

## Agreement

Between:

**Potash Corporation of Saskatchewan Inc.**, a body corporate, with offices in the City of Saskatoon, in the Province of Saskatchewan (“PotashCorp”)

-and-

**The City of Saskatoon**, a city established pursuant to the *The Cities Act*, S.S. 2002, c. C-11.1 (the “City”)

Whereas:

- A. PotashCorp owns and operates potash mines in Canada and in particular, owns and operates a potash mine known as PCS Potash - Cory Division (the “Cory Mine”) which is located in close proximity to the western boundary of the city limits of the City of Saskatoon;
- B. The City intends to expand to the west of the current development in the City of Saskatoon and has approved the Blairmore Sector Plan. The Blairmore Sector Plan provides for approximately 50 to 75 years of urban growth and includes at least five future residential neighbourhoods, a mixed-use suburban centre, two high schools, a multi-district park and an area for future urban development to be determined;
- C. PotashCorp has sub-surface mineral leases in the general area of the land shown in the Blairmore Sector Plan;
- D. The City and PotashCorp wish to avoid potential conflict between mining operations at the Cory Mine and urban development in the City of Saskatoon; and
- E. To avoid conflict, the City has agreed to focus on developing areas that will not be affected by mining operations and PotashCorp has agreed to ensure mining operations occur outside the City’s short and medium-term growth areas.

Now, therefore, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

## Definitions

1. In this Agreement, unless the context otherwise requires, the following terms and expressions have the following meanings:
  - (a) “Blairmore Area” means the urban development as shown on the Blairmore Area Map attached as Schedule “A” to this Agreement;
  - (b) “Blairmore Area Map” means the map of the Blairmore Area shown in Schedule “A” to this Agreement, as replaced from time to time;
  - (c) “Dalmeny Road” means the road shown as Range Road 3062 and marked as Dalmeny Road on the Blairmore Area Map; and
  - (d) “West Swale” means a natural overland drainage corridor which traverses the westerly portion of the Blairmore Area in a north - south direction in close proximity to Range Road 3063 and marked as the West Swale on the Blairmore Area Map.

## Fundamental Principle

2. The City and PotashCorp acknowledge that both parties have an interest in the area described as the Blairmore Area and that both parties will work together to avoid conflict between PotashCorp’s mining operations in this area and future urban development of the City of Saskatoon.

## Urban Development

3.
  - (1) The City agrees that any development in the Blairmore Area will be from east to west with Phase 1 of development to be the Blairmore Suburban Centre as shown on the Blairmore Area Map.
  - (2) The City agrees that Phase 2 of development in the Blairmore Area will be the two neighbourhoods east of Dalmeny Road as shown on the Blairmore Area Map.
  - (3) Subject to the results of surface monitoring in the Phase 3 area, the City agrees that Phase 3 of development in the Blairmore Area will be the three neighbourhoods west of Dalmeny Road and east of the West Swale as shown on the Blairmore Area Map.

- (4) The City agrees that it will not proceed to develop the lands west of the West Swale, shown as Phase 4 on the Blairmore Area Map, until such time as the surface monitoring of this site clearly demonstrates that any subsurface settlement has ceased.

### **Mining Operations**

4. PotashCorp agrees that it will mine no further to the east than its current operations as shown by the line marked as PotashCorp Mining Limit on the Blairmore Area Map.

### **Monitoring of Area**

5.
  - (1) The City and PotashCorp agree that they will jointly monitor surface elevations in the areas identified as Phases 3 and 4 on the Blairmore Area Map.
  - (2) The City and PotashCorp agree that the location of surface elevation monitors will be decided after consultation between the parties.
  - (3) The City and PotashCorp agree that annually the parties will exchange information to ensure that the cost of monitoring is being jointly shared between the parties equally.
  - (4) If the information shows that the cost of monitoring has not been equally shared, the party that has paid less will make an equalization payment to the other party.

### **Annual Meeting**

6. The City and PotashCorp agree that the parties will meet annually or more frequently, if required, to discuss the results of the monitoring and exchange information about urban development and mining operations in the Blairmore Area and in the vicinity of the Blairmore Area.

### **Replacement of Sector Plan**

7.
  - (1) The City and PotashCorp agree that upon mutual approval in writing, Schedule "A" shall be replaced with a new Blairmore Area Map.

- (2) The City agrees that if any amendments are proposed to development in the Blairmore Area which would affect the Blairmore Area Map that it will consult with PotashCorp before proceeding with these amendments.

## Notices

8. Any notice or other communication to be given under this Agreement shall be validly given if delivered personally or sent by fax with a copy by regular mail:

To the City at:

City Manager's Office  
City Hall, 222 - 3rd Avenue North  
Saskatoon SK S7K 0J5  
Attention: City Manager  
Fax No. 975-3048

To PotashCorp at:

Suite 500  
122 - 1st Avenue South  
Saskatoon SK S7K 7G3  
Attention: Garth Moore, President, PCS Potash  
Fax No. 933-8844

## Dispute Resolution

9. (1) The parties shall make all reasonable efforts to resolve any disputes between them by amicable negotiations and agree to provide, without prejudice, frank, candid and timely disclosure of relevant facts, information and documents to facilitate these negotiations.
- (2) If the parties fail to resolve their dispute in accordance with subsection (1), the parties agree that either party may request the assistance of a Mediator, to be appointed by Saskatchewan Mediation Services, to assist in the resolution of the dispute. In such event, both parties agree to use *bona fide* efforts to resolve the dispute and to share the cost of any mediation.
- (3) If the parties fail to resolve their dispute in accordance with subsection (2), the parties may, with the consent of both parties, refer the matter to

binding arbitration conducted in accordance with *The Arbitration Act (Saskatchewan)*.

### **Assignment**

10. PotashCorp shall not have the right to assign or otherwise transfer this Agreement without the prior written consent of the City, which consent may not be unreasonably withheld or delayed.

### **Amendments**

11. No change or modification of this Agreement is valid unless it is in writing and signed by each party.

### **Further Assurances**

12. The parties agree that each of them shall, upon reasonable request of the other, do or cause to be done all further lawful acts, deeds and assurances necessary for the better performance of the terms and conditions of this Agreement.

### **Severability**

13. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability attaches only to such provisions and the remaining terms and provisions of this Agreement remain in full force and effect.

### **Binding Effect and Enurement**

14. This Agreement enures to the benefit of and is binding upon the parties hereto and their respective successors and permitted assigns.

### **Entire Agreement**

15. This Agreement constitutes the entire agreement between the parties with respect to all the matters herein, and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writing whatsoever not incorporated herein and made a part hereof.

**Governing Law**

16. This Agreement is governed by and is to be construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and treated in all respects as a Saskatchewan contract. The parties to this Agreement hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Saskatchewan and all courts competent to hear appeals therefrom.

**Headings**

17. The headings in this Agreement are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.

Signed by Potash Corporation of Saskatchewan this 1st day of DECEMBER, 2010.

**Potash Corporation of Saskatchewan Inc.**

*Kim Irvine*  
*R. Gosson*

c/s

Signed by The City of Saskatoon this 6<sup>th</sup> day of May, 2010<sup>RR</sup>

**The City of Saskatoon**

*Donald Archibald*  
Mayor

c/s

*Janie Mann*  
City Clerk

# Blairmore Area Map Schedule "A"



## Legend

- City Limit
- Perimeter Highway
- Neighbourhood Boundary

- PotashCorp Mining Limit
- West Swale
- Phase Boundary

- Phase 1 (Short Term Growth)
- Phase 2 (Short Term Growth)
- Phase 3 (Medium Term Growth)
- Phase 4 (Long Term Growth)



Planning and Development Branch  
NOTE: This map may not be reproduced without the expressed written consent of Planning and Development Branch - City of Saskatoon.

DRAWING NOT TO BE SCALED  
August 2010