

SPRUCE LAND DEVELOPMENTS LTD.

DIVIDEND REINVESTMENT PLAN

JUNE 30, 2008

SPRUCE LAND DEVELOPMENTS LTD.

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Introduction

The Dividend Reinvestment Plan (the "**Plan**") of Spruce Land Developments Ltd. (the "**Corporation**") provides eligible holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation with the opportunity to reinvest the cash dividends ("**Dividends**") payable to holders of Common Shares towards the purchase of additional Common Shares at a price equal to the Average Market Price (as defined below) on the applicable Dividend Payment Date (as defined below).

The Plan provides an efficient, convenient and cost-effective way for existing Shareholders to acquire additional Common Shares, as no commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of Plan Shares (as defined below) under the Plan, and the Corporation bears all administrative costs of operating the Plan.

Definitions

In this Plan:

"Arm's Length" has the meaning ascribed thereto in the Income Tax Act (Canada).

"**Average Market Price**" means, in respect of a particular Dividend Payment Date:

1. IF Common Shares representing at least 5.0% of the then issued and outstanding Common Shares have been traded (based solely upon trades that are disclosed to the Corporation with details as to date, volume and price along with confirmation that the trade was for valuable consideration (i.e. not a gift) between parties dealing at Arm's Length) in the 12 months ending on the annual fiscal year end date immediately preceding the Dividend Payment Date (the "**Current Period**"), THEN the price that is the volume weighted average trading price of the Common Shares (calculated to four decimal places) for the Current Period calculated by dividing the total value of Common Shares traded by the total volume of Common Shares traded during such period, as adjusted for certain events as set forth under "Price of Common Shares" below; or
2. IF Common Shares representing less than 5.0% of the then issued and outstanding Common Shares have been traded (based solely upon trades that are disclosed to the Corporation with details as to date, volume and price along with confirmation that the trade was for valuable consideration (i.e. not a gift) between parties dealing at Arm's Length) in the Current Period, HOWEVER, Common Shares representing at least 5.0% of the issued and outstanding Common Shares as of the last day of the Prior Period (as defined herein) have been traded in the 12 month period ending immediately prior to the Current Period (the "**Prior Period**"), THEN the price is calculated as follows:

Book Value for Current Period multiplied by the Prior Period VWAP and then divided by the Book Value for the Prior Period (i.e. (Book Value for Current Period x Prior Period VWAP) ÷ Book Value for Prior Period), where:

- a. adjustments are made for certain events as set forth under "Price of Common Shares" below;
- b. "X" = applicable volume weighted average market price equivalent;
- c. "**Book Value**" means, for any relevant period, the value of the Common Shares derived by dividing the net assets of the Corporation based on the current balance sheet from the annual audited financial statements of the Corporation for the most recently completed annual fiscal period by the total number of Common Shares issued and outstanding as of the date of such annual audited financial statements;
- d. "**Prior Period VWAP**" means the volume weighted average trading price of the Common Shares (calculated to four decimal places) for the Prior Period calculated by dividing the total value of Common Shares traded by the total volume of Common Shares traded during such period; and
- e. the above calculation is based on the following formula:

$$X = \frac{\text{Book Value for Current Period} \times \text{Prior Period VWAP}}{\text{Book Value for Prior Period}}$$

3. as adjusted for certain events as set forth under "Price of Common Shares" below; or
4. IF Common Shares representing less than 5.0% of the then issued and outstanding Common Shares have been traded (based solely upon trades that are disclosed to the Corporation with details as to date, volume and price along with confirmation that the trade was for valuable consideration (i.e. not a gift) between parties dealing at Arm's Length) in the Current Period and in the Prior Period, THEN the price is determined by a resolution of the Board of Directors.

"**Beneficial Owner**" means a beneficial owner of Common Shares that are registered in the name of CDS or a Nominee;

"**Business Day**" means any day on which the offices of the Plan Agent in Calgary, Alberta are generally open for the transaction of commercial business, but does not in any event include a Saturday, Sunday or civic or statutory holiday in Alberta;

"**Calgary time**" means Mountain Standard Time;

"**CDS**" refers to The Canadian Depository for Securities Limited, which acts as a nominee for certain Canadian brokers, investment dealers, financial institutions and other Nominees, or its nominee or successor, as applicable;

"CDS Participant" refers to a broker, investment dealer, financial institution or other Nominee in its capacity as a participant in the CDS depository service, who holds Common Shares registered in the name of CDS on behalf of or for the account of eligible Beneficial Owners of Common Shares and who is acting on behalf of such Beneficial Owners with respect to participation in the Plan;

"Dividend Payment Date" refers to the date of the payment of a Dividend;

"Dividend Record Date" refers to the record date in respect of a Dividend;

"Market Purchase" has the meaning set out under the header "Source of Plan Shares";

"Market Purchase Shares" means Plan Shares acquired by the Plan Agent pursuant to a Market Purchase;

"Nominee" refers to a broker, investment dealer, financial institution or other nominee who holds Common Shares registered in its own name on behalf of an eligible Beneficial Owner of Common Shares;

"Participant" means an eligible registered holder of Common Shares who, on the applicable Dividend Record Date, is enrolled in the Plan (provided that a reference to a Participant shall only refer to CDS to the extent CDS has enrolled in the Plan on behalf of eligible Beneficial Owners of Common Shares and to Nominees to the extent such Nominees have enrolled in the Plan on behalf of eligible Beneficial Owners of Common Shares);

"Plan Agent" means Olympia Trust Company, its successors or assigns, or such other trust company as is appointed by the Corporation from time to time to act as plan agent under the Plan;

"Plan Shares" has the meaning set out under the header "Aggregation of Dividends";

"Price of Common Shares" has the meaning ascribed thereto in the section of this Plan entitled "Price of Common Shares";

"Treasury Purchase" has the meaning set out under the header "Source of Plan Shares";

"Treasury Purchase Shares" means Plan Shares acquired by the Plan Agent pursuant to a Treasury Purchase;

As used herein, words importing the singular number also shall include the plural and vice versa and words importing gender shall include all genders.

Advantages

The Plan offers eligible Shareholders the opportunity, at their option, to reinvest Dividends payable in respect of their Common Shares by purchasing Plan Shares at the Average Market Price on the applicable Dividend Payment Date.

The Plan Agent, on behalf of Participants, will acquire Plan Shares pursuant to the Plan. The Plan Shares purchased will be held under the Plan for the account of participating Shareholders.

Beneficial Owners of Common Shares who wish to participate in the Plan should consult their Nominee who holds their Common Shares to enquire as to what fees (if any) their Nominee may charge to enroll or participate in the Plan on their behalf. See "*Enrollment – Beneficial Holders*".

Although the Corporation is not permitted to issue fractions of Common Shares, full reinvestment of Dividends is possible because the Plan permits a fractional interest in a whole Common Share (to four decimal places) for any amount that cannot be reinvested as a whole Common Share to be credited to a Participant's account.

Dividends in respect of Common Shares that are held under the Plan by the Plan Agent for the account of a Participant are automatically reinvested in Common Shares in accordance with the Plan. Common Shares purchased under the Plan by CDS Participants on behalf of beneficial holders of Common Shares will not be held under the Plan by the Plan Agent but will instead be credited to the accounts of such CDS Participants (and the underlying beneficial Shareholders) through CDS.

Costs

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of Plan Shares under the Plan. All administrative costs of the Plan will be paid by the Corporation.

Beneficial holders of Common Shares who wish to participate in the Plan should consult their Nominee, who holds their Common Shares, to confirm what fees (if any) such Nominee may charge to enroll or participate in the Plan on their behalf.

Enrollment

Registered Holders

Eligible registered Shareholders (other than CDS) may enroll in the Plan at any time by delivering to the Plan Agent a duly completed and signed Enrollment Form in the form provided by the Corporation for this purpose.

CDS will provide separate instructions to the Plan Agent regarding the extent of its participation in the Plan on behalf of Beneficial Owners of Common Shares.

The Enrollment Form or CDS instructions, as the case may be, will direct (or be deemed to direct, as applicable) the Plan Agent to reinvest on a Participant's behalf all Dividends payable in respect of Common Shares registered in the Participant's name or held for the Participant's account under the Plan in additional Common Shares in accordance with and subject to the provisions of the Plan.

To ensure that Shareholders are recorded as Participants prior to any particular Dividend being paid, an Enrollment Form must be received by the Plan Agent in respect of such Shareholders no

later than 3:00 p.m. (Calgary time) on the Business Day 30 days prior to the Dividend Payment Date in order to take effect on the Dividend Payment Date. The Corporation may in its sole and absolute discretion make arrangements to record eligible registered Shareholders as Participants in respect of a given Dividend despite the applicable Enrollment Form being received by the Plan Agent after the time described above, if possible and where permitted by applicable law. Subject to such discretion of the Corporation, an Enrollment Form received by the Plan Agent after that time will not take effect until the next following and subsequent Dividend Payment Date. Similarly, subject to such discretion of the Corporation, CDS instructions must be received by the Plan Agent by such deadline as may be agreed between CDS and the Plan Agent.

An Enrollment Form may be obtained from the Plan Agent or the Corporation at any time upon request.

Beneficial Holders

Eligible Beneficial Owners whose Common Shares are registered in the name of CDS or another person (such as a Nominee) may participate in the Plan only if they (i) transfer their Common Shares into their own name and then enroll in the Plan directly, or (ii) arrange for the applicable CDS Participant or other Nominee to enroll in the Plan on their behalf. **Beneficial Owners of Common Shares registered in the name of CDS or a Nominee may not directly enroll in the Plan.**

Where an eligible Beneficial Owner of Common Shares wishes to enroll in the Plan through a CDS Participant in respect of Common Shares registered in the name of CDS, appropriate instructions must generally be received by CDS from the applicable CDS Participant no later than such deadline preceding the Business Day 30 days prior to the Dividend Payment Date as CDS may set from time to time in order to take effect on the Dividend Payment Date. If such instructions are received by CDS after that time, such instructions will generally not take effect until the next following Dividend Payment Date. Similar to the description above in relation to eligible registered Shareholders, the Corporation may in its sole and absolute discretion make arrangements to record eligible Beneficial Owners as Participants in respect of a given Dividend despite the applicable Enrollment Form being received by the Plan Agent after the time described above, if possible and where permitted by applicable law.

CDS Participants holding Common Shares on behalf of eligible Beneficial Owners of Common Shares registered in the name of CDS must arrange for CDS to enroll in the Plan on behalf of such Beneficial Owners of Common Shares.

Eligible Beneficial Owners of Common Shares should contact their Nominee who holds their Common Shares to provide instructions regarding their participation in the Plan.

Once a Participant has enrolled in the Plan, participation in the manner elected by the Participant continues automatically until the Plan is terminated by the Corporation or until such participation in the Plan is terminated by the Participant or the Corporation. See "*Termination of Participation*" and "*Amendment, Suspension or Termination of the Plan*" below.

Fractional Interests

Full reinvestment is possible under the Plan as the Plan Agent will credit to the account of each Participant, on each reinvestment made under the Plan, a fractional interest in a whole Plan Share (to four decimal places) for any amount that cannot be reinvested in whole Plan Shares. The Corporation will from time to time issue to the Plan Agent such number of whole Plan Shares as is necessary or desirable to accommodate the fractional interests of all Participants. The crediting of fractional interests in favour of Beneficial Owners who participate in the Plan through a Nominee will depend on the policies of that Nominee.

In certain events described herein, a Participant or its legal representative will be entitled to receive a cheque in payment of the value of any fractional Plan Share interest remaining in the Participant's account based on the Average Market Price for the most recent Dividend Payment Date prior to the applicable event. Upon such payment being sent to the Participant or its legal representative, the Participant's fractional interest will be deemed to be cancelled.

Administration

Olympia Trust Company currently acts as Plan Agent under the Plan for and on behalf of Participants. If Olympia Trust Company ceases to act as Plan Agent for any reason, another qualified trust company will be designated by the Corporation to act as Plan Agent and Participants will be promptly notified of the change.

All funds received by the Plan Agent under the Plan will be applied to the purchase of Common Shares directly from the Corporation on behalf of Participants. In no event will interest be paid to Participants on any funds held for reinvestment under the Plan.

Restrictions on Eligibility

Unless otherwise announced by the Corporation, Shareholders who are not residents of Canada are not entitled to participate, directly or indirectly, in the Plan.

The Corporation and the Plan Agent reserve the right to deny participation in the Plan to any person or agent of any person who appears to be or who the Corporation or the Plan Agent has reason to believe is subject to the laws of any jurisdiction which do not permit participation in the Plan in the manner sought by such person. In such circumstances, the Corporation or Plan Agent may require as a condition to participation or continued participation that the Shareholder provide a declaration satisfactory to the Corporation that the person is not a non-resident of Canada. See "*Termination of Participation*" below.

The Corporation reserves the right to determine, from time to time, a minimum number of Common Shares that a Shareholder must hold in order to be eligible for, or continue to be enrolled in, the Plan. The Corporation reserves the right to refuse participation to, or cancel participation of, any person who, in the opinion of the Corporation, is participating in the Plan primarily with a view to arbitrage trading.

Purchase of Common Shares Under the Plan

Aggregation of Dividends

On each Dividend Payment Date, the Corporation will pay all cash dividends payable on Common Shares enrolled in the Plan to the Plan Agent. Those cash dividends, after deduction of any applicable withholding tax, will be aggregated and used by the Plan Agent to purchase Common Shares (including fractional Common Shares, calculated to four decimal places) (the "**Plan Shares**") by way of a Treasury Purchase or a Market Purchase (each, as defined herein), or a combination of both, in each case in the manner specified below, on behalf of Participants.

Purchase Date

With respect to a Market Purchase, the Plan Agent will acquire the applicable aggregate number of Market Purchase Shares, in the manner provided for herein, on the applicable Dividend Payment Date or such other date or dates as close as practicable thereto.

With respect to a Treasury Purchase, the Plan Agent will purchase Treasury Purchase Shares from the Corporation's treasury on the applicable Dividend Payment Date.

Crediting of Accounts

On the Dividend Payment Date, the Plan Shares acquired by the Plan Agent on such date (or in the case of a Market Purchase, on or about such date) will be credited to the accounts of the Participants (or, in the case of CDS, credited by the Plan Agent to CDS, which will each in turn credit the accounts of the applicable CDS Participants). The number of Treasury Purchase Shares or Market Purchase Shares or combination thereof comprising the Plan Shares acquired by the Plan Agent on each Dividend Payment Date (or in the case of a Market Purchase, on or about such date), credited to each Participant's account on each such Dividend Payment Date, shall be determined, in each case, on a pro rata basis according to the relative entitlement of each Participant to Plan Shares pursuant to the Plan.

Source of Plan Shares

The Plan Shares acquired by the Plan Agent under the Plan will, at the sole option of the Corporation, either be Common Shares issued from the treasury of the Corporation (a "**Treasury Purchase**") or be previously issued Common Shares acquired from holders of Common Shares (in each instance, a "**Market Purchase**") or a combination of both.

Price of Market Purchase Shares

The price of Market Purchase Shares will be Average Market Price then in effect.

Neither the Corporation nor the Plan Agent will exercise any direct or indirect control over the price paid for Market Purchase Shares acquired under the Plan.

Price of Treasury Purchase Shares

The price allocated to each Plan Share, or fraction thereof, acquired by the Plan Agent through a Treasury Purchase will be the Average Market Price.

Determination of Availability of Common Shares

The Corporation will determine, no later than the Business Day that is 30 days prior to any Dividend Payment Date, the amount of Common Shares, if any, that will be made available for issuance under the Plan from treasury of the Corporation on the applicable Dividend Payment Date.

If, in respect of any Dividend Payment Date, the amount of shareholders' equity issuable on the reinvestment of Dividends under the Plan exceeds the limit, if any, on new equity available as may be set by the Corporation, then the available equity will be prorated among all Participants according to the relative number of their Common Shares under the Plan.

If the Corporation determines not to issue Common Shares through the Plan on a particular Dividend Payment Date, then Participants will receive from the Corporation the regular cash Dividends which they would otherwise be entitled to receive on such date and which will not be reinvested in the Plan as a result of such determination.

Price of Common Shares

The price at which new Common Shares will be issued under the Plan will be the applicable Average Market Price.

The applicable Average Market Price will be appropriately adjusted for any subdivision, consolidation or similar pro rata change in the number of outstanding Common Shares into a greater or lesser number of Common Shares, any reclassification of Common Shares into other securities of the Corporation, or any issue of Common Shares or other securities or assets of the Corporation (other than dividends in the ordinary course) to the holders of all or substantially all of the then outstanding Common Shares, the effective date of which or the record date for which falls within the twelve month period for which the Average Market Price is calculated.

Accounts and Reports to Participants

An account will be maintained by the Plan Agent for each Participant with respect to purchases of Common Shares under the Plan for the account of such Participant. An unaudited statement of account regarding purchases under the Plan will be mailed on an annual basis to each Participant who is a registered holder of Common Shares. These statements of account are a Participant's continuing record of purchases of Common Shares made on behalf of such Participant pursuant to the Plan and should be retained for income tax purposes.

Shareholders are responsible for calculating and monitoring their own adjusted cost base in Common Shares for income tax purposes, as certain averaging rules may apply and such calculations may depend on the cost of other Common Shares held by a Shareholder.

Beneficial Owners of Common Shares who are enrolled in the Plan through a Nominee may or may not be provided with such reports or forms from their Nominee.

Certificates for Common Shares

Common Shares purchased and held under the Plan by the Plan Agent will be registered in the name of the Plan Agent, or its nominee, or recorded in accounts designated by the Plan Agent, for the account of the Participants. Certificates for whole Common Shares will be issued to Participants only if the Plan is terminated by the Corporation, participation in the Plan is terminated by a Participant or by the Corporation, or a Participant withdraws all or some of its Common Shares held by the Plan Agent for the Participants from its account under the Plan. Certificates will only be issued in the name of the applicable Participant and will only be issued for whole Common Shares.

A Participant who is a registered holder of Common Shares may have a certificate issued in such Participant's name for any number of whole Common Shares held by the Plan Agent under the Plan for the account of such Participant by providing written notice to the Plan Agent in accordance herewith, as applicable. The Plan Agent will generally issue share certificates to a Participant within three weeks of receipt of a written withdrawal request. Any Common Shares (including any fraction of a Common Share) remaining in a Participant's account will continue to be held by the Plan Agent under the Plan for the account of such Participant.

Disposition of Common Shares held Under the Plan

Common Shares held by the Plan Agent under the Plan for the account of a Participant may not be sold, pledged or otherwise disposed of by the Participant while so held. Participants who wish to sell, pledge or otherwise dispose of any Common Shares held by the Plan Agent under the Plan for their account will first be required to request that a certificate representing such Common Shares be issued in their name by the Plan Agent.

Termination of Participation

A Participant may voluntarily terminate its participation in the Plan by providing written notice to the Plan Agent in accordance herewith, as applicable. A certificate for the number of whole Common Shares held by the Plan Agent under the Plan for the account of such Participant will be issued to, and in the name of, such Participant, together with a cheque for the value of any remaining fraction of a Common Share held for the account of such Participant (based on the applicable Average Market Price of Common Shares used for the immediately preceding Dividend Payment Date). Any fraction of a Common Share held for the account of such Participant will be cancelled in exchange for such cash payment. Generally, a request for termination will be processed within three weeks of the receipt by the Plan Agent of a termination request. No termination request will be processed: (a) if it is received by the Corporation less than 30 days prior to the Dividend Payment Date; or (b) at the Corporation's discretion, between the Dividend Record Date and the end of the investment period pursuant to the Plan, which is typically the Dividend Payment Date.

Participation in the Plan of a Participant will be terminated automatically in the event that a Participant ceases to be a resident of Canada for the purposes of the *Income Tax Act* (Canada), as

amended from time to time (the "**Tax Act**"), and a Participant must deliver to the Plan Agent a written notice stating the occurrence of such event. A certificate for the number of whole Common Shares held by the Plan Agent under the Plan for the account of such Participant will be issued in the name of such Participant, together with a cheque for the value of any remaining fraction of a Common Share held for the account of such Participant (based on the Average Market Price of Common Shares used for the immediately preceding Dividend Payment Date). Any fraction of a Common Share held for the account of such Participant will be cancelled in exchange for such cash payment. To the extent that a Participant ceases to be a resident of Canada, Dividends will be subject to applicable non-resident withholding tax.

Participation in the Plan will be terminated automatically following receipt by the Plan Agent of a written notice and sufficient evidence of the death of a Participant. A certificate for the number of whole Common Shares held by the Plan Agent under the Plan for the account of such deceased Participant will be issued in the name of such deceased Participant or the deceased Participant's estate, as applicable, together with a cheque for the value of any remaining fraction of a Common Share held for the account of such deceased Participant (based on the applicable Average Market Price of Common Shares used for the immediately preceding Dividend Payment Date). Any fraction of a Common Share held for the account of such deceased Participant will be cancelled in exchange for such cash payment.

If a notice of termination or a notice of a Participant's death is not received by the Plan Agent before 3:00 p.m. (Calgary time) on the Business Day 30 days prior to the Dividend Payment Date, the Participant's account will generally not be closed, and the Participant's enrollment in the Plan will generally not be terminated, until the next following Dividend Payment Date. The Corporation may in its sole and absolute discretion make arrangements to close a Participant's account and terminate such Participant's enrollment in the Plan despite the notice of termination or a notice of a Participant's death being received by the Plan Agent after the time described above, if possible and where permitted by applicable law.

Beneficial Owners of Common Shares who are enrolled in the Plan through a Nominee and who wish to terminate their participation in the Plan must so advise their Nominee who will terminate participation in the Plan on behalf of the Beneficial Owner.

Subdivisions

In the event of a subdivision, consolidation or similar pro rata change in the number of outstanding Common Shares into a greater or lesser number of Common Shares, the Plan Agent will proportionately credit or debit the account of each Participant maintained under the Plan according to the number of Common Shares held for the account of that Participant prior to the effective time of the subdivision, consolidation or similar change.

Shareholder Voting

Whole Common Shares held under the Plan by the Plan Agent for a Participant's account on the record date for a vote of Shareholders will be voted in accordance with the instructions of the Participant given on a form to be furnished to the Participant by the Plan Agent or the Corporation. Common Shares for which voting instructions are not received will not be voted.

No voting rights will attach to any fraction of a Common Share held for a Participant's account under the Plan.

Responsibilities of the Corporation and the Plan Agent

Neither the Corporation, the Plan Agent nor any of their respective directors, officers, shareholders or representatives will be liable to any registered or beneficial Shareholder or to CDS or any CDS Participant or Nominee for any act or omission or for any failure to act in connection with the operation of the Plan including without limitation any claims or liability:

- (a) relating to the prices and times at which Common Shares are purchased under the Plan for the account of a Participant;
- (b) relating to any decision made by or on behalf of the Corporation not to make any shareholders' equity available under the Plan, or to limit the amount of equity available under the Plan, for any Distribution Payment Date;
- (c) arising out of a prorating, for any reason, of the number of Common Shares that may be acquired by a Participant under the Plan, in the circumstances described herein;
- (d) relating to any decision to amend, suspend, terminate or replace the Plan in accordance with the terms herein;
- (e) arising out of the involuntary termination of a Shareholder's enrollment in the Plan in the circumstances described herein;
- (f) arising out of any failure to terminate an individual Participant's enrollment in the Plan upon such Participant's death before receipt of written notice of death;
- (g) relating to the income or other tax considerations to a Shareholder of enrolling in and acquiring beneficial ownership of Common Shares issued pursuant to the Plan; or
- (h) relating to any act or omission to act, or will have any duties, responsibilities or liabilities except as expressly set forth in the Plan or required by law.

Participants and Beneficial Owners of Common Shares should recognize that neither the Corporation nor the Plan Agent can assure a profit or protect them against a loss on the Common Shares purchased under the Plan.

Amendment, Suspension or Termination of the Plan

The Corporation reserves the right to amend or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of the Shareholders. In the event that the Corporation amends the Plan, no written notice of any such amendment will be sent to Participants unless the interests of Participants are, in the opinion of the Corporation, materially prejudiced as a result of such amendment. Generally, no notice will be given to Participants regarding any amendments to the Plan intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions.

In the event that the Corporation terminates the Plan, all Participants will be sent written notice of such termination and the Plan Agent will send to each Participant a certificate for whole Common Shares held for the Participant's account under the Plan and a cheque for the value of any remaining fraction of a Common Share in such Participant's account (based on the applicable Average Market Price of Common Shares used for the immediately preceding Dividend Payment

Date). Any fractional interest in a Common Share held for the account of such Participant will be cancelled in exchange for such cash payment. In the event that the Corporation terminates the Plan, no investment will be made by the Plan Agent on the Dividend Payment Date immediately following the effective date of such termination, and any Dividends paid after the effective date of such termination that would, but for the termination, be reinvested under the Plan, will be paid to the Participants.

Governing Law

The Plan shall be governed and constated in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Interpretation

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined exclusively by the Corporation.

Notices

All notices or other documents required to be given to Participants under the Plan, including certificates for Common Shares and cheques, shall be mailed to Participants who are registered holders of Common Shares at their address as shown in the register of Shareholders maintained by the registrar and transfer agent of the Corporation or to Participants which are CDS Participants at their address as shown in the accounts or other records maintained by the Plan Agent in respect of CDS Participants.

Notices to the Plan Agent shall be sent to:

Olympia Trust Company
2300, 125 – 9th Avenue S.E.
Calgary, Alberta T2G 0P6

Attention: Manager of Corporate Actions
Fax: (403) 265-1455
Email: reinvestmentservices@olympiatrust.com

Notices to the Corporation shall be sent to:

Spruce Land Developments Ltd.
16880 - 111 Avenue N.W.
Edmonton, Alberta T5M 4C9

Attention: Investor Relations
Fax: (780) 425-8577
Email: info@spruce-land.com

or to such other address or facsimile number as the party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in

accordance with this Plan, have communicated to the party giving or sending or delivering such notice, designation, communication, request, demand or other document.

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (a) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the date of actual receipt by the applicable addressee; and
- (c) if sent by facsimile or electronic mail, be deemed to have been given, sent, delivered and received on the date the sender receives the confirmation of transmission.

Notices to Shareholders

All notices or other documents to be given to Participants pursuant to or in connection with the Plan, including Common Share certificates and cheques, will be mailed to Participants at the addresses as shown on the records of the Plan Agent.

Effective Date:

The Plan is effective for dividends in respect of Shareholders of record on June 30, 2008.

DATED June 30, 2008.