

LICENSE AGREEMENT

THIS LICENSE AGREEMENT made as of the 1st day of month, year

B E T W E E N:

IMPERIAL OIL, a partnership of IMPERIAL OIL LIMITED and McCOLL-FRONTENAC PETROLEUM INC. having its office at Fifth Avenue Place, 237 -4th Avenue S.W., Calgary, Alberta, T2P 0H6

("Imperial")

- and -

Municipality, Address

(the "Licensee")

WHEREAS:

- A. Imperial is the owner of those properties municipally known as civic address, Saskatchewan and legally described as set out in Schedule "A" hereto (collectively, the "Property");
- B. The Licensee wishes to use the Property (the "Licensed Area") for the purpose of permitted use; and
- C. The Licensee has been advised of and is aware of the potential existence of certain contaminants in portions of the soil in the Property.

NOW THEREFORE this License Agreement witnesses that in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Term and Scope of License

Imperial hereby grants to the Licensee a right in the nature of a personal license (the "License") to enter upon the Property seven days a week for a period of ___ years commencing commencement date, to and including end date (the "Term"), for the sole purposes of permitted use and to maintain and repair the Property as further set out herein.

The Licensee covenants and agrees that it will not at any time use, exercise or carry on in or upon the Property or any part thereof any art, trade, business, occupation or calling other than that described above in this Article and it shall occupy the Property in a manner which shall not cause annoyance, nuisance, grievance, damage or any disturbance to Imperial or any other persons occupying a portion of the Property or to the owners of adjoining lands or properties.

2. License Fee

The Licensee hereby covenants and agrees to pay to Imperial an annual fee of **license fee** plus GST (the "License Fee") during the Term. The License Fee shall be payable in lawful money of Canada to the address of Imperial as set out on the first page hereof on the first day of **month of commencement** every year during the Term, without any prior demand therefor and without any deduction, abatement or set-off whatsoever.

In addition to the License Fee indicated above, the Licensee shall pay all utilities in connection with the Property during the term of this License, including charges for water, sewer, electricity, natural gas and telephone, all taxes, levies, assessments or charges including without limitation all municipal **real property taxes and (if property taxes to be paid by municipality)** local improvement levies or charges that may be charged or assessed against or in respect of the Property, all business taxes in connection with the Licensee's use of the Property, any taxes levied on machinery or equipment of the Licensee located on the Property, whether levied against Imperial or the Licensee, and all sales taxes eligible on the amount payable hereunder, including without limitation, all goods and services tax or other multi-stage taxes.

Notwithstanding anything herein contained, Imperial reserves the right to require that all payments to be made by the Licensee hereunder be made electronically by way of pre-authorized debit.

3. Right of Early Termination

Notwithstanding any other provision of this License Agreement, each of the Licensee and Imperial shall be entitled at their discretion, to terminate this License Agreement prior to the expiry of the Term upon **notice period (XX)** days prior written notice to the other party, without incurring any liability therefor. Notwithstanding such termination, the Licensee hereby acknowledges, covenants and agrees that it shall remain liable for the completion and/or fulfilment of all of the obligations of the Licensee incurred pursuant to this License Agreement prior to its termination.

4. Soil Condition

The Licensee hereby acknowledges that, prior to executing this License Agreement, it was advised by Imperial that:

- (a) the Property may have previously been used for the storage, sale or transfer of fertilizer products, agricultural chemicals, petroleum products, other hydrocarbons, or their derivatives and additives and that discharges of such products, other hydrocarbons, derivatives and additives into the soil and/or groundwater may have occurred from time to time in the past which may now affect surface and subsurface conditions in, on or under the Property; and
- (b) certain above ground or underground structures (ie. foundations, supports, tanks, lines, pipelines, monitoring wells and related installations) may exist or may have formerly existed in, on or under the Property.

The Licensee hereby acknowledges and agrees that it shall use the Property in its current state, at its sole risk, in an "as is, where is" condition, and shall take no steps to disturb the soils or the Contaminants therein. The Licensee hereby covenants and agrees to maintain the Property in a clean and safe condition throughout the term of this License Agreement, and shall arrange for all necessary snow ploughing, salting, clearing of sidewalks, landscaping, garbage removal, fence repairs and other maintenance as would a prudent owner during the term of this License Agreement, all at the Licensee's sole cost and expense.

Notwithstanding anything to the contrary elsewhere expressed or implied in this License Agreement, Imperial shall have the right, at its option, to terminate this License Agreement, without any compensation to the Licensee whatsoever, upon thirty (30) days prior written notice to the Licensee in the event Imperial has received notice of a Remedial Order and it is Imperial's reasonable opinion that it shall require vacant possession to comply with the Remedial Order. If the Remedial Order requires Imperial to remediate the Property within sixty (60) days or sooner, then the amount of notice Imperial is required to deliver to terminate this License Agreement shall be shortened to such period of time as Imperial deems appropriate, acting reasonably. For the purpose of this License Agreement:

- (a) "Remedial Order" means any complaint, direction, instruction, order or sanction which is issued, filed or imposed by any Governmental Authorities pursuant to any Environmental Laws and includes, without limitation, any order requiring any study, investigation, remediation, control, removal, management, clean-up of or other action or requiring any form of payment or cooperation to be provided to any Governmental Authorities.
- (b) "Governmental Authorities or Governmental Authority" means any government, regulatory authority, governmental department, bureau, agency, commission, board, tribunal, crown corporation, licensing body, court, judicial body, arbitral body or other law, rule or regulation-making entity having or purporting to have jurisdiction over the Property or any adjacent or neighbouring property on behalf of any nation, state, territory, province, municipality, locality or other jurisdiction.
- (c) "Environmental Laws" mean all present and future environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, bylaws and regulations of any Governmental Authorities relating to the protection of the environment and governing the presence, management, remediation, use, storage, treatment, generation, transportation, processing, handling, production or disposal of Contaminants, including air pollution and water pollution and the rules, regulations, policies, guidelines, interpretations, decisions, approvals, consents, orders (including without limitation Remedial Orders) and directives of any Governmental Authorities.
- (d) "Contaminant" means (i) any matter, chemicals, materials, substances or conditions (all of which shall include, without limitation, odour, smoke, radiation or other form of energy) that are defined, listed, prohibited, controlled or regulated by Environmental Laws or otherwise classified pursuant to any applicable Environmental Laws or any

other formulation intended to define, list, prohibit, control, regulate or classify substances by reason of deleterious or harmful or potentially deleterious or potentially harmful properties such as ignitability, corrosivity, reactivity, radioactivity, carcinogenicity or toxicity; (ii) any contaminant or pollutant or any substance that when released to the natural environment causes or is likely to cause harm, adverse impact, damage or degradation to or impairment of or the use of the environment, risk to or an adverse effect on human safety or health, injure or materially discomfort any person or interfere with the reasonable enjoyment of life or property or the normal conduct of business; (iii) petroleum and petroleum products, fertilizer, agricultural chemicals and related products, radioactive materials, asbestos in any form that is or could become friable, transformers or other equipment that contains polychlorinated biphenyls, and radon gas; (iv) any other chemical, material or substance exposure to which or the release or discharge of which is regulated by any Governmental Authorities, and (v) it includes, without limitation, used or waste oil, crude oil and refined petroleum products and their additives and derivatives.

5. Restoration

Upon the expiration or earlier termination of this License Agreement, the Licensee shall vacate the Property, remove all of its property and equipment therefrom and restore the Property to the condition that existed upon the commencement of this License Agreement. In addition, the Licensee shall be solely responsible for any and all damage occasioned to the Property from any cause whatsoever during the Term and the Licensee shall repair any and all such damage forthwith at its own expense and restore that portion of the Property which has been so damaged to its previous condition, utilizing materials at least equivalent in quality and design to that existing prior to such damage, all to the reasonable satisfaction of Imperial. In the event that damage is occasioned to the monitoring wells located on the Property, the locations of which are indicated on the site plan attached as Schedule "B" hereto (the "Monitoring Wells") or to any of Imperial's improvements or equipment located on the Property, then the Licensee shall notify Imperial of such damage immediately. Any damage to the Monitoring Wells or to Imperial's improvements or equipment shall be repaired only by Imperial, or a representative of Imperial approved in writing by Imperial.

6. Insurance

Imperial shall not be liable nor responsible in any way for any loss of or damage or injury, no matter how caused, to any property belonging to the Licensee or to its employees, guests, invitees, agents or contractors or to any other person while such property or person is on the Property. The Licensee covenants and agrees that it will, at its own expense, maintain adequate general public liability insurance against any and all loss or damage to property including motor vehicles and contents thereof of members, employees, agents, contractors, guests and invitees of the Licensee and against any injury to any person or persons, or for the loss of life occurring on the Property including improvements thereon or the areas adjacent thereto, in an amount of not less than **\$5,000,000.00 (default unless lower amount agreed to)** inclusive of any one loss with an insurance company or companies licensed to carry on business in Canada, approved by Imperial. The Licensee will ensure Imperial Oil Limited is named as a

“Loss Payee” on the insurance certificate. The Licensee will from time to time forthwith on demand, supply to Imperial evidence reasonably satisfactory to Imperial as to such insurance. The Licensee further agrees to carry at its sole cost and expense such additional insurance as Imperial may reasonably require from time to time in amounts and for perils against which a prudent tenant or owner would protect itself in similar circumstances.

All policies of insurance procured by the Licensee shall contain the following endorsements:

- (a) such insurance shall not be cancelled or amended without thirty (30) days prior written notice by registered mail to Imperial by the insurance company;
- (b) the Licensee shall be solely responsible for payment of premiums and Imperial shall not be required to pay any premiums for such insurance;
- (c) the ability of Imperial to collect the proceeds from such insurance policy shall not be affected by any violation of the policy conditions by the Licensee; and
- (d) the Licensee waives its right to subrogation against Imperial, its agents, servants, employees and any other person for whom it is responsible at law and any insurance policies herein required to be procured by the Licensee shall contain an express waiver of any right of subrogation in the insurance policy against Imperial, its servants, agents, employees and any other person for whom it is responsible at law.

7. Release and Indemnity

The Licensee shall use the Property at its sole risk and releases and discharges Imperial, its officers, directors, employees, agents, servants and successors and covenants and agrees to indemnify and save harmless Imperial, its officers, directors, employees, agents, servants and successors from and against all damages, injuries, including injuries resulting in death, losses, costs, including legal costs on a solicitor and own client basis, actions, causes of action, claims, demands, remediation orders, builders' liens, liabilities, expenses, indirect or consequential damages (including loss of profits and loss of use) which may arise or accrue to any person, firm or corporation against Imperial, its officers, directors, employees, agents, servants and successors or which Imperial, its officers, directors, employees, agents, servants and successors may pay, incur, sustain or be put to:

- (a) that arise out of or would not have been incurred but for this License Agreement;
- (b) by reason of any negligent act or omission or wilful misconduct of the Licensee or any of its invitees, licensees, contractors, subcontractors, employees, agents and permittees in connection with the exercise of the rights and obligations of the Licensee under this License Agreement or as a result of the use by the Licensee or any of its invitees, licensees, contractors, subcontractors, employees, agents and permittees of any part of the Property; or

- (c) by reason of any default in the due observance and performance of the rights and obligations of the Licensee under this License Agreement.

8. Contamination

If the Licensee's use and occupation of or any undertaking of the Licensee on the Property has resulted in the contamination of the Property, the Licensee shall be responsible for, undertake and bear the costs of all investigations, studies, sampling, testing, clean-up, remediation, removal and disposal of all hazardous and contaminated materials or substances, including soil and water, toxic or otherwise, and any other remedial actions which are necessary to effect the restoration of any damaged environment or habitat.

9. Licensee's Failure to Perform

If the Licensee fails, within a reasonable period of time, to effect any investigations, studies, sampling, testing, clean-up, remediation, removal or disposal in accordance with Section 8 herein, then Imperial may do so without notice to the Licensee. In such case, the Licensee shall reimburse Imperial, immediately upon demand, for all costs, charges and expenses incurred in connection therewith.

10. Liens

The Licensee will at its own cost and expense, cause any builders' lien or other lien ("Lien") for labour, services or materials alleged to have been furnished concerning the Property on behalf of the Licensee to be paid, satisfied, released, cancelled or vacated within 10 days after Imperial has sent to the Licensee written notice of any claim for any Lien, failing which Imperial may take such action as Imperial deems necessary to remove the Lien and the entire costs thereof shall be immediately due and payable by the Licensee to Imperial; provided that in the event of a bona fide dispute by the Licensee as to the validity of any Lien, the Licensee will be entitled to defend against same in any proceedings brought after first paying into court the amount claimed and such costs as the court may direct or after providing such other security to Imperial as Imperial may in its sole discretion require to ensure payment of the Lien.

11. Imperial's Right of Entry

It shall be lawful for Imperial and its officers, employees, agents, licensees, invitees, servants, officials and contractors, with or without vehicles and equipment, from time to time, and at all times hereafter during the Term to enter upon the Property to:

- (a) labour, go, return, pass and repass upon, under and along the Property for the purposes of examining, inspecting, conducting surveys, tests and examinations, constructing, repairing and/or remediating all or part of the Property;
- (b) carry onto the Property all materials and equipment required for any of the foregoing purposes, and
- (c) do all acts which in the opinion of Imperial are incidental to the foregoing.

12. Breach

In the event that the Licensee fails to observe or perform any of the covenants, agreements, provisions or conditions contained herein, and such failure continues for a period of 10 days after the giving of written notice by Imperial to the Licensee of the nature of the failure, Imperial may cancel and terminate this License Agreement without any compensation to the Licensee whatsoever.

13. Imperial's Indemnity

Imperial covenants and agrees to indemnify and save harmless the Licensee, its elected officials and appointed officers, employees and agents from and against all actions, causes of action, proceedings, orders, (including without limitation, any Remedial Orders, governmental orders or directives pursuant to the Environmental Management and Protection Act, 2002), debts, contracts, claims, demands, damages, losses, liabilities, expenses, indirect or consequential damages, interest and costs of any nature or kind whatsoever, which may be initiated by or arise or accrue to any person, firm or corporation, including without limitation, the Crown or any Crown corporation, organization or agency, against the Licensee by reason of, in connection with, with respect to or resulting or arising from the presence of Contaminants on, in or under any of the Property and/or any lands adjacent thereto, including the Licensed Area.

14. Rights of Renewal (if applicable)

If the Licensee duly and punctually observes and performs the covenants, agreements, conditions and provisos in this License Agreement on the part of the Licensee to be observed and performed, Imperial shall at the expiration of the Term, at the cost of the Licensee and at its written request delivered to Imperial in the manner provided in this License Agreement not earlier than 365 days and not later than 270 days prior to the expiration of the Term, grant to the Licensee a renewal license of the Property for a further term of five years (the "First Renewal Term") from the expiration of the Term, upon all of the covenants, agreements, conditions and provisos contained in this License Agreement except this covenant for renewal and except the License Fee to be paid during the First Renewal Term.

If the Licensee duly and punctually observes and performs the covenants, agreements, conditions and provisos in this License Agreement on the part of the Licensee to be observed and performed, and provided that the Licensee shall have given written notice to Imperial at least six months prior to the expiry of the First Renewal Term, the Licensee shall be entitled to a renewal license of the Property for a further term of five years (the "Second Renewal Term") commencing on the day after the expiry date of the First Renewal Term, upon all of the covenants, agreements, conditions and provisos contained in this License Agreement except that there shall be no further or other right of extension or renewal and except that the License Fee payable during the Second Renewal Term shall be determined in accordance with the next following paragraph.

The License Fee for the First Renewal Term and the Second Renewal Term, as the case may be, shall be agreed upon between Imperial and the Licensee. If the Licensee and Imperial have not agreed on the amount of the License Fee three months prior to the commencement of the First Renewal Term or

the Second Renewal Term, as the case may be, then the License Fee shall be determined by arbitration in accordance with the provisions of *The Arbitration Act, 1992*.

15. Assignment

The Licensee will not assign this License Agreement or the License in whole or in part nor permit any other person to occupy or use the Property without the prior written consent of Imperial, which consent may be unreasonably withheld.

Any transfer, sale, assignment, transmission, bequest, inheritance, mortgage, encumbrance or other disposition of shares having the result (directly or indirectly and either immediately or subject to the happening of any contingency) of changing the identity of the person or persons exercising or who might exercise control of the Licensee shall be deemed to be an assignment of this License Agreement notwithstanding whether such change shall be voluntary or involuntary on the part of the Licensee, and if made without the prior written consent of Imperial (or in the case of a transmission, bequest or inheritance unless Imperial shall afterwards have given its consent thereto), Imperial may at its option cancel and terminate this License Agreement upon the giving of thirty (30) days notice to the Licensee.

16. Notice

Any notice or communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been properly given when delivered personally or by facsimile transmission addressed to the parties at the address set out on the first page of this Agreement.

Any notice or communication delivered personally or sent by facsimile transmission shall be deemed to have been received by the addressee on the day upon which it is delivered or the next business day after the notice is sent by facsimile transmission. Either of the parties hereto may change its address for the purpose hereof by directing a notice in writing of such change to the other party at the address set out on the first page of this License Agreement and thereafter such changed address shall be effective for the purposes hereunder.

17. Alterations

The Licensee shall not make any improvements, alterations or additions, including paving or landscaping, to the Property without having first obtained Imperial's prior written consent, which consent may be unreasonably withheld.

18. Observance of Law

The Licensee shall be solely responsible for obtaining any and all permits, licenses and approvals that may be required with respect to the Licensee's use of the Property.

The Licensee shall, at its sole cost and expense, ensure that its use of the Property, the conduct of any business thereon and its compliance with all of its obligations under this License Agreement shall be in accordance with all applicable laws and the requirements of all Governmental Authorities.

19. Entire Agreement

This License Agreement sets forth all the covenants, promises, agreements, conditions and understandings between the parties concerning the Property and supersedes any prior agreements, leases or understandings. There are no covenants, promises, agreements, conditions or representations either oral or written, between the parties other than as set forth herein. No subsequent alteration, change, amendment or addition to this License Agreement shall be binding upon the parties unless reduced to writing and signed by them.

20. No Tenancy or Joint Venture

The parties acknowledge and agree that nothing in this License Agreement shall in any way be construed to constitute a lease, partnership or joint venture between the parties.

21. Successors and Assigns

This License Agreement shall ensure to the benefit of and be binding upon each party hereto and their respective permitted successors and assigns.

22. No Interest in Land

The Licensee hereby acknowledges and agrees that this License Agreement and the License are personal to the Licensee and shall not create any interest in the Property.

23. Further Assurances

The parties hereto covenant and agree to execute such further assurances as may be required to affect the covenants and agreements contained herein.

24. Governing Law

This License Agreement shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan.

IN WITNESS WHEREOF the parties herein have duly executed this License Agreement as of the date first set out above.

Municipality, by its
authorized signatory

Witness

By: _____
Name:
Title:

I have authority to bind the Corporation

IMPERIAL OIL, a partnership of
IMPERIAL OIL LIMITED and **McCOLL-**
FRONTENAC PETROLEUM INC., by its
managing partner, **IMPERIAL OIL LIMITED**

Witness

By: _____
Name:
Title:

I have authority to bind the Corporation

SCHEDULE "A"

LEGAL DESCRIPTION OF PROPERTY

legal description

SAMPLE

SCHEDULE "B"

SITE PLAN SHOWING MONITORING WELLS

attach site plan showing location of monitoring wells

SAMPLE