and quiet possession of the said portion of land for the purpose of removing therefrom sand or gravel according to the terms of this agreement.
- 2.2 That he has good title to the sand and gravel described in this lease and the right to enter into this lease.
- 2.3 That the Lessee shall have full liberty and power to erect, construct, occupy, replace, repair and remove all equipment and machinery as may from time to time be necessary for removing the said sand or gravel and shall have the right to remove the same at any time during the term of this agreement to within sixty (60) days after the expiration or other termination.
- 2.4 That he will do all reasonable acts necessary to protect the interest of the Lessee as herein set forth.
- 2.5 That he will grant to the Lessee the right to maintain stockpiles of sand or gravel upon the said portion of land and the right of access to the said stockpiles until they are depleted.

3.0 The parties further covenant and agree:

- 3.1 The Lessee covenants and agrees to save harmless the Lessor from any and all liability arising by reason of the acts of the Lessee, its workmen, servants or agents, in removing the sand or gravel from the said portion of land.
- 3.2 The Lessor covenants and agrees to pay all taxes and rates which may be charged in respect of the said portion of land for the period during the continuance of the term hereby created and the Lessee will pay all taxes upon or charges solely in respect of the removal of sand or gravel, if any, from the said portion of land.

- 3.3 The Lessee shall have the right to place a caveat on the title to the said portion of land, notifying of its interest to the within lease agreement.
- 3.4 The Lessee shall have the right to construct all roads necessary for the transport of sand or gravel from the site of its removal, across the said portion of land and for the purpose of maintaining any such roads the Lessee shall have the right to use sand or gravel to be found in, upon or under the said portion of land of the purposes of construction or maintaining the said roads without payment to the Lessor of any royalty for such sand or gravel.
- 3.5 Any notice required to be served pursuant to the terms of this agreement shall be deemed to be served within five (5) days of its having been mailed by prepaid registered post to the party to whom notice is required to be directed at the addresses noted in the opening part of this agreement.
- 3.6 This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.
- 3.7 The gravel is to be used solely by the Lessee and its residents; not sub-contracted out.

IN WITNESS WHEREOF the Lessor has set his hand the day and year first above written.

SIGNED, AND DELIVERED
in the Presence of

[Signature]
Witness
Gilberte Marchadour
Witness
Mary A. Naith
Witness
Louise Marchadour
Witness

[Signature]
Charles Marchadour
[Signature]
Jerry Marchadour
[Signature]
Denis Marchadour
[Signature]
Michelle Werren

IN WITNESS WHEREOF the said Rural Municipality of Frenchman Butte No. 501 has caused its corporate seal to be hereunto affixed, attested by the signatures of this proper officers in the behalf the 17th day of March, 2005.

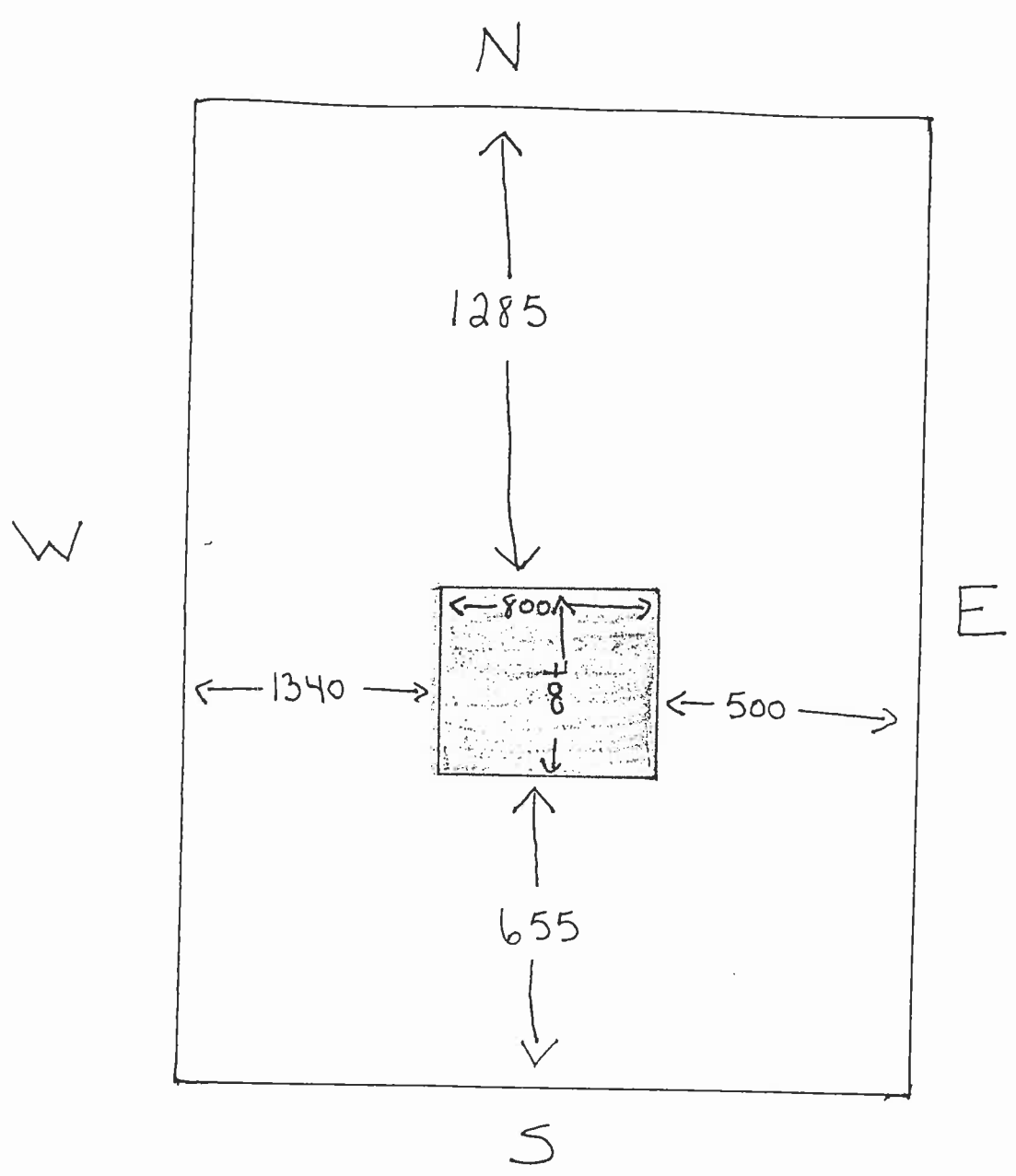
R.M. of Frenchman Butte No. 501

(SEAL)

[Signature]
REEVE

[Signature]
ADMINISTRATOR

"Appendix A"



Marchadours Gravel Pit