

CONFIDENTIAL ROW AGREEMENT (Manitoba)
April 10, 2007

Right of Way Agreement

THIS RIGHT OF WAY AGREEMENT is made and entered into as of the ____ day of _____, 2007, by and between BOWARK ENERGY LTD., an Alberta corporation (hereinafter referred to as the "Grantee") and the undersigned _____

(which individual, individuals, entity or entities shall hereinafter be referred to collectively as the "Grantor").

WHEREAS:

- A. Grantor is the registered and beneficial owner in fee simple of those lands and premises situated in the Province of Manitoba and legally described in Schedule "A" attached hereto (the "Lands");
- B. Grantee proposes to develop, design, engineer, plan, procure, construct, operate and maintain a wind power generation system in or near the township in which the Lands are located, including in or around Letellier, St. Joseph, and the Rural Municipalities of Montcalm and Rhineland (the "Project");
- C. Grantee proposes to develop and construct the Project in multiple phases, including a phase relating to the Phase I Lands and a phase relating to the Phase II Lands (such phase hereinafter referred to as "Phase II of the Project");
- D. Grantee desires an exclusive right-of way and easement across, over, under, through and above the Lands for purposes of constructing, operating and maintaining electrical power generating wind turbines, electrical powerlines and related facilities and for any other Project related purposes; and
- E. Grantor is prepared to grant such right-of-way to Grantee on the terms and conditions set forth in this Agreement (as hereinafter defined).

ACCORDINGLY, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by both Grantor and Grantee, Grantor and Grantee agree as follows:

Article 1
Interpretation

1.1 Definitions

For the purposes of this Agreement, unless the context otherwise requires, the following words and expressions shall have the respective meanings specified or referred to below and grammatical variations of such terms shall have corresponding meanings:

"Actual Royalty Amount" shall have the meaning given such term in Section 4.2.1.

"Additional Phase II Lands" shall mean all of the lands, other than the Lands, that are subject to a right-of-way agreement (containing terms and conditions similar to this Agreement) in favour of Grantee with respect to Phase II, which lands shall include the lands legally described in Schedule "B" attached hereto (which Schedule B shall be updated and provided to Grantor on or prior to Commercial Operation).

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"Affiliate" of a Party means a Person which, directly or indirectly, is controlled by the Party, or controls the Party, or is controlled by a Person which also controls the Party.

"Agreement" shall mean this Right of Way Agreement and all Exhibits and Schedules attached hereto, as amended, supplemented or otherwise modified from time to time.

"Applicable Laws" shall mean all federal, provincial, local and municipal statutes, laws, by-laws, ordinances, rules, orders (including court orders), regulations, codes, guidelines and specifications in effect from time to time and made or issued by any Governmental Authority having jurisdiction over the Parties, the Project, the Windpower Facilities, or any of them.

"Applicable Permits" shall mean all permits, licenses, consents, approvals and similar instruments of or from any Governmental Authority that may be applicable to or required for the ownership, construction, or operation of the Windpower Facilities.

"Assignment" shall have the meaning given such term in Section 6.1.

"Business Day" shall mean any day other than a Saturday, a Sunday, or a statutory holiday in Manitoba.

"Commencement of Construction" shall mean that Grantee has commenced: (a) significant grading or other significant onsite construction work in respect of Phase II of the Project, or (b) procurement of and pre-payment for any long lead items related to the Generating Units or the Windpower Facilities that Grantor has identified in respect of Phase II of the Project.

"Commercial Operation" shall have the meaning given such term in Section 4.2.1.

"Confidential Information" shall have the meaning given such term in Section 16.2.

"Consideration" shall have the meaning given such term in Section 4.7.

"CPI" shall mean, for any period, the Consumer Price Index for Manitoba, all items (not specifically adjusted) as published in Statistics Canada Catalogue No. 62-001-X, applicable to such period or if such index ceases to be available or its method of determination is materially modified, such replacement or adjusted index as may be determined by Grantee, acting reasonably.

"Effective Date" shall mean the date first set forth above.

"Encumbrance" shall have the meaning given such term in Section 2.3.1.

"Environmental Laws" shall mean all laws of any Governmental Authority having jurisdiction with respect to the Lands relating to environmental matters and the release, use, treatment, handling, clean up and disposal of hazardous substances, contaminants, pollutants and wastes.

"Event of Default" shall have the meaning given such term in Section 7.1.

"Event of Force Majeure" shall have the meaning given such term in Section 4.10.

"Financial Close" means that date upon which substantial funding of the principal loan amounts from the Lenders (excluding any funding of preliminary developments costs, expenses and fees) first occurs for the purpose of funding the costs, expenses and fees incurred in connection with the development, design, engineering, planning, procurement and construction of Phase II of the Project.

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"Generating Units" means wind turbine generators.

"Governmental Authority" shall mean any nation or government, or any federal, provincial, municipal, county or regional government or governmental authority or other law, regulation or rule-making entity, and includes any court, department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing.

"Grantee" shall have the meaning given such term in the recitals to this Agreement.

"Grantor" shall have the meaning given such term in the recitals to this Agreement.

"Indemnified Party" shall have the meaning given such term in Section 9.1.

"Indemnifying Party" shall have the meaning given such term in Section 9.1.

"Initial Reserve Fee" shall have the meaning given such term in Section 4.1.

"Lands" shall have the meaning given such term in the recitals to this Agreement.

"Lender" shall have the meaning given such term in Section 8.1.

"Lender's Lien" shall have the meaning given such term in Section 8.1.

"Lienholder" shall have the meaning given such term in Section 5.12.

"MCIC" shall have the meaning given such term in Section 4.4.

"Minimum Royalty Amount" shall have the meaning given such term in Section 4.2.1.

"Net Power Generation" shall mean the total MWh of electricity supplied to power purchaser(s) from Phase II of the Project during the generating period(s) associated with the payments received by Grantee for wind power sales.

"Notice of Default" shall have the meaning given such term in Section 7.1.

"Operations Period Reserve Fee" shall have the meaning given such term in Section 4.3.1

"Other Improvements" shall have the meaning given such term in Section 2.1.2.

"Parties" shall mean Grantor and Grantee, and **"Party"** shall mean either Grantor or Grantee as the context requires.

"Permitted Encumbrance" shall have the meaning given such term in Section 2.3.1.

"Person" shall mean and include any natural person, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, limited liability company, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any Governmental Authority, and "person" means any natural person.

"Phase I Lands" means the lands legally described in Schedule "C" attached hereto;

"Phase II Lands" means the Lands and the Additional Phase II Lands;

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"Prime Rate" means the rate of interest expressed as a rate per annum, which is used by the Royal Bank of Canada as a reference rate for the purposes of determining rates of interest charged by it on Canadian dollar commercial demand loans made by it in Canada and which is quoted by such bank, from time to time, as its "prime rate".

"Project" shall have the meaning given such term in the recitals to this Agreement.

"Project Operations" shall have the meaning given such term in Section 2.1.1.

"Requesting Party" shall have the meaning given such term in Section 8.11.

"Responding Party" shall have the meaning given such term in Section 8.11.

"Right of Way" shall have the meaning given such term in Section 2.1.

"Road Fee" shall have the meaning given such term in Section 4.3.2.

"Royalty Payment" shall have the meaning given such term in Section 4.2.1.

"Term" shall have the meaning given such term in Section 3.1.

"Windpower Facilities" shall mean Generating Units and fixtures, improvements, facilities machinery, equipment, fences, roads and other items ancillary thereto, including:

- (a) wind analysis equipment, anemometers and associated monitoring devices and instruments, and associated towers, support structures, footings, guy lines, anchors and wires;
- (b) transmission lines (including overhead, high-voltage transmission lines); power transfer, distribution and collector lines not in an overhead position; interconnection and switching facilities, transformers, circuit breakers, and disconnect switches; and associated towers, support structures, footings, poles, cross-arms, guy lines, anchors and wires;
- (c) underground (i.e. not overhead) wire-based control and communications systems, and wireless radio relay systems; and
- (d) Other Improvements.

1.2 Interpretation of Agreement: In this Agreement, unless otherwise expressly stated:

- 1.2.1 references to "herein", "hereto", "hereby", "hereunder", "hereof" and similar expressions are references to the Agreement and not to any particular section, subsection or schedule;
- 1.2.2 references to "including" means including without limitation, and "includes" or other derivatives thereof shall have corresponding meanings;
- 1.2.3 references to an "Article", "Section", "subsection", "clause" or "Exhibit" or "Schedule" are references to an Article, Section, subsection, clause, Exhibit, or Schedule, respectively, of this Agreement;
- 1.2.4 words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders, all as may be applicable in the context;

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- 1.2.5 words and phrases which are not defined herein but which have a generally accepted meaning in the electrical power generation industry as at the date hereof shall be given such generally accepted meaning;
- 1.2.6 the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof; and
- 1.2.7 any reference herein to any agreement, document, instrument, published data, or published information, including the Agreement, is a reference to it as varied, amended, modified, supplemented or replaced from time to time, and a reference to any Applicable Law is a reference to it as re-enacted, varied, amended, modified, supplemented or replaced from time to time.

Article 2
Grant of Rights.

2.1 **Right-of-Way.** Subject to all of the terms and conditions set forth in this Agreement, Grantor hereby grants, conveys and assigns an exclusive right-of-way and easement (the "**Right of Way**") to Grantee, its successors and assigns in, upon, over, across, along, above, through and under the Lands (which Right-of-Way shall run with the Lands), for the following purposes:

2.1.1 **Windpower Facilities and Project Operations.** constructing, installing, erecting, maintaining, using, operating, rebuilding, improving and replacing Windpower Facilities, and the carrying on of any one or more of the following activities with respect to the Project (collectively, the "**Project Operations**"):

- (a) the study of wind speed or wind direction or the gathering or analysis of meteorological data;
- (b) the storage, switching, metering, step-up, step-down, transmission, conducting, wheeling or conveyance of electricity, or the connecting of one or more Generating Units to a utility's or other wheeling entity's power lines;
- (c) the transmission, conveyance or transfer of data or communications necessary for a wind energy project;
- (d) constructing, reconstructing, erecting, installing, using, replacing, relocating and removing from time to time, and maintaining, repairing, preserving, servicing, overhauling, improving and operating the Windpower Facilities; and
- (e) undertaking any other activities, whether performed by Grantee or a third party authorized by Grantee: (i) which are related to Grantee's rights or obligations under this Agreement; or (ii) which Grantee reasonably determines are necessary, desirable, helpful, appropriate or convenient in connection with, incidental to or to accomplish any of the foregoing purposes; provided that such other activities shall only be undertaken with the consent of Grantor, not to be unreasonably withheld, conditioned or delayed;

2.1.2 **Other Improvements.** constructing, installing, erecting, maintaining, using, operating, rebuilding, improving and replacing other improvements, items and facilities on the Lands that Grantee determines are necessary, appropriate, desirable or convenient in furtherance of wind energy conversion or in connection with, incidental to or to accomplish any of the foregoing purposes ("**Other improvements**"), including any staging area, laydown area, maintenance yard, control building, maintenance building, administration building, security building, office building, anemometer, substation or other facilities; provided that: (a) such Other Improvements shall be subject to additional compensation in accordance with Section 4.5; (b) the placement of such Other Improvements shall be subject to the approval of Grantor, such approval not to be

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unreasonably withheld, conditioned or delayed; and (c) Grantee shall have the option to site such Other Improvements on the Grantor's Lands under this Agreement, or at Grantor's option, under a separate lease agreement (which lease agreement shall be executed by Grantor upon Grantee's request and shall contain terms and conditions which are customary for such a lease agreement, as determined by Grantee, acting reasonably) having the same economic effect as if compensation was provided in accordance with Section 4.5;

2.1.3 Access. providing access and ingress to and egress from Grantee's Windpower Facilities, including for all construction, repair and maintenance vehicles and equipment, by means of any existing roads and lanes or by means of any new roads which may hereafter be constructed;

2.1.4 Overhang Rights. to permit the rotors of Generating Units located on real property which is adjacent to the Lands to overhang the Lands; provided that the lowest point on such rotors shall not be less than ninety (90) feet above the ground;

2.1.5 Wind Non-Obstruction Rights. to use, maintain and capture the free and unobstructed flow of wind currents over and across the Lands, and in order to give effect to this right, the following provisions shall apply to each building or structure installed, constructed or placed on the Lands by Grantor after the Effective Date:

- (a) Grantor shall obtain prior written permission from Grantee for any structure located 300 metres or less from a Generating Unit that is part of the Project;
- (b) Grantor shall obtain prior written permission from Grantee for any structure over 40 feet (or 12.19 meters) in height that is located less than 1000 meters from a Generating Unit that is part of the Project;
- (c) Grantor shall obtain prior written permission from Grantee for any structure over 50 feet (or 15.24 meters) in height that is located over 1000 meters from a Generating Unit that is part of the Project;
- (d) Grantor shall obtain prior written permission from the Grantee to install or place any single structure, or any cluster of separate structures, on the Lands which, individually or in the aggregate, exceed a total area of 7000 square meters;
- (e) Grantee shall have thirty (30) Business Days within which to provide its consent or rejection under subsections (a), (b), (c) and/or (d) above, and Grantee hereby confirms that its consent hereunder shall not be withheld in an unreasonable or arbitrary manner;

2.1.6 Noise Rights. to generate and maintain audible noise levels on and above the Lands up to sixty-five (65) db(A) in excess of the ambient noise level measured at ground level at a point five hundred (500) metres in an upwind direction from the source of the noise, wherever originating, at any or all times of the day or night; and

2.1.7 Shadow and Flicker Rights. to cast shadows, whether intermittent or constant, of the towers and rotors of the Generating Units and/or any and all Other Improvements, including without limitation, meteorological towers, support structures, guy lines, anchors and wires, wherever located, onto the Lands.

2.2 Rights to Review and Comment. Prior to the date on which Grantee commences construction (which for purposes of this Section 2.2 shall mean the commencement of any construction, grading of roads or digging of foundations) of any Generating Units or other Windpower Facilities on any part of the Lands, Grantee shall present for Grantor's review and comment a summary of the location and sites of such roads, Generating Units, and other Windpower Facilities proposed to be placed on the Lands. Grantor shall have ten (10) Business Days within which to comment on the presentation in writing, and thereby raise any

specific concerns or request any specific changes that Grantor may have or desire. Grantee shall not finalize its development and construction plans for Phase II of the Project (to the extent that such development and construction plans affect or may affect the Lands), without first considering all of Grantor's concerns or requests which are provided to it in writing within such ten (10) Business Day period, acting in good faith and exercising commercial reasonableness in the context of the entire Project taken as a whole.

2.3 Notwithstanding the foregoing:

2.3.1 Except as expressly represented and warranted by Grantor in Article 10, the rights granted, conveyed and assigned by Grantor to Grantee pursuant to Section 2.1 are on an "as is" basis and subject to (a) the present condition (including the environmental condition) of the Lands and (b) any and all covenants, conditions, reservations, restrictions, easements, rights of way, leases, subleases, licenses, tenancy agreements, mortgages, charges, liens, title defects or other encumbrances (any of the foregoing being hereinafter referred to as an "Encumbrance") which are in existence as of the Effective Date (each a "Permitted Encumbrance"), and Grantee (i) acknowledges that it has had a full and sufficient opportunity to study and inspect the Lands (including the environmental condition thereof) and (ii) hereby accepts the Lands in such condition subject to any such Permitted Encumbrances and on such basis.

2.3.2 Grantor hereby reserves, for itself, its successors, assigns and grantees, the right to do any of the following subsequent to the Effective Date, without obtaining Grantee's prior consent: (a) use, cross, and conduct its usual activities on the Lands; (b) grant such Encumbrances with respect to the Lands as Grantor deems necessary or desirable; (c) register or permit the registration of Encumbrances against the title to the Lands; or (d) take any and all other actions with respect to, or use for any other purpose or purposes, the Lands; and Grantor hereby reserves the right to grant, assign or otherwise transfer some or all of such rights to one or more persons or entities in accordance with the provisions of Section 6.1 hereof, provided, however, that neither Grantor's activities, nor the activities of its successors, assigns, grantees or Affiliates, nor the exercise of any rights given or granted by Grantor to any other person or entity (whether exercised on the Lands or elsewhere) shall, currently or prospectively, interfere in any way with; (i) Grantee's use of the Lands pursuant to the terms hereof; (ii) the exercise of Grantee's rights under this Agreement; (iii) the availability, accessibility, flow, frequency, speed or direction of air and wind over and above the Lands and lands adjacent to the Lands (including, but not limited to, by planting trees or constructing buildings or other structures, or by engaging in any other activity on the Lands or elsewhere that would have the effect of (a) interfering with the wind flow to Generating Units located on the Lands or lands adjacent to the Lands, or (b) causing a decrease in the output or efficiency of any Generating Unit or accuracy of any meteorological equipment located on the Lands or lands adjacent to the Lands); or (iv) the transmission of electric, electromagnetic or other forms of energy to or from the Lands or to or from lands adjacent to the Lands. Furthermore, Grantor agrees that such activities and/or Encumbrances shall not interfere with the ability of Grantee to perform any of the Project Operations. Notwithstanding the foregoing provisions of this Section 2.3.2 or anything else set forth herein, Grantor shall not enter into any other agreements with, or grant any other Encumbrances to, any third parties permitting the siting of Generating Units or related activities on the Lands.

2.4 Non-use by Grantee as of or after the Effective Date of any of the rights granted hereunder shall not prevent Grantee from exercising or using such rights at any time during the Term, or from time to time during the Term, in its sole discretion.

2.5 If Grantee from time to time so requests, Grantor shall promptly split this Agreement by entering into two or more new agreements that provide Grantee with separate rights of way to different portions of the Lands, as designated by Grantee. Each of such new agreements shall (a) contain the same terms and conditions as this Agreement, including this Section 2.5 (except that any requirements that have been fulfilled by Grantee prior to the execution of such new agreements may be omitted), (b) be for a term equal to the remaining

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term of this Agreement, and (c) enjoy the same priority as this Agreement over any lien, encumbrance or other interest created by Grantor. Further, in the event of an uncured Event of Default by Grantee under any such new agreement, such default shall not constitute a cross-default, or otherwise affect, or cause a termination of, any other such new agreement or any rights or interests granted to Grantee under such other new agreement. The portions of the Lands covered by each new agreement may or may not be contiguous with the other portions of the Lands covered by the same agreement.

Article 3

Term.

- 3.1 This Agreement shall be effective as of the Effective Date and, subject to the other provisions contained in this Agreement, shall remain in effect for forty (40) years from the Effective Date (the "Term"); however, if Commencement of Construction has not occurred on or before the third (3rd) anniversary of the Effective Date, then this Agreement shall automatically terminate on such date unless on or before such date Grantee delivers a notice to Grantor extending the end of the period during which Commencement of Construction must occur from the third anniversary of the Effective Date to the fifth (5th) anniversary of the Effective Date. In the event that Grantee has delivered such notice of extension to Grantor, this Agreement shall remain in effect; however, if Commencement of Construction has not occurred on or before the fifth (5th) anniversary of the Effective Date, then this Agreement shall automatically terminate and shall not be subject to any further right of renewal or extension by Grantee.

Article 4

Consideration and Payment.

- 4.1 **Initial Reserve Fee Prior to Commercial Operation.** If, on December 31st of any calendar year during the Term, Commercial Operation has not yet occurred, then, Grantee shall pay to Grantor on or before the next following January 31st, as consideration for the rights granted hereunder, a reserve fee (hereinafter referred to as the "Initial Reserve Fee") equal to TWO DOLLARS (\$2.00) per year, multiplied by the number of acres included in the Lands, which Initial Reserve Fee shall be adjusted at the commencement of each calendar year to reflect increases or decreases in the CPI during the prior calendar year (for example, if the CPI increases by two percent (2%) in 2006 as compared with 2005, the Initial Reserve Fee for 2007 would be adjusted to \$2.04 per acre (i.e. \$2.00 x 1.02 = \$2.04). Such Initial Reserve Fee shall be paid annually until such time that Commercial Operation has occurred, following which no further amounts shall be payable pursuant to this Section 4.1. The first and last payments pursuant to this Section 4.1 shall be pro rated to the extent they represent consideration for any partial calendar year.

- 4.2 **Royalty Payment for Lands With Generating Units:**

- 4.2.1 If Grantee installs a Generating Unit on the Lands, and one hundred percent (100%) of the Generating Units which are (or will be) installed with respect to Phase II of the Project have been commissioned and have achieved commercial operation (as defined in Grantee's power purchase agreement with the purchaser of the Net Power Generation) (hereinafter referred to as "Commercial Operation"), then, from and after Commercial Operation and continuing through the Term, Grantee shall pay to Grantor, as consideration for the rights granted hereunder, a royalty payment in respect of such Generating Unit based on metered electricity sales of Phase II of the Project. The royalty payment for each such Generating Unit (the "Royalty Payment") shall be two percent (2%) of the aggregate net payments received by Grantee in respect of the Net Power Generation, divided by the total number of Generating Units installed on the Lands and the Additional Phase II Lands; provided that the royalty rate payable shall be increased from two percent (2%) to four percent (4%) on January 1st of that calendar year which immediately follows the calendar year during which the fifteenth anniversary of Commercial Operation occurs; and provided further that the minimum aggregate amount of Royalty Payments payable for each such Generating Unit shall be THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00) per calendar year (the "Minimum Royalty Amount"). The Minimum Royalty Amount shall be adjusted on January 1st of that calendar year which immediately follows the calendar year during

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which the first anniversary of Commercial Operation occurs, and on each January 1st thereafter during the Term, to reflect increases or decreases in the CPI during the prior calendar year (for example, if; (i) Commercial Operation occurs during 2007, then the first adjustment shall be on January 1, 2009; and (ii) if the CPI increases by two percent (2%) in 2008 as compared with 2007, the Minimum Royalty Amount for 2009 would be adjusted to \$3,570 per Generating Unit (i.e. $\$3,500 \times 1.02 = \$3,570$). The Minimum Royalty Amount shall be prorated for purposes of calculating the Royalty Payment for any partial calendar year. For example, in the case where Commercial Operation occurs half way through a calendar year, the Minimum Royalty Amount for such calendar year shall be reduced by fifty percent (50%). Notwithstanding anything else set forth herein, the Minimum Royalty Amount shall not in any event be payable during such time that: (a) all or substantially all of the Generating Units are not operational; or (b) all or substantially all of the power generated cannot be delivered to the power purchaser(s); in either case due to an event of Force Majeure.

- 4.2.2 The Royalty Payments which are payable from Grantee to Grantor pursuant to Section 4.2.1 shall be paid to Grantor in arrears within thirty (30) days after Grantee's actual receipt of full contractual payment for the Net Power Generation. If, for any Generating Unit installed on the Lands, the aggregate Royalty Payments payable from Grantee to Grantor pursuant to Section 4.2.1 in respect of any calendar year (or partial calendar year) occurring from and after Commercial Operation and during the Term (the "Actual Royalty Amount") is less than the Minimum Royalty Amount, then an amount equal to the Minimum Royalty Amount less the Actual Royalty Amount shall be payable from the Grantee to the Grantor on January 31st of the immediately following calendar year. Grantor agrees that, notwithstanding anything else set forth herein, the compensation set forth in Section 4.2.1 includes compensation for any roads constructed by Grantee on the Lands.

4.3 Reserve Fees and Improvement Fees for Lands Without Generating Units.

- 4.3.1 Operations Period Reserve Fee Following Commercial Operation: If, on December 31st of any calendar year during the Term, Commercial Operation has occurred, but Grantee has not installed a Generating Unit on the Lands, then, Grantee shall pay to Grantor on or before the next following January 31st, as consideration for the rights granted hereunder, a reserve fee (the "Operations Period Reserve Fee") equal to FIVE DOLLARS (\$5.00) per year, multiplied by the number of acres included in the Lands, which Operations Period Reserve Fee shall be adjusted on January 1st of that calendar year which immediately follows the calendar year during which the fifth anniversary of Commercial Operation occurs, and on January 1st of each calendar year thereafter to reflect increases or decreases in the CPI during the prior calendar year (for example: (i) if Commercial Operation occurs during 2007, then the first adjustment shall be on January 1, 2013; and (ii) if the CPI increases by two percent (2%) in 2012 as compared with 2011, and by 3% in 2013 as compared with 2012, the Operations Period Reserve Fee for 2014 would be adjusted to \$5.25 per acre (i.e. $\$5.00 \times 1.02 \times 1.03 = \5.25). The first and last payments pursuant to this Section 4.3.1 shall be pro rated to the extent they represent consideration for any partial calendar year.
- 4.3.2 Road Fees (Prior to, or Following, Commercial Operation): If, on December 31st of any calendar year during the Term, Grantee has constructed or has commenced construction of one or more roads on the Lands, but has not installed a Generating Unit on the Lands (or Grantee has installed, or is in the process of installing, a Generating Unit on the Lands but Commercial Operation has not yet occurred), then, in addition to the fees which are payable pursuant to Section 4.1 or 4.3.1, as the case may be, Grantee shall pay to Grantor on or before the next following January 31st, as consideration for the rights granted hereunder, a fee (the "Road Fee") equal to the sum of THREE ONE-HUNDREDTHS DOLLARS (\$0.03) per square meter of road so constructed by Grantee on the Lands (which fee is equivalent to approximately \$120.00 per acre). Such Road Fee shall be paid annually (but for the calendar year during which a road is constructed, the fee for such road for such calendar year shall only be payable for that portion of the calendar year following the

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commencement of construction of such road on the Lands) until such time, if ever, that: (a) Grantee has completely removed such road from the Lands; or (b) Grantee has installed a Generating Unit on the Lands and Commercial Operation has occurred. Grantor acknowledges that the road width will vary from approximately twelve (12) meters during construction to approximately seven (7) meters after construction of the Project has been completed. The Road Fee shall be adjusted on January 1st of that calendar year which immediately follows the calendar year during which the fifth anniversary of Commercial Operation occurs, and on January 1st of each calendar year thereafter to reflect increases or decreases in the CPI during the prior calendar year (for example: (i) if Commercial Operation occurs during 2007, then the first adjustment shall be on January 1, 2013; and (ii) if the CPI increases by two percent (2%) in 2012 as compared with 2011, and by 3% in 2013 as compared with 2012, the Road Fee for 2014 would be adjusted to \$0.03152 per square meter of road (i.e. $\$0.03 \times 1.02 \times 1.03 = \0.03152), (which fee is equivalent to approximately \$126 per acre). The first and last payments pursuant to this Section 4.3.2 shall be pro rated to the extent they represent consideration for any partial calendar year.

4.4 **Consideration for Temporary Losses During Construction and Operations on Lands With or Without Generating Units.** The Parties anticipate and acknowledge that Grantor may suffer damage to crops, fences, and other property or improvements on the Lands (excluding permanent roads) during Grantee's construction, installation (including underground cables) and commissioning of the Windpower Facilities on the Lands. Grantee shall pay Grantor on or before each January 31st, as consideration for the rights granted hereunder, one and three tenths times (1.3 x) the market value of the yield losses, in dollars per acre of crops damaged (excluding permanent roads) during the prior calendar year, calculated by multiplying the market price for the type of crop damaged by the area average yield per acre, both as determined by Manitoba Crop Insurance Corporation ("MCIC"), and taking into account the time of year that the crop damage occurred. After construction, installation and commissioning are complete, Grantee shall not be responsible to pay Grantor any losses of income, rent, business opportunities, profits or other losses arising out of Grantor's inability to grow crops or otherwise use the Lands; provided, however, that in the event that any accident related to a Generating Unit or to the Windpower Facilities occurs during the Term and results in additional injury to the Lands, Grantee shall pay Grantor, on or before each January 31st, as consideration for the rights granted hereunder, one and three tenths times (1.3 x) the market value of the yield losses, in dollars per acre of crops damaged during the prior calendar year due to such accident, calculated by multiplying the market price for the type of crop damaged by the area average yield per acre, both as determined by MCIC, and taking into account the time of year that the crop damage occurred.

4.5 **Consideration for Improvements on Lands With or Without Generating Units.** If, on December 31st of any calendar year during the Term, Grantee has constructed or installed, or has commenced the construction or installation of any Other Improvements on the Lands pursuant to Section 2.1.2 (including any staging area, laydown area, maintenance yard, control building, maintenance building, administration building, security building, office building, anemometer, substation or other facilities), then Grantee shall pay to Grantor on or before the next following January 31st, as consideration for the rights granted hereunder, an annual fee (the "Improvements Fee"). The Improvements Fee shall be calculated as the product of: (a) the amount of the Lands utilized by such Other Improvement once constructed, and (b) THREE ONE - HUNDREDTHS DOLLARS (\$0.03) per square meter if such Other Improvement is located outside the town limits of Letellier or St. Joseph (which fee is equivalent to approximately \$120.00 per acre), or SIX ONE - HUNDREDTHS DOLLARS (\$0.06) per square meter if such Other Improvement is located within the town limits of Letellier or St. Joseph (which fee is equivalent to approximately \$240 per acre). Such Improvements Fee shall be paid annually (but for the calendar year during which an Other Improvement is constructed, the fee for such Other Improvement for such calendar year shall only be payable for that portion of the calendar year following the commencement of construction of such Other Improvement on the Lands) until such time that Grantee completely removes such Other Improvement from such location on the Lands. The Improvements Fee shall be adjusted on January 1st of that calendar year which immediately follows the calendar year during which the fifth anniversary of Commercial Operation occurs, and on January 1st of each calendar year thereafter to reflect increases or decreases in the CPI during the prior calendar year (for example: (i) if Commercial Operation occurs during 2007, then the first adjustment shall be on January 1, 2013; and (ii) if the CPI increases by two percent (2%) in 2012 as

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compared with 2011, and by 3% in 2013 as compared with 2012, the Improvements Fee for 2014 for a facility located outside the town limits of both Letellier and St. Joseph would be adjusted to \$0.03152 per square meter of Lands utilized by such facility (i.e. $\$0.03 \times 1.02 \times 1.03 = \0.03152), (which fee is equivalent to approximately \$126 per acre). The first and last payments pursuant to this Section 4.5 shall be pro rated to the extent they represent consideration for any partial calendar year.

- 4.6 **Bonus Consideration Upon Financial Close.** If Financial Close occurs, then Grantee shall pay to Grantor on or before the next following January 31st, as consideration for the rights granted hereunder, a one-time bonus amount equal to ONE HUNDRED NINETY FIVE DOLLARS (\$195.00) multiplied by the number of acres included in the Lands.
- 4.7 **Payment of Consideration.** All amounts payable from Grantee to Grantor pursuant to the terms and conditions of Sections 4.1 through 4.6 of this Agreement (hereinafter referred to as "**Consideration**") shall be payable to Grantor or its agents at their addresses as set forth in this Agreement, or to such other person or entity or such other place as Grantor may from time to time designate by written notice to Grantee. Notwithstanding anything that may be construed to the contrary herein, the expiration or earlier termination of this Agreement shall not relieve Grantee from the obligation to pay any Consideration that accrued for the period of time prior to such expiration or termination, and such obligation shall survive such expiration or termination.
- 4.8 **Inspection of Books and Records.** Grantor shall have the right, upon reasonable notice and during normal business hours at Grantee's business premises, to inspect any books and records of Grantee that Grantor reasonably determines are necessary to verify the correctness and accuracy of any calculation of Consideration due to Grantor hereunder.
- 4.9 **Taxes.** Grantor shall pay before delinquency any and all land taxes, assessments and local improvements charges which are assessed, levied, charged, confirmed or imposed by any Governmental Authority upon the Lands as valued without the improvements placed by Grantee on the Lands in connection with this Agreement. Grantee shall pay before delinquency (or within thirty (30) days of Grantor providing Grantee with a copy of the tax assessment in respect of the Lands, whichever is later) all land and personal property taxes and assessments, general or special, including any education property tax, levied or assessed by any Governmental Authority against the Windpower Facilities placed by Grantee on the Lands in connection with this Agreement. Grantee shall make all payments of such taxes directly to the charging Governmental Authority. Grantee may contest the legal validity or amount of any taxes or assessments payable by it hereunder, and may institute such proceedings as Grantee considers necessary or appropriate in connection therewith, in the name of Grantor and with Grantor's full cooperation, and may withhold or defer payment thereof or pay the same under protest; provided, however, that Grantee shall protect Grantor from and against any lien imposed in connection with such non-payment.
- 4.10 **Force Majeure.** Neither Party shall be liable to the other for any delay or non-performance of its obligations hereunder in the event and to the extent that such delay or non-performance is due to an Event of Force Majeure which occurs after the date of signing of this Agreement. For purposes of this Agreement, "**Event of Force Majeure**" shall mean any event beyond the reasonable control of the Party concerned, which wholly or partly prevents or delays the performance of any obligation of such Party arising under this Agreement, and which cannot be overcome without unreasonable expense to such Party, and shall include the following: (a) acts of God or the public enemy, war, whether declared or not, blockade, insurrection, riot, civil disturbance, public disorders, rebellion, violent demonstrations, revolution, or sabotage; (b) any effect of unusual natural elements, including fire, subsidence, earthquakes, floods, lightning, tornadoes, unusually severe storms, unusually high or low winds or similar conditions, cataclysmic occurrences or other unusual natural calamities; (c) environmental and other contamination at or affecting the Lands; (d) explosion, accident or epidemic; (e) general strikes, lockouts or other collective or industrial action by workers or employees, or other labour difficulties; (f) the general unavailability of labour, fuel, power or raw materials; (g) accidents of navigation or breakdown or injury of vessels, accidents to harbours, docks, canals or other assistances to or adjuncts of shipping or navigation, or quarantine; (h) nuclear emergency, radioactive contamination or ionizing radiation or the release of any

hazardous waste or materials; (i) air crash, shipwreck, train wrecks or other failures or delays of transportation; (j) any expropriation or confiscation of facilities, or compliance with any order of any Governmental Authority; (k) any action or inaction by any Governmental Authority; and (l) changes in Applicable Law.

- 4.11 If Grantor is a Goods and Services Tax ("GST") registrant under the *Excise Tax Act* (Canada), it shall, on the applicable signature page of this Agreement, indicate same and provide Grantee with its GST registration number. If Grantor becomes a GST registrant subsequent to the date of this Agreement it shall immediately notify Grantee of same and shall provide Grantee with its GST registration number. If Grantor has indicated to Grantee (or subsequently notified Grantee) that is a GST registrant and has provided Grantee with its GST registration number, then all amounts payable from Grantee to Grantor as set out in Section 4.1 to and including Section 4.6 hereof shall be exclusive of applicable GST and any applicable GST on such amounts shall be payable by the Grantee to the Grantor at the same times as payment of such amounts is made to the Grantor. In all other events, all amounts payable from Grantee to Grantor as set out in Section 4.1 to and including Section 4.6 hereof shall be inclusive of applicable GST (i.e. GST on such amounts shall be deemed to have been paid by the Grantee to the Grantor as part of the payment of such amounts).
- 4.12 If Grantor is or becomes a non-resident of Canada for purposes of the *Income Tax Act* (Canada), Grantor shall notify Grantee and Grantee shall then withhold (from the amounts payable from Grantee to Grantor as set out in Section 4.1 to and including Section 4.6 hereof) all amounts required by Applicable Laws. Grantor shall reimburse Grantee for any and all losses, damages, liabilities, costs, expenses, interest and penalties incurred by Grantee in respect of any such required withholdings. Unless Grantor provides Grantee with written notice within ten (10) days of the Effective Date that it is a non-resident of Canada, Grantor shall be deemed to have represented and warranted to Grantee that it is not a non-resident for such purposes.

Article 5

Conduct of Operations and Use of Lands.

- 5.1 **Compliance with Law.** Grantee shall, at its sole cost and expense, comply with all Applicable Laws and Applicable Permits, and with all covenants, conditions and restrictions set forth in this Agreement. Grantee shall have the right to contest by appropriate legal proceedings the validity or applicability of any Applicable Law.
- 5.2 **Restrictions on Access.** During the Term, Grantee shall use commercially reasonable efforts to restrict all private consultants and governmental personnel to areas of the Lands impacted by the proposed Windpower Facilities; provided, however, that Grantor acknowledges that private consultants and governmental personnel may require access to all areas of the Lands without limitation in order for the issuance of Applicable Permits and other approvals in connection with the Project Operations and such access granted to such private consultants and governmental personnel shall not result in a violation of the covenant set forth in this Section 5.2.
- 5.3 **Permits and Approvals.** Grantor agrees to execute any applications for Applicable Permits (including those relating to zoning changes, general plan changes, conditional use of the Lands, etc.) to allow the construction, installation, erection, maintenance, use, operation, rebuilding, improvement and replacement of the Windpower Facilities, and the carrying on of Project Operations. Further, Grantor agrees that Grantee shall be entitled to make application for and process any and all Applicable Permits which Grantee deems necessary for Grantee's development of, use of and improvements to the Lands as contemplated by this Agreement and Grantor agrees that within ten (10) days after receipt of written notice by Grantee it shall cooperate fully and join with Grantee in requesting any and all such Applicable Permits. Grantee shall hold Grantor harmless from any Applicable Permit requirements or mitigation measures required for environmental impacts, including any financial liability imposed on the Windpower Facilities by any Governmental Authority.

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- 5.4 **Maintenance of Generating Units; Construction of Roads.** Grantee shall have sole responsibility for any and all maintenance, repair, restoration or replacement of the Generating Units. Grantee shall be responsible for construction and maintenance of any roads, relocation of any fences, gates or structures needed for the Project Operations.
- 5.5 **Surrender and Removal.** No later than twelve (12) months after the date of expiration or earlier termination of this Agreement, Grantee shall: (a) remove from the Lands the Windpower Facilities and other personal property owned, located, installed or constructed by or on behalf of Grantee thereon; (b) remove the foundations of the Generating Units to four (4) feet below the surface; (c) cover up all pit holes, trenches and other borings and excavations made by or on behalf of Grantee on the Lands with suitable topsoil; and (d) leave the surface of the Lands free from debris arising from the foregoing or from the operations or activities of Grantee.
- 5.6 **Standard of Care.** Grantee shall: (a) conduct its activities and business in accordance with sound and prudent engineering, operation and maintenance practices; (b) keep its Windpower Facilities, including all roads constructed by Grantee for the Project Operations, in good condition and repair, in good and efficient working order and in a clean, sanitary and safe condition; and (c) maintain weed control over the Lands in the immediate vicinity of any of the Windpower Facilities, including all roads constructed by Grantee for the Project Operations. All grading and excavations shall be conducted using proper soil management practices for control of erosion.
- 5.7 **Insurance.** From and after Commencement of Construction, and thereafter at all times during the Term, Grantee shall obtain and keep in full force and effect a comprehensive or commercial general liability insurance policy for the Windpower Facilities, with coverage, exclusions, and coverage limits as may be determined by Grantee. Grantor shall be at all times be an additional insured under such policies. If requested by Grantor at any time following Commencement of Construction, Grantee shall, within ten (10) Business Days of any such request, provide Grantor with an insurance certificate confirming the existence of such insurance and the fact that the Grantor is an additional insured thereunder.
- 5.8 **Builder's Liens.** Grantee shall pay, when due, all claims for labour, services or materials furnished to or on behalf of Grantee at the Lands, which claims are or may be secured by any lien on the Lands. Grantee may contest the validity of any such lien; provided, however, that Grantee shall, at its sole expense, defend and protect Grantor, Grantor's Affiliates and the Lands against the same, and shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof. Notwithstanding the foregoing sentence, if Grantor reasonably requires any such lien to be discharged prior to the final resolution of any dispute or proceedings with respect to such lien, Grantee shall obtain the release or discharge of such lien within fifteen (15) days of receiving written notice from Grantor by paying into court the amount necessary to release or discharge such lien.
- 5.9 **Restrictions on Grantee.** Unless waived in whole or in part from time to time by the Grantor, the following general restrictions shall apply to Grantee: (i) all gates shall be closed after entering and leaving the Lands; (ii) no hunting or other uses not related to Project Operations shall be allowed on the Lands; (iii) no fires shall be allowed on the Lands; (iv) Grantee shall notify Grantor of all tests and inspections that might impact the Lands, and Grantor shall have the right to observe such testing and inspection; (v) access to the Lands shall be restricted to those persons involved in the Project Operations; and (vi) no cutting of firewood shall be allowed on the Lands.
- 5.10 **Relocation and Replacement of Windpower Facilities.** Grantee shall have the right to reconstruct, relocate and replace Generating Units at any location on the Lands and to use the Lands for related activities subject to required governmental approvals, if any; provided, however, that Grantee shall present for Grantor's review and comment a summary of the proposed reconstruction, relocation or replacement of Generating Units or use of the Lands for related activities. Grantor shall have ten (10) Business Days within which to comment on the presentation in writing, and thereby raise any specific concerns or request any specific changes it may have or desire. Grantee shall address all of Grantor's timely concerns and requests in writing, and shall not proceed with its relocation or replacement of Generating Units or use of

the Lands for related activities without first taking such concerns and requests into account, acting in good faith and exercising commercial reasonableness in the context of the entire Project taken as a whole.

- 5.11 **Ownership of Improvements.** Grantor shall have no right, title, ownership or other interest in any improvements, personal property or trade fixtures installed or erected by Grantee on the Lands. All improvements installed or erected on the Lands by Grantee shall not be deemed to be permanent fixtures (even if permanently affixed to the Lands) and shall be and remain the sole personal property of Grantee. Without limiting the generality of the foregoing, Grantor hereby waives any statutory or common law lien that it might otherwise have in or to such improvements.
- 5.12 **Subordination.** Concurrently with the execution of this Agreement, Grantor shall obtain for the benefit of Grantee, if requested by Grantee, a postponement, subordination or non-disturbance agreement (in a form which the Grantee may register on title to the Lands at Grantee's sole cost, and in a form and containing provisions reasonably acceptable to Grantee) from each mortgagee of the Lands and from each person or entity (each such mortgagee, person or entity being hereinafter referred to as a "Lienholder") that holds a lien or other Encumbrance that might delay, interfere with or impair the construction or operation of the Windpower Facilities or the exercise of any of Grantee's rights under this Agreement. Each such postponement, subordination or non-disturbance agreement shall provide that: (a) if Grantee shall not be in default of the terms and provisions of this Agreement, then Grantee's rights under this Agreement shall not be disturbed or affected as a result of the rights granted to the Lienholder under the applicable Encumbrance, including the exercise of any remedy said Lienholder may have pursuant to such Encumbrance, and (b) if Grantor fails to make any payment or perform any obligation required to be made or performed to or in favour of such Lienholder, then Grantee shall be entitled (but not obligated) to make the required payment or perform the required obligation in fulfillment of Grantor's obligations to such Lienholder, whereupon Grantor shall upon demand, reimburse Grantee for the amount of such payment and the cost of such performance or, at Grantee's option, Grantee may offset the amount of such payment and/or the cost of such performance against any amounts due Grantor hereunder. Grantee shall reimburse Grantor for all reasonable third party costs incurred by Grantor in obtaining any such postponement, subordination or non-disturbance agreement if and to the extent that the nature and amount of such third party costs are approved in advance by Grantee in writing. If Grantor cannot obtain any such postponement, subordination or non-disturbance agreement for an amount of third party costs that Grantee is willing to pre-approve in writing, then Grantor's obligation to obtain it shall be suspended unless and until Grantee has negotiated a mutually satisfactory resolution of the cost issue with the Lienholder or other third party, as the case may be.
- 5.13 **Lot Line Setbacks.** To the fullest extent applicable, Grantor hereby waives any and all rights they may have to pursue any remedies under any Applicable Laws related to setback dimensions and requirements applicable to the Generating Units from front, side, and rear lot lines of the Lands and/or any adjacent Lands, and agree not to bring any complaint, suit or action or intervene in any investigation or inquiry by any Person with respect thereto. Grantor agrees to use commercially reasonable efforts to assist, cooperate and participate in any proceeding and petition prepared by Grantee in connection with any modification or variance to an existing setback requirement.
- 5.14 **Signal Reception.** To the fullest extent applicable, Grantor hereby waives any and all rights it may have to pursue any remedies related to any potential interference with radio and television signal reception that may be caused by the Windpower Facilities or the Project Operations.

Article 6

Assignment

- 6.1 Grantor shall not assign or transfer any interest in this Agreement, in whole or in part (any such assignment or transfer being hereinafter referred to as an "Assignment") to any Person, save and except in conjunction with the transfer of an equivalent ownership interest in the Lands, and Grantor shall notify Grantee forthwith of any transfer of all or any part of Grantor's ownership interest in the Lands. Grantee may

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require Grantor to obtain from Grantor's transferee or assignee such transferee's or assignee's written agreement to be subject to and bound by all of the terms and provisions hereof.

- 6.2 Grantee may, at any time and from time to time, and without obtaining the consent of Grantor, directly or indirectly effect an Assignment of or create a security interest in all or any portion of its right, title and interest under this Agreement whether by assignment, sublease, grant or otherwise. In the event that Grantee effects an Assignment or creates any such security interest, then the transferee, assignee, grantee or sub-lessee shall be subject to and bound by all of the terms and provisions hereof.

Article 7

Default, Remedies and Termination.

- 7.1 If either Party shall fail to perform any of its material obligations under this Agreement (an "Event of Default"), then such Party shall be in default hereunder unless the defaulting Party shall have cured such Event of Default within thirty (30) days after receipt of written notice of such default from the non-defaulting Party (a "Notice of Default"); provided, however, that if the nature or extent of the obligation or obligations is non-monetary and is such that more than thirty (30) days are required for performance of such obligation(s), then the defaulting Party shall not be in default hereunder if the defaulting Party commences such performance within such thirty (30) day period and thereafter pursues the same to completion with commercially reasonable diligence.
- 7.2 Whenever any Event of Default shall have occurred and be continuing after all applicable cure periods have lapsed (including under Section 8.5 hereof), the non-defaulting Party may, at its option, take any one or more of the following actions, as it in its sole discretion shall elect, to the extent permitted by and subject to compliance with Applicable Law:
- 7.2.1 Solely in the case of a default arising from Grantee's failure to pay Consideration, Grantor shall have the right to terminate this Agreement, and Grantor shall be entitled to recover from Grantee: (a) the unpaid Consideration which had been earned at the time of termination, and (b) any other amount necessary to compensate Grantor for all of the detriment proximately caused by Grantee's failure to perform its material obligations under this Agreement, including the cost of evicting Grantee from the Lands and reasonable attorneys' fees.
- 7.2.2 In the case of a default by Grantee, Grantor shall be entitled to recover Consideration as it becomes due, including the right to collect, by suit or otherwise, all sums that become due hereunder, or to enforce, by suit or otherwise, performance or observance of any agreement, covenant or condition hereof on the part of Grantee to be performed or observed.
- 7.2.3 In the case of a default by Grantor, Grantee shall be entitled to reimbursement from Grantor for: (i) any and all costs and expenses incurred by Grantee in the performance of Grantor's obligations hereunder; and (ii) any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees and costs) suffered as a result of the Event of Default by Grantor, including business losses and lost tax benefits suffered by Grantee as a consequence of said Event of Default. Grantee may deduct and offset against the Consideration due or to become due to Grantor under this Agreement all amounts to which Grantee is entitled to reimbursement hereunder.
- 7.2.4 Exercise any other right or remedy that may now or hereafter be available to it under Applicable Law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof.
- 7.3 Grantee may terminate this Agreement, for any reason, without cause upon providing the Grantor with at least thirty (30) days written notice. If such termination occurs after any Windpower Facilities have been installed on the Land, Grantee shall commence the removal of the Windpower Facilities, and any

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subsequent remediation as provided for in Section 5.5 of this Agreement within sixty (60) days after such written notice.

- 7.4 No remedy referred to in this Article 7 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the non-defaulting Party at law or in equity; and the exercise or beginning of exercise by the non-defaulting Party of any one or more of such remedies shall not preclude the simultaneous or later exercise by the non-defaulting Party of any or all of such remedies. Efforts by the non-defaulting Party to mitigate damages caused by an Event of Default shall not waive the non-defaulting Party's right to recover damages hereunder.

Article 8
Lender Protections.

- 8.1 Grantee shall be entitled to hypothecate, mortgage or pledge all or any portion of Grantee's right, title or interest under this Agreement and/or any of its Windpower Facilities to the Lender as security for the repayment of any indebtedness and/or performance of any obligation relating in whole or in part to Grantee's Windpower Facilities and/or to the Project Operations on the Lands (the "**Lender's Lien**"), and notice of such Lender's Lien may be registered on title to the Lands; provided, however, that any such notice shall only affect the Grantee's rights in the Lands pursuant to this Agreement and in no event shall any such hypothecation, mortgage or pledge affect or encumber any right, title or interest of Grantor in the Lands or any portion thereof. As used herein, the term "**Lender**" includes any financial institution or other person or entity that from time to time collectively provides such secured financing, including any agent, security agent, collateral agent, indenture trustee, loan trustee, loan participant or participating or syndicated lenders involved in whole or in part in such financing, and their representatives, successors, and assigns. Upon Grantee's giving the Lender a Lender's Lien, Grantee or the Lender shall give notice of the same (including the address of the Lender) to Grantor; provided, however, that the failure to give such notice shall not constitute a default under this Agreement, but rather shall only have the effect of not binding Grantor with respect to the Lender or Lender's Lien until such notice shall have been given.
- 8.2 The Lender shall have the right but not the obligation, to: (a) make any payments due from Grantee under this Agreement; and (b) do any other act or thing that may be necessary or appropriate to be done by Grantee in the performance and observance of the terms hereof. All payments so made and all things so done and performed by the Lender shall be as effective to prevent or cure any Event of Default under this Agreement as they would have been if made, done and performed by Grantee, and Grantor agrees to accept such performance, payment and cure.
- 8.3 Grantor agrees for the benefit of the Lender that it will not, without the prior written consent of the Lender: (a) amend or modify, or take any action causing, consenting to or accepting the amendment or modification of this Agreement, if such amendment or modification would reduce the rights or remedies of the Lender hereunder or impair or reduce the security for the Lender's Lien; or (b) by agreement with Grantee, cancel, terminate or suspend, or take any action causing, consenting to or accepting the cancellation, termination or suspension of, this Agreement.
- 8.4 Grantor shall deliver to the Lender a duplicate copy of any and all Notices of Default that it may from time to time deliver to Grantee hereunder, and such copies shall be delivered to the Lender at the same time such Notices of Default are delivered to Grantee. No such Notice of Default shall be deemed to have been given to Grantee hereunder unless and until a copy thereof shall have been given to the Lender.
- 8.5 Upon Grantee's failure to cure any Event of Default hereunder within the time provided in Section 7.1 hereof, the Lender shall have an additional forty-five (45) days thereafter to cure such Event of Default; provided, however, that if such Event of Default is non-monetary and cannot reasonably be cured within such additional forty-five (45) day period, then the Lender shall have such additional time to cure such Event of Default as may be reasonably necessary. Any Event of Default that cannot be cured by the Lender shall nevertheless be deemed to have been cured and remedied if: (a) on or before forty-five (45) days after receiving the Notice of Default from Grantor, the Lender shall have acquired Grantee's then-remaining

right, title and interest in the Agreement and taken possession of the Right of Way pursuant to its Lender's Lien, or shall have commenced foreclosure or other appropriate proceedings for such purposes and shall be prosecuting such proceedings to completion with commercially reasonable diligence; (b) the Lender shall have fully cured within such forty-five (45) day period any failure to perform any monetary obligations of Grantee hereunder and shall thereafter continue to perform such monetary obligations; and (c) after obtaining Grantee's then-remaining right, title and interest in the Agreement, the Lender commences performance of the obligations of Grantee hereunder. All rights of Grantor to terminate this Agreement as a result of the occurrence of an Event of Default in accordance with Section 7.2.1 hereunder shall be expressly conditioned upon: (i) the Lender having first received a copy of the Notice of Default as and when provided in Section 8.4 hereof; and (ii) the Lender having failed to cure the Event of Default, or acquire Grantee's then-remaining right, title and interest in this Agreement or take possession of the Right of Way pursuant to its Lender's Lien or commence foreclosure or other appropriate proceedings as set forth, and within the time specified, in this Section 8.5.

- 8.6 If the Lender is prohibited by any process or injunction issued by, or by reason of any action of, any court having jurisdiction over any bankruptcy, reorganization, insolvency or other debtor-relief proceeding from commencing or prosecuting foreclosure or other appropriate proceedings, then the times specified in Section 8.5 hereof for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided, however, that the Lender shall have fully cured, within the time specified in Section 8.5 hereof, any failure to perform any monetary obligations of Grantee hereunder, and shall thereafter continue to perform such monetary obligations when and as due hereunder.
- 8.7 The transfer of Grantee's interest under this Agreement to the Lender and/or to one or more purchasers: (a) pursuant to a judicial or non-judicial foreclosure proceeding; (b) by a conveyance by Grantee in lieu of foreclosure; or (c) by any other assignment or conveyance, including by the Lender following foreclosure and sale, or as a result of any other legal proceeding, shall not require the consent of Grantor, and Grantor agrees that upon such foreclosure, sale, conveyance, assignment or other proceeding, it will recognize the Lender or such other purchaser(s) as the successor to Grantee under this Agreement and shall enter into any document reasonably required by the Lender to acknowledge the same.
- 8.8 In the event that this Agreement is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, or if this Agreement is terminated for any reason other than an Event of Default which could have been but was not cured by the Lender as provided in this Article 8, and if, within forty-five (45) days after receiving notice of such rejection or termination, the Lender shall so request, then Grantor shall execute and deliver to the Lender or its designee a new agreement, which new agreement shall be on the same terms and conditions and provide the same rights and interests as this Agreement, for the remaining term of this Agreement before giving effect to such rejection or termination.
- 8.9 The Lender shall not have any duty, obligation or liability under this Agreement prior to the time of its acquiring Grantee's rights under this Agreement or its commencement of performance of Grantee's obligations under this Agreement or under a new agreement entered into as provided in Section 8.8 hereof. In the event that the Lender elects to perform Grantee's obligations under this Agreement or to enter into a new agreement as provided in Section 8.8 hereof, then there shall be no recourse against such Lender or any of its shareholders, other owners, officers, directors or employees, for any liability to Grantor arising in connection with any breach or default under this Agreement, and the sole recourse of Grantor in seeking the enforcement of such obligations shall be with respect to or against the Lender's interest in this Agreement, and Grantee's Windpower Facilities and Grantee's rights and interests hereunder. In the event that the Lender assigns its interest in this Agreement or in a new agreement entered into pursuant to Section 8.8 hereof to any Person, then, provided that such transferee assumes the obligations of Grantee (or the Lender, as the case may be) under this Agreement, the Lender shall be released from any further liability hereunder.
- 8.10 The Parties shall cooperate in amending this Agreement from time to time, or in entering into any new agreement, with respect to any provision or provisions in this Article 8 which the Lender or any proposed Lender reasonably requests for the purpose of implementing or amending the provisions of this Article 8 or

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affording the Lender or proposed Lender reasonable protection of its Lender's Lien in the event of a default by Grantee; provided, however, that Grantor shall not be required to include herein any additional term or provision that materially limits, reduces or impairs the rights of Grantor under this Agreement, or obligations of the Parties hereunder, and provided, further, that all costs associated with such amendment shall be borne by Grantee. The Parties agree to execute and deliver (and to acknowledge, if necessary for purposes of registration) any document or instrument reasonably necessary to give effect to any such provision.

- 8.11 Each Party (the "**Responding Party**") shall, upon not less than ten (10) days prior written notice from the other Party (the "**Requesting Party**"), execute an estoppel certificate: (a) certifying that this Agreement is in full force and effect and has not been modified; (b) certifying that to the best of the Responding Party's knowledge there are no uncured defaults or Events of Default hereunder (or, if any uncured defaults or Events of Default exist, stating with particularity the nature thereof); and (c) containing any other certifications relating to this Agreement as may reasonably be requested and which do not have the effect of amending this Agreement. Any such statements may be conclusively relied upon by the Requesting Party and by any Lender or proposed Lender. The failure of the Responding Party to deliver such statement within such time shall be conclusive upon the Responding Party that: (i) this Agreement is in full force and effect and has not been modified; and (ii) there are no uncured defaults or Events of Default hereunder.

Article 9

Indemnification and Exculpation.

- 9.1 Each Party (the "**Indemnifying Party**") agrees to indemnify, defend, and hold harmless the other Party and such other Party's officers, directors, employees, members, mortgagees, financing parties and Affiliates (the "**Indemnified Party**") against any and all losses, damages (excluding consequential damages), claims, expenses and other liabilities, including reasonable attorneys' fees, resulting from or arising out of: (a) physical damage to property (including the personal property of the Indemnified Party) or physical injury to or death of any person, in each case to the extent caused by the Indemnifying Party; (b) any violation by the Indemnifying Party of any Environmental Law; provided, that where Grantee is the Indemnifying Party, Grantee's indemnity hereunder shall extend only to such violations that are caused by Grantee; and provided, further, that in the case where Grantor is the Indemnifying Party, Grantor's indemnity hereunder shall extend to all other such violations including any such violations existing prior to the Effective Date; and (c) any material failure by the Indemnifying Party to perform its obligations under this Agreement, excluding, in each of the foregoing instances, any losses, damages, expenses and liabilities to the extent arising from the negligence or wilful misconduct of the Indemnified Party. The indemnification set forth in this Article 9 shall survive until the expiration of the applicable statute of limitations.
- 9.2 The foregoing indemnity shall not extend to property damage or personal injury or death attributable to risks of known dangers associated with Grantee's intended activities on the Lands, such as electromagnetic fields or stray voltage, unless caused by the gross negligence or wilful misconduct of Grantee.
- 9.3 Notwithstanding the foregoing provisions of this Article 9, Grantee agrees that all of its Windpower Facilities, trade fixtures and other personal property of whatever kind at any time located in, on or about the Lands, whether owned by Grantee or any of Grantee's Affiliates, shall be at the sole risk of Grantee or its Affiliates, and that Grantor shall not be liable for any damage to or loss of such property except and to the extent caused by any gross negligence or wilful misconduct of Grantor.

Article 10

Representations and Warranties of Grantor

Grantor hereby represents and warrants to Grantee:

- 10.1 Grantor is duly organized, validly existing, in good standing (if a corporation), and in respect of which no action relating to insolvency, liquidation or general suspension of payments has been taken.

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- 10.2 The execution, delivery and performance of this Agreement by Grantor have been duly authorized by all necessary action on the part of Grantor and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Grantor or any other party to any other agreement with Grantor which has not been obtained.
- 10.3 This Agreement has been duly executed and delivered by Grantor. This Agreement constitutes the legal, valid, binding and enforceable obligation of Grantor.
- 10.4 No governmental authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any Governmental Authority is required on the part of Grantor in connection with the execution, delivery and performance of this Agreement, except those which have already been obtained or which Grantor anticipates will be timely obtained in the ordinary course of performance of this Agreement.
- 10.5 Grantor is the sole legal and beneficial owner of the Lands.
- 10.6 To Grantor's knowledge, the Lands are not and have not been in violation of any Environmental Law, and Grantor has not received any communication from any Governmental Authority alleging that the Lands are in violation of any Environmental Law. To Grantor's knowledge there are no hazardous or toxic substances in, on, under or about the Lands in such quantities or circumstances that may reasonably be expected or anticipated to in any way pose a substantial danger to persons or property exposed thereto.
- 10.7 Spousal consent is not necessary to this transaction under the provisions of the *Homestead Act* of Manitoba, unless Grantor's spouse has executed the consent hereinafter provided.

Article 11
Representations and Warranties of Grantee

Grantee hereby represents and warrants to Grantor:

- 11.1 Grantee is duly organized, validly existing, in good standing, and in respect of which no action relating to insolvency, liquidation or general suspension of payments has been taken.
- 11.2 The execution, delivery and performance of this Agreement by Grantee have been duly authorized by all necessary action on the part of Grantee and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Grantee or any other party to any other agreement with Grantee which has not been obtained.
- 11.3 This Agreement has been duly executed and delivered by Grantee. This Agreement constitutes the legal, valid, binding and enforceable obligation of Grantee.
- 11.4 No governmental authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any Governmental Authority is required on the part of Grantee in connection with the execution, delivery and performance of this Agreement except those which have already been obtained or which Grantee anticipates will be timely obtained in the ordinary course of performance of this Agreement.
- 11.5 Grantee is a registrant under the *Excise Tax Act* of Canada for the purposes of the collection and remittance of Goods and Services Tax.

Article 12
Expropriation / Eminent Domain

The Party receiving any notice of a taking described in this Article 12 shall promptly give the other Party notice of the receipt, contents and date such notice is received.

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- 12.1 **Taking of Entire Lands.** Should title or possession of all of the Lands be taken in expropriation proceedings or by eminent domain by a Governmental Authority, or should a partial taking render the remaining portion of the Lands wholly unusable for Grantee's use, then this Agreement shall terminate upon the vesting of title or taking of possession at which time Grantor and Grantee shall be relieved of any further obligations and liability to each other under this Agreement with respect to the Lands.
- 12.2 **Partial Taking.** Should title or possession of a portion of the Lands be taken in expropriation proceedings or by eminent domain by a Governmental Authority, then this Agreement shall terminate at Grantee's election upon the vesting of title or taking of possession. In the event Grantee elects to terminate this Agreement, Grantor and Grantee shall be relieved of any further obligations and liability to each other under this Agreement with respect to the Lands upon the vesting of title or taking of possession. In the event Grantee does not elect to terminate this Agreement, this Agreement shall remain in full force and effect, covering the remaining portion of the Lands; provided, however, that the Consideration for the portion of the Lands not so taken, shall be adjusted if and as necessary to achieve an equitable result.
- 12.3 **Awards and Damages.** The Parties acknowledge and agree that in any expropriation or eminent domain proceedings with respect to any taking as described in this Article 12 each of them has the right to an award associated with each of their respective interests in the Lands. Grantor has the right to an award for: (a) its ownership of the Lands and any business and/or property thereon, other than the Windpower Facilities, the Generating Units and the Project Operations; and (b) any other amounts to which it is entitled under any Laws and Grantee has the right to an award for: (i) the reasonable removal and relocation costs of any property that Grantee has the right to remove from the Lands; (ii) the loss and damage to any such property that Grantee elects or is required not to remove; (iii) the loss of use of the Lands by Grantee; (iv) lost revenues and tax benefits; and (v) any other amounts to which it is entitled under any Applicable Law. Each of Grantor and Grantee shall have the right to maintain a separate claim, suit and/or action in its name against the expropriating party in any expropriation or eminent domain proceedings with respect to any taking as described in this Article 11. Additionally, Grantee shall have the right to join, participate and negotiate directly in any expropriation or eminent domain proceedings related to the Lands to which Grantor is party (including any settlement proceedings) with respect to any taking as described in this Article 11 for the recovery of an award to which it is entitled.

Article 13

Notices

Any notices, statements, demands, correspondence or other communications required or permitted to be given hereunder shall be in writing and shall be given: (a) personally, (b) by certified or registered mail, postage prepaid, return receipt requested, (c) by overnight or other courier or delivery service, freight prepaid, or (d) by facsimile transmission, to the following addresses:

If to Grantor:

If to Grantee:

BowArk Energy Ltd.
915, 530 – 8th Ave. S.W.
Calgary, AB
T2P 3SH
Attn: Pat Bowes, Managing Director
Facsimile: (403) 261 1708

If to the Lender: At the address indicated in the notice to Grantor provided under Section 8.1 hereof.

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Notices delivered by hand shall be deemed delivered when actually received, and notices sent by certified or registered mail or by overnight or other courier or delivery service shall be deemed delivered and received on the first to occur of: (a) three (3) days after deposit in the Canadian mail or with such overnight or other courier or delivery service, addressed to such address, (b) written acceptance of delivery by the recipient, or (c) written rejection of delivery by the recipient. Notices transmitted by facsimile facilities shall be deemed to have been given at 9:00 A.M. (local time) on the first Business Day following transmission to the Party to whom it is being given, so long as such facsimile facilities confirm that the material so transmitted has been received at a receiving facsimile facility at the facsimile number of the Party to whom it is being given. Each Party may change its address for receipt of notices by sending notice hereunder of such change to the other Parties in the manner specified in this Section.

Article 14

Cooperation and Further Assurances

Each Party shall promptly cooperate with the other Party in good faith and shall perform such further acts as may be necessary or appropriate to carry out and accomplish the intent of this Agreement, and each Party shall promptly execute and deliver and, if appropriate, acknowledge and cause to be recorded, any such additional documents, instruments and certificates as the other Party may reasonably request to carry out and fulfill the transactions, and permit the exercise of such rights and obligations, as are contemplated hereunder, or to otherwise effectuate the purpose and intent of this Agreement; provided, however, that all costs associated with such cooperation, performance and execution shall be borne by the Party requesting the same.

Article 15

Dispute Resolution

- 15.1 **Litigation.** If the Parties are unable to resolve any dispute hereunder through good faith negotiations within thirty (30) days of such dispute arising, or such longer period as the Parties may agree in writing, then either such Party may, within the limitations period which is applicable to such dispute, commence litigation with respect to any dispute; provided that the Parties may, as an alternative to litigation, agree to refer such dispute to arbitration pursuant to Section 15.2.
- 15.2 **Arbitration Option.** In the event that the Parties agree, pursuant to Section 15.1, to resolve a dispute pursuant to arbitration, such dispute shall be settled by final and binding arbitration in accordance with the arbitration rules of the ADR Institute of Canada, Inc. and in accordance with the *Arbitration Act* (Manitoba), and the following provisions shall apply:
- 15.2.1 Within fifteen (15) days after the Parties' agreement to submit such matter to arbitration, the Parties shall appoint an arbitrator. If the Parties are unable to agree upon an arbitrator within such fifteen (15) day period, then the ADR Institute of Canada, Inc. shall appoint such arbitrator within fifteen (15) days of being requested to do so by either Party.
- 15.2.2 The arbitrator appointed shall be qualified by education, training or experience to determine such dispute.
- 15.2.3 It shall be a condition of the appointment of the arbitrator that such arbitrator shall maintain in strict confidence all documents, the transcripts of the proceedings and other materials and all information disclosed by or on behalf of the Parties and shall not use the same or allow the same to be used for any purpose collateral to the arbitration and, at the request of either Party that provided any documents or other printed materials, shall return all originals and any copies of such documents and printed materials. The arbitrator shall be responsible for ensuring that its officers, employees, representatives and consultants comply with the obligation of confidentiality set forth in this provision.
- 15.2.4 The seat of the arbitration shall be Winnipeg, Manitoba.

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- 15.2.5 Any papers, notices, or process necessary or proper for an arbitration hereunder, or any court action in connection with an arbitration or an award may be served on a Party as provided in Article 13 of this Agreement, provided that a reasonable opportunity to be heard with regard to the court action is or has been granted to the Party.
- 15.2.6 The arbitration shall be conducted within thirty (30) days following the selection or appointment of the arbitrator, or within such longer period as may reasonably be required. During such arbitration the Parties shall present such evidence and witnesses as they may choose, with or without counsel.
- 15.2.7 The arbitrator shall proceed promptly to determine the matters in issue and shall render his or her decision within thirty (30) days after the closing of submissions made to him or her by the Parties, or within such longer period as may reasonably be required.
- 15.2.8 The arbitrator shall have the discretion to shorten or lengthen time frames for actions to be taken by any Party pursuant to the Agreement.
- 15.2.9 Except as expressly provided in the Agreement, any decision by the arbitrator shall be final, binding and non-appealable, and may be filed in any court of competent jurisdiction and be enforced by either Party as a final judgment in such court.

- 15.3 **Performance and Payments.** All performance required hereunder by the Parties and payment therefor under the Agreement shall continue during the dispute resolution proceedings contemplated by this Article 15, provided that in the case of any such proceedings pertaining to amounts payable under the Agreement, any payments or reimbursements required as a result of such proceedings shall be payable as of a date to be determined in such proceedings, and interest shall be paid, from such date until the date of payment (which date shall also be specified in the proceedings), by the Party required to make any such payment or reimbursement on the amount thereof at the Prime Rate.

Article 16
Confidentiality

- 16.1 Subject to the terms and conditions of the Agreement, Grantor shall hold all Confidential Information in confidence pursuant to the provisions of this Article 16.
- 16.2 Any and all information and knowledge relating to the Project, the Windpower Facilities, the Consideration, or Grantee's operations, whether in written, oral, electronic, or any other form whatsoever, and whether received or acquired prior to, on or after the Effective Date, including all business, commercial or marketing information relating to Grantee or its affiliates which is not publicly known, that Grantor or any of its employees, agents or representatives may receive or acquire under the terms of the Agreement or by virtue of the relationship between the Parties created by the Agreement (collectively, "**Confidential Information**") shall be considered confidential and shall not be revealed or divulged to others by Grantor or published by Grantor in any manner whatsoever, without the prior written consent of Grantee. The obligations of Grantor in this Section 16.2 shall not apply to:
 - 16.2.1 Confidential Information which Grantor can show was in Grantor's possession, prior to Grantor's receipt or acquisition thereof pursuant to the terms of the Agreement or by virtue of the relationship between the Parties created by the Agreement, and which was not received or acquired by Grantor under any obligation of confidentiality;
 - 16.2.2 Confidential Information which is lawfully in the public domain at the time of Grantor's receipt or acquisition thereof pursuant to the terms of the Agreement or by virtue of the relationship between the Parties created by the Agreement;

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16.2.3 Confidential Information which, after Grantor's receipt or acquisition thereof pursuant to the terms of the Agreement or by virtue of the relationship between the Parties created by the Agreement, becomes a part of the public domain through no act of Grantor or any third party under an obligation of confidentiality with respect to such information (but only after such information becomes part of the public domain); and

16.2.4 Confidential Information which, subsequent to Grantor's receipt or acquisition thereof pursuant to the terms of the Agreement or by virtue of the relationship between the Parties created by the Agreement, is lawfully obtained by Grantor from a third party without restriction on disclosure (but only after such information is so received or acquired), provided such third party is under no obligation of confidentiality with respect to such information.

16.3 Grantee shall retain ownership of all Confidential Information disclosed to Grantor and upon written request by Grantee, Grantor shall return to Grantee, and shall cause its employees, agents and representatives to return to Grantee, all such Confidential Information, including all copies thereof made by Grantor. The return of such Confidential Information shall not terminate any of Grantor's obligations hereunder.

16.4 The duties of Grantor set out in this Article 16 shall be in addition to and shall not derogate from or limit the duties which it has at common law or in equity to Grantee not to use or disclose the Confidential Information.

16.5 If Grantor uses or discloses Confidential Information in breach of its obligations pursuant to this Article 16, Grantor agrees that Grantee shall be entitled, in addition to all other remedies available to it, to an injunction or other appropriate judicial order to restrain any such breach or the continuation thereof without showing or proving actual damage, if any, sustained by Grantee.

16.6 Grantor shall be responsible for any breach of this Article 16 by any of its employees, agents or representatives, whether or not they agree to be bound by its terms. Grantor shall be liable for and agrees to indemnify and save harmless Grantee and its officers, directors, employees, agents and other representatives from and against all actions, claims, damages, losses, expenses and costs (including legal fees on a solicitor and its own client basis) which Grantee or its officers, directors, employees, agents or other representatives may sustain, incur or become liable for as a direct or indirect result of a breach by Grantor or its employees, agents or representatives of this Article 16. This indemnity shall survive the termination of the Agreement and shall be applicable regardless of whether any employee, agent or representative of Grantor who has caused or contributed to such breach ceases to be employed or engaged by Grantor.

Article 17
Miscellaneous

The use herein of the neuter gender includes the masculine and the feminine, and the singular number includes the plural, whenever the context so requires. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Agreement or any of the terms hereof. All rights and remedies under this Agreement are cumulative and in addition to other rights or remedies available under this Agreement or Applicable Laws or at equity. All Exhibits and Schedules referred to herein are incorporated herein by reference. This Agreement shall be construed and enforced in accordance with the laws of Canada. Time is of the essence of this Agreement, and of each and every covenant, term, condition and provision hereof. This Agreement shall be construed equally as between the Parties, and shall not be construed against the Party responsible for its drafting. It is not the intention of the Parties to create, nor shall this Agreement be construed as creating, any partnership, joint venture or other association between the Parties. In the event that any term, covenant, condition, provision or agreement herein contained is held to be invalid, void or otherwise unenforceable by a court of competent jurisdiction, the fact that such term, covenant, condition, provision or agreement is invalid, void or otherwise unenforceable shall in no way affect the validity or enforceability of any other term, covenant, condition, provision or agreement herein contained, and the Parties shall immediately negotiate in good faith to

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replace such term or provision to effectuate the same intent and to eliminate such invalidity or unenforceability. No waiver, modification or amendment of any provision hereof shall be effective unless it is in writing and signed by the Party against whom it is sought to be enforced. Except with respect to any rights expressly conferred upon the Lender (which Lender and its successors and assigns are hereby expressly made third party beneficiaries hereof to the extent of their respective rights hereunder), the covenants contained herein are made solely for the benefit of the Parties, and shall not be construed as benefiting any Person who is not a party to this Agreement. A Party's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of such Party's consent to, or approval of, any subsequent or similar act, or be construed as the basis of an estoppel to enforce any provision of this Agreement requiring such consent. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

Article 18

Caveat

The Grantor hereby expressly permits and authorizes Grantee to register this Agreement by caveat or otherwise, at its expense, giving notice of this Agreement against title to the Lands and agrees to execute such further and other documents as may be required to affect such registration in the appropriate Land Titles Office.

Article 19

Interest in Land

19.1 Grantor and Grantee mutually covenant and agree each with the other:

- 19.1.1 that the rights, licence and easement herein granted to the Grantee and mutual obligations of the parties shall enure to the benefit of and shall be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto; and
- 19.1.2 that during the Term, the rights, licence and easement herein granted to the Grantee, and mutual obligations of the parties shall run with the Lands and shall enure to the benefit of and be binding upon the respective transferees, heirs, executors, administrators, successors and permitted assigns of the parties hereto.

[Signatures on the next page]

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IN WITNESS WHEREOF, Grantor and Grantee have duly executed this Agreement as of the Effective Date.

GRANTOR:

Where the undersigned is an Individual or Individuals:)	Signed and Delivered in the Presence of:
)	
_____)	_____
)	Witness
)	
_____)	_____
)	Witness
)	
_____)	_____
)	Witness

GST DECLARATION AND REGISTRATION NUMBER: Grantor IS/IS NOT (please circle one) a registrant under the *Excise Tax Act* of Canada for the purposes of the collection and remittance of GST. If Grantor is a GST registrant, its GST registration number is as follows:

Where the undersigned is a Company:

(Name of company)

By: _____

Signature: _____

Title: _____

By: _____

Signature: _____

Title: _____

GRANTEE:

BOWARK ENERGY LTD.

By: _____

Signature: _____

Title: _____