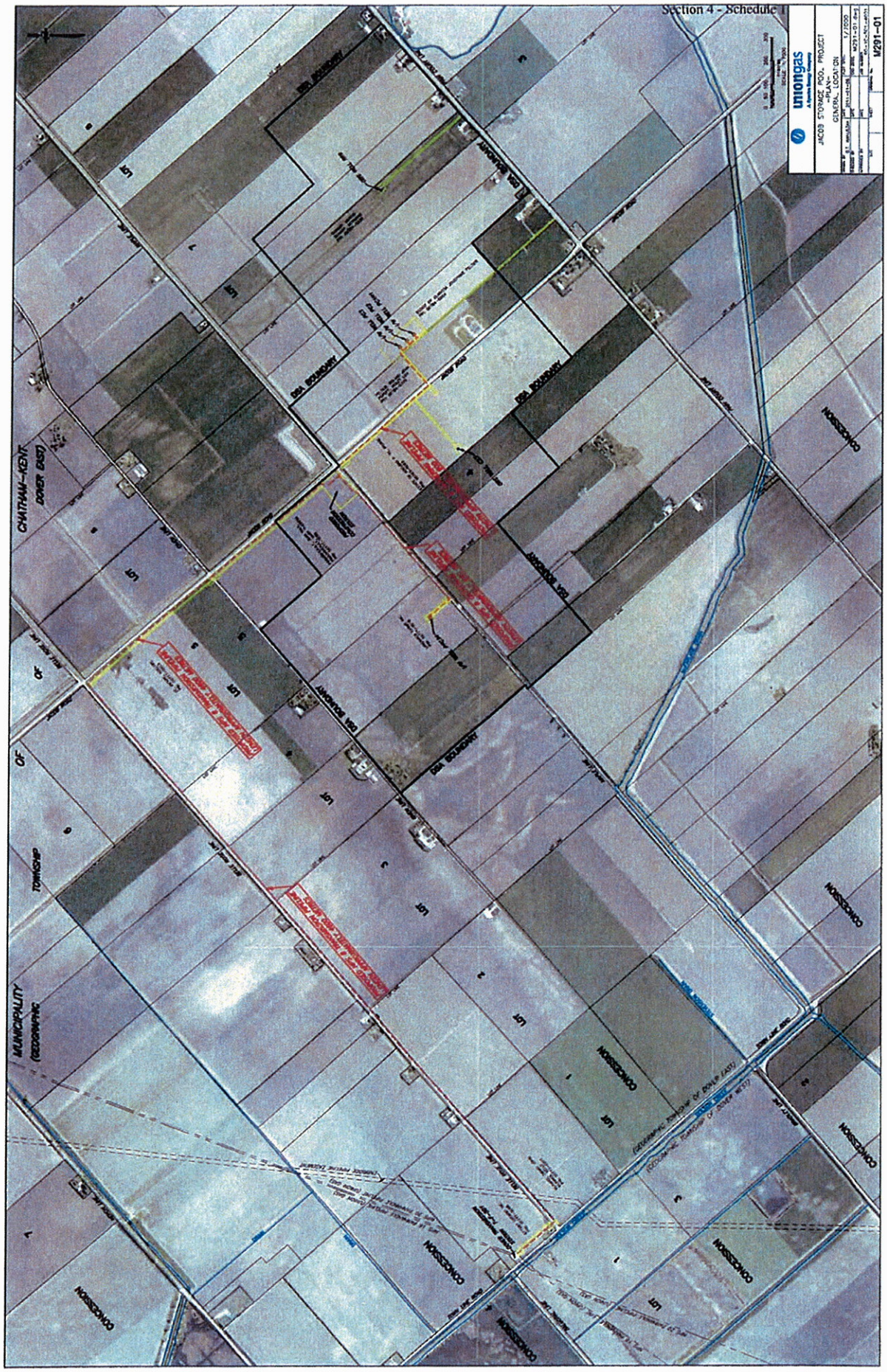
# Section 4 – Schedule 1


JACOB STORAGE POOL PROJECT
GENERAL LOCATION
M291-01
M291-01
CHATHAM-KENT
DOVER RSD
TOWNSHIP
MUNICIPALITY
(GEOGRAPHIC TOWNSHIP OF ZONE EAST)
(GEOGRAPHIC TOWNSHIP OF ZONE WEST)
CONCESSION
LOT
OLD SCHOOL RD

# Section 4 – Schedule 2

Ministry of Natural Resources / Ministère des Richesses naturelles — Ontario

Oil, Gas and Salt Resources Act

# Application for a Well Licence

Form 1 — To the Minister of Natural Resources — v.1999-01-07

The undersigned operator applies for a well licence under the Oil, Gas and Salt Resources Act and the Regulations thereunder and submits the following information, together with the application fee of $100 + 13% HST.

**1. WELL NAME** Pain Court 2 (Horiz. #1), Dover 3 - 6 - 4 — Target Formation: Sherman Fall

Purpose of Proposed Well (Well Type): Natural Gas Storage

**2. NAME OF OPERATOR** Union Gas Limited — Tel #: 519 436-4568

Address: 50 Keil Drive North, Chatham, Ontario, N7M 5M1 — Fax #: 519 436-4560

**3. LOCATION** County: Kent — Township: Dover

Tract: 3 — Lot: 6 — Concession: 4 — Lake Erie: Block: — Tract:

Lake Erie licence or lease number:

Bottom-hole location — Bottom-hole Latitude: 42°22'33.844" N — Bottom-hole Longitude: 82°21'01.044" W

Surface location metres from Lot Boundaries: 565.95 m North [ ] South [X] — Latitude: 42°22'30.954" N

184.75 m East [X] West [ ] — Longitude: 82°20'28.389" W

Within 1.6 km of Designated Storage Area? Yes [ ] No [X] — Off-target? Yes [ ] No [X]

**4. WELL PARTICULARS** Vertical [ ] Horizontal [X] Directional [ ] Deepening [ ] Re-entry [ ]

Rig Type: Rotary [X] Cable [X] — Well to be cored? Yes [ ] No [X] — Formation at TD: Sherman Falls

Ground Elevation: 175.4 — Proposed Depth TMD: 1539.0 — Proposed Depth TVD: 930.0 — Proposed Start Date: Sep. 2011

**5. LANDOWNER** [redacted] — Tel #: [redacted]

Address: [redacted]

Spacing unit shown on attached survey plan is pooled (see O.Reg.245/97 definitions: "pooled spacing unit") Yes [ ] No [X]

**6. DRILLING CONTRACTOR (if known)**

Address:

**7. PROPOSED CASING AND CEMENTING PROGRAM**

| Hole Size (mm) | Casing O.D. (mm) | Weight (kg/m) | Grade | New, Used or in-hole | Setting Depth TVD | Setting Formation | CASING SETTING INFORMATION | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | How Set | Cement Type | Cement Top KB / RF |
| 406.0 | 406.00 | 76.49 | Line pipe | New | 22.0 | Kettle Point | Driven | N/A | N/A |
| 387.3 | 339.70 | 71.43 | H-40 | New | 95.5 | Dundee | Cemented | 0:1:0 | 1.9 |
| 311.0 | 244.50 | 53.57 | K-55 | New | 616.5 | Cabot Head | Cemented | 0:8:0; 0:1:0 | 4.6 |
| 222.0 | 177.80 | 34.23 | K-55 | New | 880.0 | Cobourg | Cemented | 0:1:0 | 4.6 |
| | | | | | | | | | |

**8. BLOW-OUT PREVENTION EQUIPMENT**

Rotating Head, Annular Preventer; Blind Rams, Pipe Rams, Lubricator; 7" Valve

**9. WELL SECURITY**

Name of Trustee: 1236596 Ontario Limited — Address: Pensa & Associates, 130 Dufferin Ave., London, ON, N6A 5R3

Tel #: 519 667-4018 — Fax #: 519 434-9656 — Total # unplugged wells: 212 — Current Balance: $ 70,000

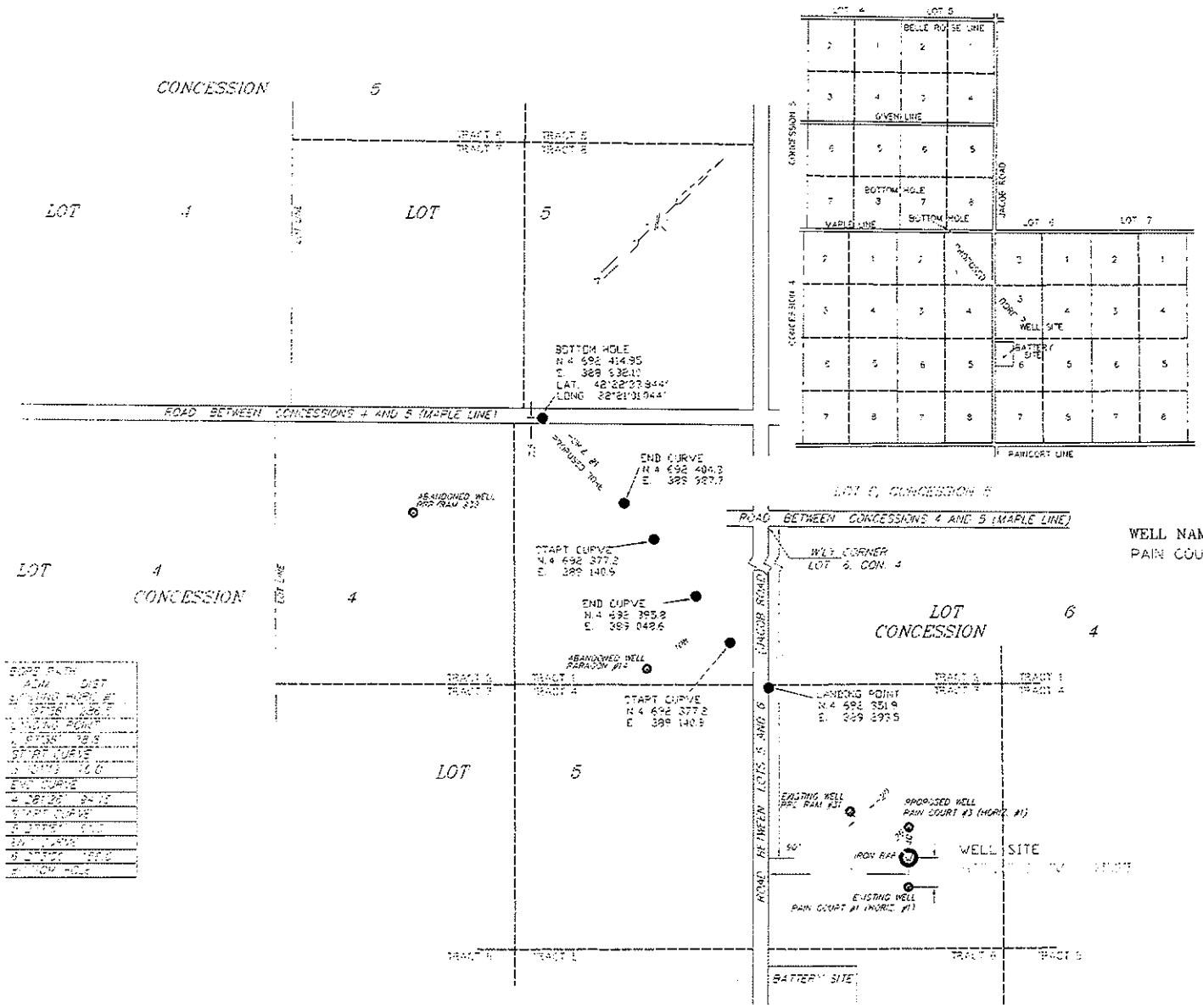
**10. REMARKS**

**11. ENCLOSURES:** Fee [X] Location Plan [X] (Land wells only) Drilling Program [X]

**12. AUTHORITY:** The undersigned certifies that the information provided herein is complete and accurate, the operator has the right to drill or operate a well in the above location, and he/she has authority to bind the operator.

Date: 11-Jan-11 — Name: Steven Pardy, P.Eng. — Signature:

Date of Birth: April 24, 1970 — Title: Manager, Reservoir Engineering and Drilling




*GEOGRAPHIC TOWNSHIP OF DOVER*

SCALE 1:5000

NOTE METRIC
DISTANCES SHOWN ON THIS PLAN ARE IN METERS AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

NOTE BENCH MARK
ELEVATIONS ARE REFERRED TO GEODETIC DATUM AND REFERENCE BENCH MARK BEING
MONUMENT No.72UD07
ELEVATION = 176.762

NOTE GEODETIC HORIZONTAL CONTROL
U.T.M. CO-ORDINATES ARE GEODETIC (DATUM NAD 83) AND REFERRED TO MONUMENTS
693395 AND 693339

NOTE (WELL SITE) CO-ORDINATES
LATITUDE N.42°22'30.994" LONGITUDE W.82°20'39.389"
U.T.M. N 4 692 314.0 E 389 577.5

WELL NAME
PAIN COURT #2 (HORIZ. #1) - DOVER - 3 - 6 - 4

PREPARED BY

1426831 ONTARIO LIMITED
SERVING THE PETROLEUM INDUSTRY
THROUGHOUT ONTARIO
WELL CONSTRUCTION AND TECHNICAL SURVEYING
DIGITAL MAPPING
LAND AND LEASE SURVEYS
OFFICE (519) 351-5075
CELL (519) 401-5073
FAX (519) 351-2112
P.O.BOX 327 - N7M-5K4
CHATHAM, ONTARIO

PREPARED FOR

FILE NO. 10-4951 PLAN NO. UNI6429.DWG

JANUARY 10, 2011

TIMOTHY J. O'ROURKE O.S.T. A.O.E.T.

AUTHORIZED BY THE MINISTER OF NATURAL RESOURCES UNDER THE PETROLEUM RESOURCES ACT OF ONTARIO

Ministry of Natural Resources / Ministère des Richesses naturelles — Ontario

Oil, Gas and Salt Resources Act

# Application for a Well Licence

Form 1 — To the Minister of Natural Resources — v.1999-01-07

The undersigned operator applies for a well licence under the Oil, Gas and Salt Resources Act and the Regulations thereunder and submits the following information, together with the application fee of $100 + 13% HST.

**1. WELL NAME** Pain Court 2 (Horiz. #1, Lat. #1), Dover 3 - 6 - 4 — Target Formation Sherman Fall

Purpose of Proposed Well (Well Type) Natural Gas Storage

**2. NAME OF OPERATOR** Union Gas Limited — Tel # 519 436-4568

Address 50 Keil Drive North, Chatham, Ontario, N7M 5M1 — Fax # 519 436-4560

**3. LOCATION** County Kent — Township Dover

Tract 3 — Lot 6 — Concession 4 — Lake Erie: Block — Tract

Lake Erie licence or lease number

Bottom-hole location — Bottom-hole Latitude 42°22'23.404" N — Bottom-hole Longitude 82°21'10.276" W

Surface location metres from Lot Boundaries — 565.95 m North [ ] South [X] — Latitude 42°22'30.954" N

184.75 m East [X] West [ ] — Longitude 82°20'28.389" W

Within 1.6 km of Designated Storage Area? Yes [ ] No [X] — Off-target? Yes [ ] No [X]

**4. WELL PARTICULARS** Vertical [ ] Horizontal [X] Directional [ ] Deepening [ ] Re-entry [ ]

Rig Type: Rotary [X] Cable [X] — Well to be cored? Yes [ ] No [X] — Formation at TD Sherman Falls

Ground Elevation 175.4 — Proposed Depth TMD 1827.0 — Proposed Depth TVD 930.0 — Proposed Start Date Sep., 2011

**5. LANDOWNER** [redacted] — Tel # [redacted]

Address [redacted]

Spacing unit shown on attached survey plan is pooled (see O.Reg.245/97 definitions: "pooled spacing unit") Yes [ ] No [X]

**6. DRILLING CONTRACTOR (if known)**

Address

**7. PROPOSED CASING AND CEMENTING PROGRAM**

| Hole Size (mm) | Casing O.D. (mm) | Weight (kg/m) | Grade | New, Used or in-hole | Setting Depth TVD | Setting Formation | CASING SETTING INFORMATION: How Set | Cement Type | Cement Top KB / RF |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

**8. BLOW-OUT PREVENTION EQUIPMENT**

Rotating Head, Annular Preventer; Blind Rams, Pipe Rams, Lubricator; 7" Valve

**9. WELL SECURITY**

Name of Trustee 1236596 Ontario Limited — Address Pensa & Associates, 130 Dufferin Ave., London, ON, N6A 5R3

Tel # 519 667-4018 — Fax # 519 434-9656 — Total # unplugged wells 212 — Current Balance $ 70,000

**10. REMARKS**

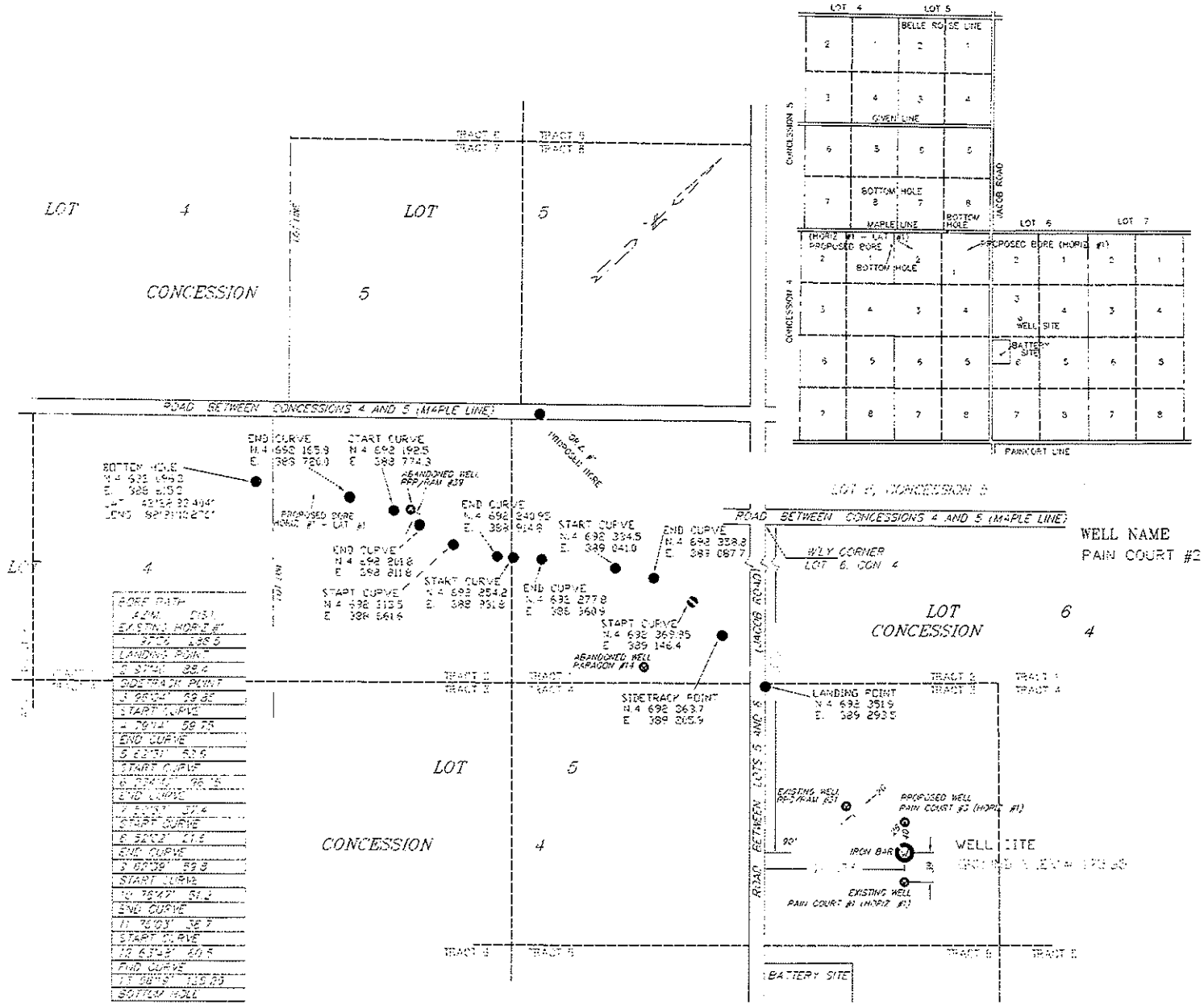
Lateral drilled from Pain Court 2 (Horiz#1) wellbore

**11. ENCLOSURES:** Fee [X] — Location Plan [X] (Land wells only) — Drilling Program [X]

**12. AUTHORITY:** The undersigned certifies that the information provided herein is complete and accurate, the operator has the right to drill or operate a well in the above location, and he/she has authority to bind the operator.

Date 11-Jan-11 — Name Steven Pardy, P.Eng. — Signature

Date of Birth April 24, 1970 — Title Manager, Reservoir Engineering and Drilling




| ROSE PATH | | |
|---|---|---|
| | AZIM. | DIST. |
| EXISTING HORIZ. # | | |
| | 270.2 | 435.9 |
| LANDING POINT | | |
| 1 | 270.2 | 38.4 |
| SIDETRACK POINT | | |
| 2 | 99.42' | 59.85 |
| START CURVE | | |
| 3 | 78.14' | 58.75 |
| END CURVE | | |
| 4 | 62.51' | 50.6 |
| START CURVE | | |
| 5 | 78.14' | 78.15 |
| END CURVE | | |
| 6 | 99.42' | 37.4 |
| START CURVE | | |
| 7 | 342.2' | 21.6 |
| END CURVE | | |
| 8 | 78.59' | 59.8 |
| START CURVE | | |
| 10 | 78.47' | 54.2 |
| END CURVE | | |
| 11 | 78.91' | 36.7 |
| START CURVE | | |
| 12 | 63.42' | 50.5 |
| END CURVE | | |
| 17 | 98.5' | 138.25 |
| BOTTOM HOLE | | |

LOT
CON
GEOGRAPHIC TOWNSHIP OF DOVER

SCALE 1:5000

NOTE METRIC
DISTANCES SHOWN ON THIS PLAN ARE IN METERS AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

NOTE BENCH MARK
ELEVATIONS ARE REFERRED TO GEODETIC DATUM AND REFERENCE BENCH MARK BEING
MONUMENT No.78'2007
ELEVATION = 176.762

NOTE GEODETIC HORIZONTAL CONTROL
U.T.M. CO-ORDINATES ARE GEODETIC DATUM NAD 83 AND REFERRED TO MONUMENTS
693895 AND 693599

NOTE (WELL SITE) CO-ORDINATES
LATITUDE N.42°22'30.954" LONGITUDE W.82°20'28.399"
U.T.M. N 4 698 314.0 E 389 577.5

WELL NAME
PAIN COURT #2 (HORIZ. #1 - LAT. #1) - DOVER - 3 - 6 - 4

PREPARED BY
SPISTO AND O'ROURKE
1425331 ONTARIO LIMITED
SERVING THE PETROLEUM INDUSTRY
THROUGHOUT ONTARIO
WELLS CONSTRUCTION AND TECHNICAL SURVEYING
DIGITAL MAPPING
LAND AND LEASE SURVEYS
OFFICE (519) 351-5073
CELL (519) 401-5073
FAX (519) 351-3119
P.O.BOX 327 - N7M-5P4
CHATHAM ONTARIO

PREPARED FOR

FILE NO. 10-4951 PLAN NO. UNI6438.DWG

JANUARY 10, 2011

TIMOTHY J. O'ROURKE C.S.T. A.O.E.T

AUTHORIZED BY THE MINISTER OF NATURAL RESOURCES UNDER THE PETROLEUM RESOURCES ACT OF ONTARIO

Ministry of Natural Resources / Ministère des Richesses naturelles — Ontario

Oil, Gas and Salt Resources Act

# Application for a Well Licence

Form 1 — To the Minister of Natural Resources — v.1999-01-07

The undersigned operator applies for a well licence under the Oil, Gas and Salt Resources Act and the Regulations thereunder and submits the following information, together with the application fee of $100 + 13% HST.

**1. WELL NAME** Pain Court 3 (Horiz. #1), Dover 3 - 6 - 4 — Target Formation: Sherman Fall

Purpose of Proposed Well (Well Type): Natural Gas Storage

**2. NAME OF OPERATOR** Union Gas Limited — Tel #: 519 436-4568

Address: 50 Keil Drive North, Chatham, Ontario, N7M 5M1 — Fax #: 519 436-4560

**3. LOCATION** County: Kent — Township: Dover

Tract: 3 — Lot: 6 — Concession: 4 — Lake Erie: Block: — Tract:

Lake Erie licence or lease number:

Bottom-hole location — Bottom-hole Latitude: 42°22'28.19" N — Bottom-hole Longitude: 82°20'04.91" W

Surface location metres from Lot Boundaries: 849.60 m North [X] South [ ] — Latitude: 42°22'31.913" N

184.70 m East [X] West [ ] — Longitude: 82°20'29.568" W

Within 1.6 km of Designated Storage Area? Yes [ ] No [X] — Off-target? Yes [ ] No [X]

**4. WELL PARTICULARS** Vertical [ ] Horizontal [X] Directional [ ] Deepening [ ] Re-entry [ ]

Rig Type: Rotary [X] Cable [X] — Well to be cored? Yes [X] No [ ] — Formation at TD: Sherman Falls

Ground Elevation: 175.4 — Proposed Depth TMD: 1450.0 — Proposed Depth TVD: 990.0 — Proposed Start Date: November, 2011

**5. LANDOWNER** [redacted] — Tel #: [redacted]

Address: [redacted]

Spacing unit shown on attached survey plan is pooled (see O.Reg.245/97 definitions: "pooled spacing unit") Yes [ ] No [X]

**6. DRILLING CONTRACTOR (if known)**

Address:

**7. PROPOSED CASING AND CEMENTING PROGRAM**

| Hole Size (mm) | Casing O.D. (mm) | Weight (kg/m) | Grade | New, Used or in-hole | Setting Depth TVD | Setting Formation | CASING SETTING INFORMATION | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | How Set | Cement Type | Cement Top KB / RF |
| 406.0 | 406.00 | 76.49 | Line pipe | New | 22.0 | Kettle Point | Driven | N/A | N/A |
| 387.3 | 339.70 | 71.43 | H-40 | New | 95.5 | Dundee | Cemented | 0:1:0 | 1.9 |
| 311.0 | 244.50 | 53.57 | K-55 | New | 616.5 | Cabot Head | Cemented | 0:8:0; 0:1:0 | 4.6 |
| 222.0 | 177.80 | 34.23 | K-55 | New | 880.0 | Cobourg | Cemented | 0:1:0 | 4.6 |

**8. BLOW-OUT PREVENTION EQUIPMENT**

Rotating Head, Annular Preventer, Blind Rams, Pipe Rams, Lubricator; 7" Valve

**9. WELL SECURITY**

Name of Trustee: 1236596 Ontario Limited — Address: Pensa & Associates, 130 Dufferin Ave., London, ON, N6A 5R3

Tel #: 519 667-4018 — Fax #: 519 434-9656 — Total # unplugged wells: 212 — Current Balance: $ 70,000

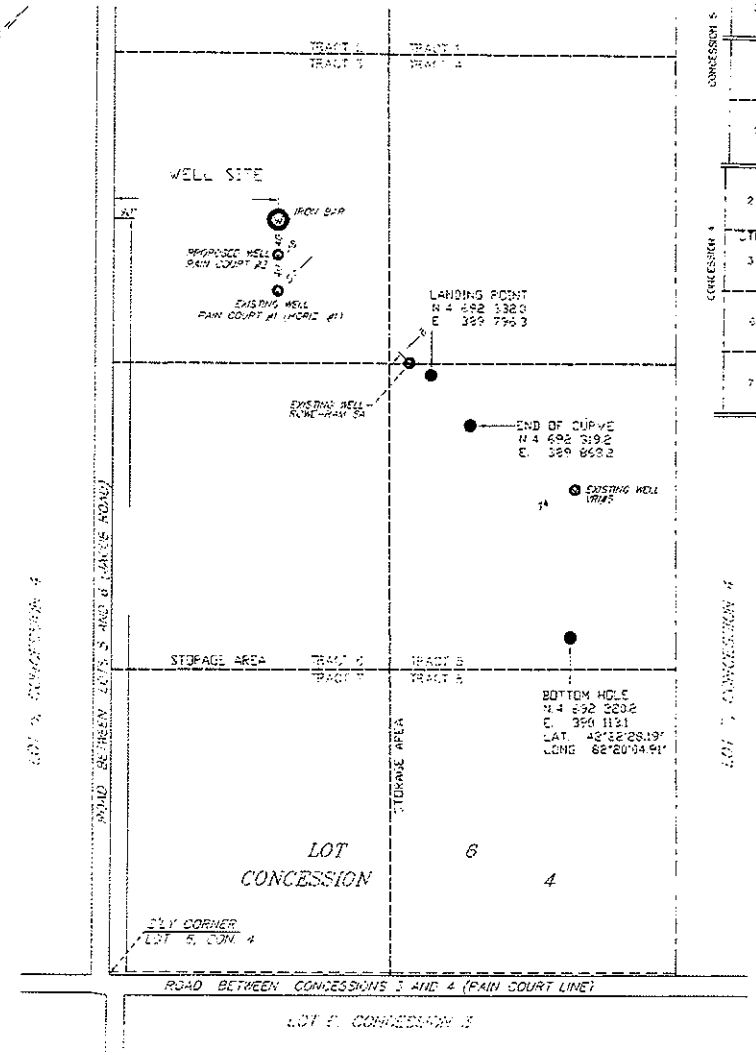
**10. REMARKS**

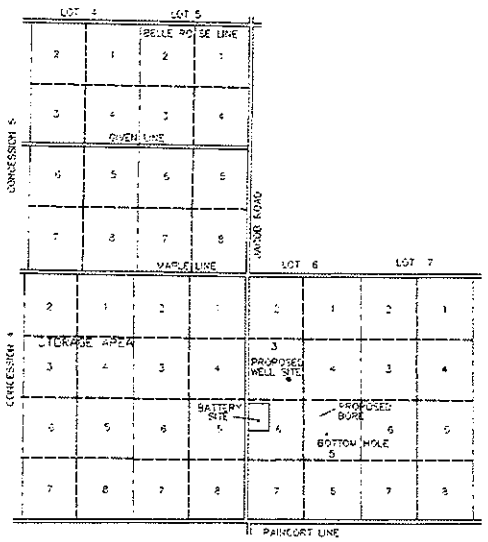
**11. ENCLOSURES:** Fee [X] Location Plan [X] (Land wells only) Drilling Program [X]

**12. AUTHORITY:** The undersigned certifies that the information provided herein is complete and accurate, the operator has the right to drill or operate a well in the above location, and he/she has authority to bind the operator.

Date: 11-Jan-11 — Name: Steven Pardy, P.Eng. — Signature:

Date of Birth: April 24, 1970 — Title: Manager, Reservoir Engineering and Drilling




| BORE PATH | | |
|---|---|---|
| | AZIM. | DIST. |
| EXISTING HORIZ #1 | | |
| | 1 92°47' | 245.6 |
| LANDING POINT | | |
| | 2 100°06' | 73.0 |
| END OF CURVE | | |
| | 3 112°00' | 264.2 |
| BOTTOM HOLE | | |

LOT 6
CONCESSION 4
*GEOGRAPHIC TOWNSHIP OF DOVER*

SCALE 1:500

WELL NAME
PAIN COURT #5 (HORIZ #1) - DOVER - 3 - 6 - 4

NOTE (WELL SITE) CO-ORDINATES
LATITUDE N.42°22'31.913" LONGITUDE W.82°20'29.564"
U.T.M. N.4 692 344.6 E.389 551.0

NOTE METRIC
DISTANCES SHOWN ON THIS PLAN ARE IN METERS AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

NOTE BENCH MARK
ELEVATIONS ARE REFERRED TO GEODETIC DATUM AND REFERENCE BENCH MARK BEING
MONUMENT No.73U007
ELEVATION = 176.762

NOTE GEODETIC HORIZONTAL CONTROL
U.T.M. CO-ORDINATES ARE GEODETIC (DATUM NAD 83) AND REFERRED TO MONUMENTS
693385 AND 693399

PREPARED BY

1425831 ONTARIO LIMITED
SERVING THE PETROLEUM INDUSTRY
THROUGHOUT ONTARIO
WELLS CONSTRUCTION AND TECHNICAL SURVEYING
DIGITAL MAPPING
LAND AND LEASE SURVEYS
OFFICE (519) 351-5073
CELL (519) 401-5073
FAX 519 351-3119
P.O.BOX 367 - N7M-5W4
CHATHAM, ONTARIO

PREPARED FOR

FILE NO. 10-4951 PLAN NO. UNI6428.DWG

JANUARY 10, 2011

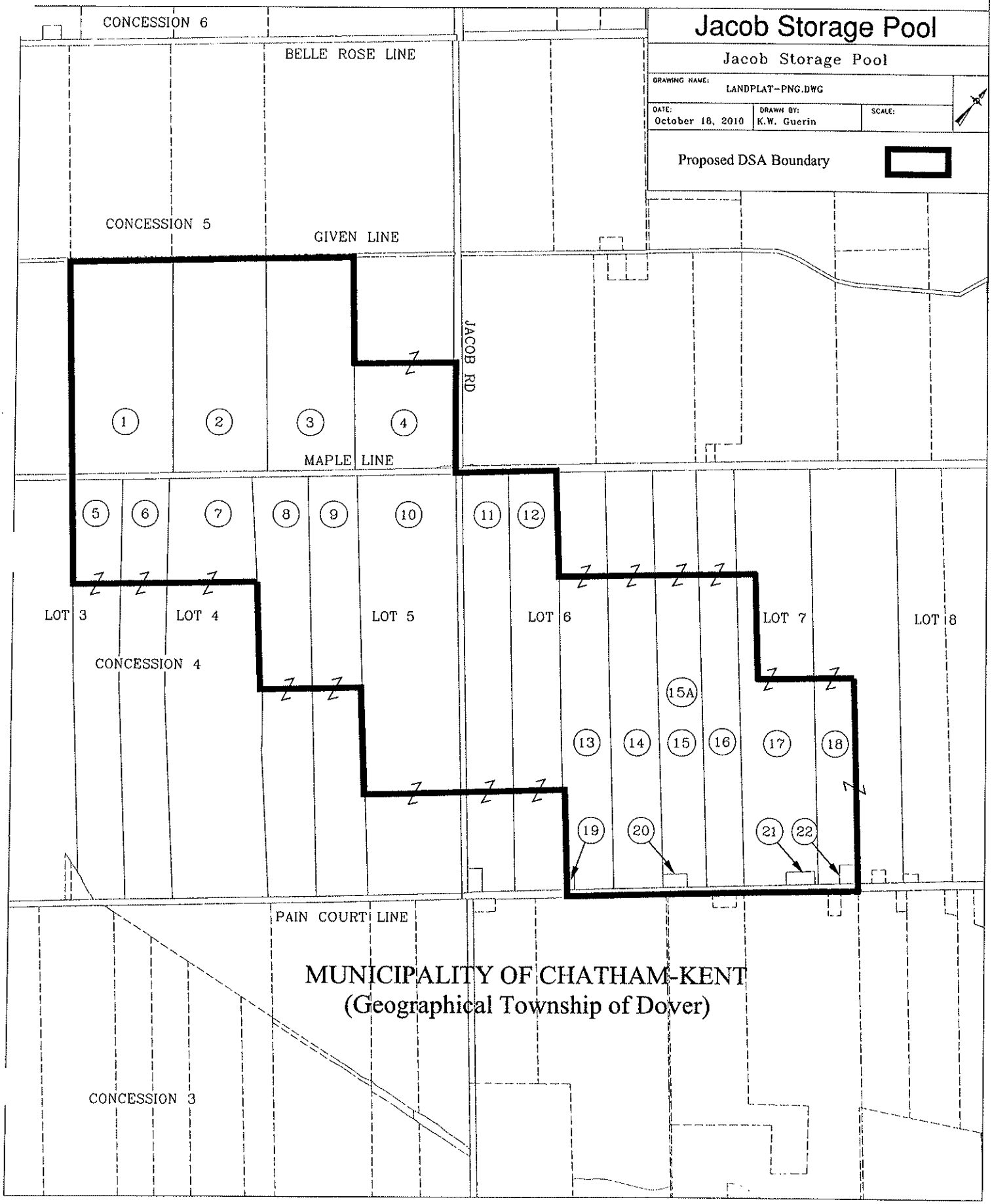
TIMOTHY J. O'ROURKE C.S.T. A.C.E.T.

AUTHORIZED BY THE MINISTER OF NATURAL RESOURCES
UNDER THE PETROLEUM RESOURCES ACT OF ONTARIO

# Section 7 – Schedule 2

# Petroleum and Natural Gas Leases
# Land Plat Map

EB-2011-0013/0014/0015
Section 7 -Schedule 2



**Petroleum and Natural Gas Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER | REMARKS |
|---|---|---|---|---|
| 1 | [redacted] | Part of Lot 4, Concession 5, Geographic Township of Dover, now Municipality of Chatham-Kent, PIN 00777-0017 | 431857 | File: 20124 |
| 2 | [redacted] | Part of Lot 4, Concession 5, Geographic Township of Dover, now Municipality of Chatham-Kent, PIN 00777-0018 | 473310 | File: 20123 |
| 3 | [redacted] | Part of Lot 5, Concession 5 Geographic Township of Dover, now Municipality of Chatham-Kent PIN 00777-0021 | R669518 | File: 20122 |
| 4 | [redacted] | Part of Lot 5, Concession 5 Geographic Township of Dover, Now Municipality of Chatham-Kent PIN 00777-0058 | R669513 | File: 20121 |

**Petroleum and Natural Gas Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER | REMARKS |
|---|---|---|---|---|
| 5 | [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00783-0058 | 441275 | File: 20147 |
| 6 | [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0059 | 441274 | File: 20148 |
| 7 | [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0060 | 431857 | File: 20149 |
| 8 | [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0061 | 391809 | File: 20150 |

**Petroleum and Natural Gas Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER | REMARKS |
|---|---|---|---|---|
| 9 | [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0062 | 391810 | File: 20151 |
| 10 | [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0063 | 455531 | File: 20152 |
| 11 | [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0370 | 392530 | File: 20154 |
| 12 | [redacted] | Part of Lot 6, Concession 4,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00784-0004 | 398814 | File: 20155 |

**Petroleum and Natural Gas Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER | REMARKS |
|---|---|---|---|---|
| 13 | [redacted] | Part of Lot 6, Concession 4,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00784-0005 | 391919 | File: 20156<br>Renee Rivait has 50%<br>Mineral Rights Only |
| 14 | [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0007 | 403803 | File: 20158 |
| 15 | [redacted] | Part of Lot 7, Concession 4 **SRO**<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00784-0337 | _____ | Surface Rights Only |
| 15A | [redacted] | Part of Lot 7, Concession 4 **MRO**<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00784-0338 | 655992 | File: 20159<br>Mineral Rights Only |

**Petroleum and Natural Gas Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER | REMARKS |
|---|---|---|---|---|
| 16 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0009 | 654686 | File: 20161 |
| 17 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0311 | 655916 | File: 20163 |
| 18 | [redacted] | Part of Lot 7&8, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0329 | R667608 | File: 20164 |
| 19 | [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0006 | 404605 | File: 20157 |

**Petroleum and Natural Gas Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER | REMARKS |
|---|---|---|---|---|
| 20 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0336<br>designated as Part 1 on 24R-6649 | 655992 | File: 20160 |
| 21 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0310<br>designated as part 1 on 24R-5892 | R667930 | File: 20162 |
| 22 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0328<br>designated as part 1 on 24R-6087 | R667608 | File: 20165 |

# Section 7 – Schedule 2 – Tab 1

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act, 1984

20424 D 20149 RR.

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block Property Additional See Schedule ☐

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

ONE DOLLAR---------- Dollars $ 1.00

(6) Description

In the Township of Dover East, in the County of Kent, being the Northeast half of Lot 4, in the Fourth Concession, as described in Instrument No. 160519, the East half of the South half of Lot 3, in the Fifth Concession, as described in Instrument No. 189443 and the Southwest quarter of Lot 4, in the Fifth Concession, as described in Instrument No. 29596, see Schedule page

FOR OFFICE USE ONLY

NUMBER 431857

CERTIFICATE OF REGISTRATION

2:24 pm JUN 25 1986

ENT

24

CHATHAM Ray Rivers

LAND REGISTRAR

New Property Identifiers

TENDERED Additional: See Schedule ☐

Executions DUPLICATE Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| [redacted] | | 1986 | 02 | 28 |
| [redacted] | | 1986 | 02 | 28 |
| We are spouses of one another. We are at least 18 years of age. Lessors. | | | | |

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| E.P. ROWE OIL LIMITED | E. Peter Rowe, President | 1986 | 04 | 21 |
| Lessee | | | | |

(13) Address for Service 150 Kent St. London, Ontario N6A 1L3

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:
Elexco Ltd.,
150 Kent Street,
London, Ontario.
N6A 1L3

File 3750

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 16 00 |
| | NT |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 28 day of February 19 86

[redacted]

of the [redacted] of [redacted] in the [redacted]
Province of Ontario,

(hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

E.P. ROWE OIL LIMITED, a Company incorporated pursuant to the laws of Canada, having its Head Office in the City of London, in the County of Middlesex

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of Dover East in the County of Kent Province of Ontario, containing 200 acres, more or less and described as follows:

The Northeast half of Lot 4, in the Fourth Concession, as described in Instrument No. 160519, the East half of the South half of Lot 3, in the Fifth Concession, as described in Instrument No. 189443, and the Southwest quarter of Lot 4, in the Fifth Concession, as described in Instrument No. 29596, in the Township of Dover East, in the County of Kent, more particularly described in Schedule A attached hereto and made a part hereof.

IN CONSIDERATION of the sum of One Dollar---------- ($ 1.00) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

SPR five 5 XXXX W.C.J. L.J.

TO HAVE AND TO ENJOY the same for a term of ten (10) years from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

PROVIDED that if operations for the drilling of a well are not commenced on the said lands within one year from the date hereof, this Lease shall terminate and be at an end on February 27 1987 unless the Lessee shall have paid or tendered to the Lessor on or before the said date the sum of ten--- ($ 10.00) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

SCHEDULE A

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Dover East, in the County of Kent, in the Province of Ontario, being composed of:

FIRSTLY: The Northeast half of Lot 4, in the Fourth Concession, as described in Instrument No. 160519.

SECONDLY: The East half of the South half of Lot 3, in the Fifth Concession, as described in Instrument No. 189443.

THIRDLY: The Southwest quarter of Lot 4, in the Fifth Concession, as described in Instrument No. 29596, for the Township of Dover East.

**10. Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**11. Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**12. Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**13. Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

**14. Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

**15. Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

**16. Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

**17. Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

**18. Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

**19. Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**20. Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

**21. Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**

In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:

(a) "leased substances" shall mean and include:—
  (i) all petroleum, natural gas and related hydrocarbons; and
  (ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,

  but shall not mean and include coal and valuable stone.

(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.

(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.

(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**

(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:
  (i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder: and
  (ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | |
|---|---|
| An amount up to 500,000 cubic feet per day | XXX 12½% |
| 500,001 to 2,000,000 cubic feet per day | XXX 12½% |
| 2,000,001 to 4,000,000 cubic feet per day | XXX 12½% |
| An amount exceeding 4,000,000 cubic feet per day | XXX 12½% |

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.

(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**

If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to ..... Two Thousand Dollars ..... ($ 2,000.00 .....) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**

The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lesser Interest:—**

If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

22. **Manner of Payments:—**

All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] of [redacted] as his agent as aforesaid and [redacted] (Bank or Trust Company) at [redacted] and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

23. **Entire Agreement:—**

This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

24. **Notices:—**

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at [redacted] and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

26. We, [redacted] and [redacted] being spouses within the meaning of Section 1(f) of The Family Law Reform Act of Ontario, 1978 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

27. **Enuring Clause:—**

Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

LESSOR

[redacted]

LESSEE

E.P. ROWE OIL LIMITED

E. Peter Rowe, President

# Form 1 - Land Transfer Tax Act

## AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* Part of Lot 4, in the Fourth Concession, and part of Lots 3 and 4, in the Fifth Concession, in the Township of Dover East, in the County of Kent.

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* E.P. Rowe Oil Limited

I, *(see instruction 2 and print name(s) in full)* [redacted]

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))*: *(see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☒ (d) The authorized agent ~~or solicitor~~ acting in this transaction for *(insert name(s) of principal(s))* E.P. Rowe Oil Limited described in paragraph(s) ~~(a), (b),~~ (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3)*.
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* None
4. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ NIL | |
| (ii) Given back to vendor | $ NIL | |
| (c) Property transferred in exchange *(detail below)* | $ NIL | |
| (d) Securities transferred to the value of *(detail below)* | $ NIL | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ NIL | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ NIL | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ | $ |
| (h) VALUE OF ALL CHATTELS - items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ NIL |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ NIL |
| (j) TOTAL CONSIDERATION | | $ |

ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* N/A
6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined
7. Other remarks and explanations, if necessary The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980.

SWORN before me at the City of London
in the County of Middlesex
this 8th day of May 19 86

A Commissioner for taking Affidavits, etc.

signature(s)

### PROPERTY INFORMATION RECORD

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)* Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor Not applicable

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

# Section 7 – Schedule 2 – Tab 2

#20123

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act, 1984

EL-010A

**D**

FOR OFFICE USE ONLY

473310

Number/Numéro
Certificate of Registration
Certificat d'enregistrement
3:30 APR 12 1989
KENT
No. 54
CHATHAM
Ray Rosser
LAND REGISTRAR

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 6 pages RP

(3) Property Identifier(s) Block Property Additional See Schedule ☐

(4) Nature of Document
Petroleum and Natural Gas Lease and Grant

(5) Consideration
Two Thousand , Five Hundred Dollars $ 2,500.00

(6) Description
In the Township of Dover East, in the County of Kent, part of Lot 1, and part of Lot 2, in the Fifth Concession, and the Southeast quarter and the Northwest quarter of Lot 4, in the Fifth Concession.

See Schedule Page

New Property Identifiers Additional See Schedule ☐

Executions Additional See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐

(b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| [redacted] | | 1989 | 01 | 17 |
| [redacted] | | 1989 | 01 | 17 |
| We are at least the age of eighteen. We are spouses of one another. Lessors | | | | |

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| PPC OIL & GAS CORP. | E. Peter Rosser, President | 1989 | Apr | 06 |
| Lessee | | | | |

(13) Address for Service Suite 1404, 141 Adelaide Street, West, Toronto, Ontario M5H 3L5

(14) Municipal Address of Property

(15) Document Prepared by:
Elexco Ltd.,
150 Kent Street,
London, Ontario.
N6A 1L3
Our File 107005-1-6972

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 20.00 |
| | N.T. |
| | |
| | |
| Total | |

EL-0148 2

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 17 day of January 19 89

BETWEEN [redacted]

of the [redacted] of [redacted] in the County of [redacted]
Province of Ontario,
(hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

PPG OIL & GAS CORP., a company incorporated under the laws of the Province of Ontario, having its Head Office at the City of Toronto, in the Province of Ontario.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of [redacted] in the County of [redacted] Province of Ontario, containing [redacted] acres, more or less and described as follows:

Part of Lot 1, and part of Lot 2, in the Fifth Concession, and the Southeast quarter, and the Northwest quarter of Lot 4, in the Fifth Concession, more particularly described in Schedule "A" attached hereto and made a part hereof.

IN CONSIDERATION of the sum of Two Thousand, Five Hundred---/00 ($ 2,500.00) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

Two (2) RJD D.P.

TO HAVE AND TO ENJOY the same for a term of [redacted] years from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

PROVIDED that if operations for the drilling of a well are not commenced on the said lands within one year from the date hereof, this Lease shall terminate and be at an end on January 16, 1990 unless the Lessee shall have paid or tendered to the Lessor on or before the said date the sum of Ten---/00 ($ 10.00) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Dover East, in the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: Part of Lot 1, in the Fifth Concession, which may be more particularly described as follows:

COMMENCING at a point distant 45.0 feet measured Northwesterly along the Northeasterly limit of Lot 1, from the most Easterly angle of said Lot;
THENCE Southwesterly, parallel to the Southeasterly limit of Lot 1, a distance of 1,936.0 feet to a point distant 79.0 feet measured Northeasterly at right angles from the Southwesterly limit of said Lot;
THENCE Westerly, in a straight line, a distance of 100.62 feet to a point distant 34.0 feet measured Northeasterly at right angles from the Southwesterly limit of Lot 1 and also distant 135.0 feet measured Northwesterly at right angles from the Southeasterly limit of said Lot;
THENCE Northwesterly, parallel to the said Southwesterly limit of Lot 1, a distance of 934.0 feet to the centre line of the Main Drain of the Stevenson Pumping Works;
THENCE Northeasterly, along the said centre line of the said Drain, a distance of 1,981.0 feet to the Northeasterly limit of said Lot;
THENCE Southeasterly, along the said Northeasterly limit of Lot 1, a distance of 1,069.0 feet to the point of commencement.

(The lands described above are those lands described in Instrument No. 236353, registered in the Registry Office for the Registry Division of the County of Kent, on the 25th day of January, 1972.)

SECONDLY: Part of Lot 2, in the Fifth Concession, which may be more particularly described as follows:

BEGINNING at the most Easterly angle of Lot 2;
THENCE Northwesterly, along the Northeasterly limit of said Lot, a distance 45.0 feet to a point; said point being the point of commencement of the herein described lands;
THENCE Southwesterly, parallel to the Southeasterly limit of Lot 2, to the Southwesterly limit of said Lot;
THENCE Northwesterly, along said Southwesterly limit, to the dividing line between the Northwest and Southeast halves of Lot 2;

. . .2

THENCE Northeasterly, along said dividing line between the Northwest and Southeast halves, to the Northeasterly limit of said Lot;
THENCE Southeasterly, along the Northeasterly limit of Lot 2, to the point of commencement.

(The lands described above as "Secondly" are those lands described in Instrument No. 30562, for the Township of Dover East, less those lands described in Instrument No. 222312, registered in the Registry Office for the Registry Division of the County of Kent.)

THIRDLY: The Southeast quarter of Lot 4, in the Fifth Concession.

As described in Instrument No. 263945.

FOURTHLY: The Northwest quarter of Lot 4, in the Fifth Concession.

As described in Instrument No. 77677, for the Township of Dover East.

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**
In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:
(a) "leased substances" shall mean and include:—
(i) all petroleum, natural gas and related hydrocarbons; and
(ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,
but shall not mean and include coal and valuable stone.
(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.
(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.
(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**
(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:
(i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder; and
(ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | |
|---|---|
| An amount up to 500,000 cubic feet per day | ALL AT 12½ % |
| 500,001 to 2,000,000 cubic feet per day | |
| 2,000,001 to 4,000,000 cubic feet per day | |
| An amount exceeding 4,000,000 cubic feet per day | 12½% |

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.
(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**
If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to Two Thousand, Five Hundred--/00 ($ 2,500.00) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**
The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lessor Interest:—**
If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**
The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**
The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**
The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**
The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**10. Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**11. Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**12. Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**13. Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

**14. Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

**15. Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

**16. Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

**17. Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

**18. Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

**19. Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**20. Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

**21. Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

22. Manner of Payments—

All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] of [redacted] as his agent as aforesaid and [redacted] (Bank or Trust Company) at [redacted] and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

23. Entire Agreement—

This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

24. Notices—

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at [redacted] and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

26. We, [redacted] and [redacted] being spouses within the meaning of Section 1(1) of The Family Law Act of Ontario, 1986 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

27. Enuring Clause—

Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

[redacted]

LESSOR

[redacted]

LESSEE
PPG OIL & GAS CORP.

H. Peter Rowe, President

ELAIS 8

Form 1 - Land Transfer Tax Act

## Affidavit of Residence and of Value of the Consideration

*Refer to all instructions on reverse side.*

IN THE MATTER OF THE CONVEYANCE OF [insert brief description of land] In the Township of Dover East, in the County of Kent, part of Lot 1, and part of Lot 2, in the Fifth Concession, and the Southeast quarter, and the Northwest quarter of Lot 4, in the Fifth Concession.

BY [insert names of all transferors in full] [redacted]

TO [see instruction 1 and print names of all transferees in full] PPC OIL & GAS CORP.

I, [see instruction 2 and print name(s) in full] [redacted]

MAKE OATH AND SAY THAT:

1 I am [place a check mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)] [see instruction 3]

- ☐ (a) A person in trust for whom the land conveyed in the above described conveyance is being conveyed;
- ☐ (b) A trustee named in the above described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above described conveyance;
- ☒ (d) The authorized agent [illegible] acting in this transaction for [insert name(s) of principal(s)] PPC OIL & GAS CORP

  described in paragraph(s) (a), (b), (c) above; [state any relationship to party/parties]
- ☐ (e) The President, Vice President, Manager, Secretary, Director, or Treasurer authorized to act for [insert name(s) of corporation(s)]

  described in paragraph(s) (a), (b), (c) above; [state any relationship to party/parties]
- ☐ (f) A transferee described in paragraph [insert only one of paragraphs (a), (b) or (c) above, as applicable] and am making this affidavit on my own behalf and on behalf of [insert name of spouse]

  who is my spouse described in paragraph [insert only one of paragraphs (a), (b) or (c) above, as applicable] and as such, I have personal knowledge of the facts herein deposed to.

2. [To be completed where the value of the consideration for the conveyance exceeds $200,000]

I have read and considered the definition of "single family residence" set out in clause 1(1)(i) of the Act. The land conveyed in the above-described conveyance

- ☐ contains at least one and not more than two single family residences.
- ☐ does not contain a single family residence
- ☐ contains more than two single family residences [see instruction 3]

Note: Clause 2(1) (d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of $280,000 where the conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clause 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act [see instructions 4 and 5] None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS

| | | | |
|---|---|---|---|
| (a) Monies paid or to be paid in cash | $ 2,500.00 | | |
| (b) Mortgages (i) Assumed [show principal and interest to be credited against purchase price] | $ Nil | | |
| (ii) Given back to vendor | $ Nil | | |
| (c) Property transferred in exchange [insert below] | $ Nil | | |
| (d) Securities transferred to the value of [insert below] | $ Nil | | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ Nil | | |
| (f) Other valuable consideration subject to land transfer tax [insert below] | $ Nil | | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (Total of (a) to (f)) | $ 2,500.00 | $ 2,500.00 | |
| (h) VALUE OF ALL CHATTELS - Items of tangible personal property [insert Sales Tax if payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended] | | $ Nil | |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ Nil | |
| (j) TOTAL CONSIDERATION | | $ 2,500.00 | |

All blanks must be filled in. Insert "Nil" where applicable.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance, [see instruction 6] N/A

6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined

7. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980

Sworn before me at the City of London
in the County of Middlesex
this 20th day of February 19 89

A Commissioner for taking Affidavits, etc.

ELAINE STALKER, a Commissioner, etc.,
Province of Ontario, for Elmos Ltd.
Expires February 4, 1992.

[signature]
(Signature)

### Property Information Record

A. Describe nature of instrument Oil and Gas Lease

B. (i) Address of property being conveyed [if available] Not applicable

(ii) Assessment Roll No. [if available] Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed, [see instruction 7]
Not applicable

D. (i) Registration number for last conveyance of property being conveyed [if available] Not applicable

(ii) Legal description of property conveyed Same as in D.(i) above Yes ☐ No ☐ Not known ☒

E. Name(s) and address(es) of each transferee's solicitor
Not applicable

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

# Section 7 – Schedule 2 – Tab 3

#20122

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® Wordprocessor Interface

**D**

FOR OFFICE USE ONLY

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

LR69518

JUN 16 2010 11:22

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 15 pages

(3) Property Identifier(s) — Block 00777 — Property 0021 — Additional: See Schedule ☐

(4) Nature of Document
Petroleum and Natural Gas Lease and Grant

(5) Consideration
Five Hundred ---------- 00/100 Dollars $500.00

(6) Description
In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Southwest Half of the Southeast Half of Lot 5, in the Fifth Concession. Now known as P.I.N. 00777-0021, more particularly described in Schedule "C" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Signature(s) — Date of Signature Y M D

[redacted] — 2010 05 12

[redacted] — 2010 05 04

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

ELEXCO LTD., Trustee — 2010 06 01

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service c/o 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:
Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104045-/021/2

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 NC |
| | |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRA Form 4 11/1992

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 05 13 |
| Lessor [redacted] | [redacted] | 2010 05 11 |

[redacted] ...s of age.

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 05 12 |
| [redacted] who is not separated from me, as our family residence. | | |
| Lessor [redacted] I am at least eighteen years of age. I am not a spouse. | [redacted] | 2010 05 04 |

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 05 04 |
| [redacted] ...of age. | | |
| Lesso[redacted] | [redacted] | 2010 05 04 |
| [redacted] I am at least eighteen years of age. | [redacted] | |

(11) [redacted]

FOR OFFICE USE ONLY

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| THE ESTATE OF ADELARD ST-PIERRE | [redacted] | 2010 \| 05 \| 04 |
| [redacted] | | \| \| |
| [redacted] | | 2010 \| 05 \| 04 |

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 \| 05 \| 12 |
| [redacted] | | \| \| |

who is not separated from me, as our family residence.

Lessor _____ _____ \| \| \|

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| | | \| \| \| |
| | | \| \| \| |

Lessor _____ _____ \| \| \|

(11) Address for Service

FOR OFFICE USE ONLY

**WHEREAS** [redacted] on or about the 4th day of November, 2008 and who at the time of his death had a fixed place of abode at [redacted]

**AND WHEREAS** [redacted]

**AND WHEREAS** [redacted], are all remaindermen pursuant to the Last Will and Testament of [redacted]

**AND WHEREAS** [redacted]

# PETROLEUM and NATURAL GAS LEASE and GRANT

5

**Agreement of Lease** made effective this **29th** day of **April, 2010**

BETWEEN: [redacted]

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee**.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township** of **Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, containing **50.0** acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Southwest Half of the Southeast Half of Lot 5, in the Fifth Concession. Now known as P.I.N. 00777-0021, as more particularly described in Schedule "C" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of **--Five Hundred--/00** Dollars (**$500.00**) to be paid within **45** days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Five (5)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

**1. INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

104045-10212

SCHEDULE "C"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southwest half of the Southeast half of Lot 5, in the Fifth Concession.

SAVE AND EXCEPT the forced Road through Lot 5, in the Fifth Concession.

Now known as P.I.N. 00777-0021.

THE DESCRIPTION OF THE LAND IN THIS INSTRUMENT DOES NOT COMPLY WITH THE REGULATIONS UNDER THE REGISTRY ACT. A REVISED DESCRIPTION MAY BE REQUIRED IN SUBSEQUENT INSTRUMENTS.

R Pinsonneault
Asst. Dep Land REGISTRAR

(iii) the recovery of any injected substance; or
(iv) any acts for or incidental to any of the foregoing;

7

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;
(h) "rental" shall have the meaning given in paragraph 2;
(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;
(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;
(k) "suspended well payment" shall have the meaning given in paragraph 3;
(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;
(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

**2. RENTALS**

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of **--five Hundred--/00** Dollars (**$500.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

**3. SUSPENDED WELLS**

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to **--Five Hundred--/00** Dollars (**$500.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

**4. ROYALTIES**

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.
(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.
(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.
(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

**5. LESSER INTEREST**

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

**6. TAXES PAYABLE BY THE LESSOR**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

**7. TAXES PAYABLE BY THE LESSEE**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**8. COMPENSATION AND RESTORATION OF SURFACE**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

**9. POOLING AND UNITIZATION**

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

**10. CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

**11. INDEMNIFICATION**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

**12. DISCHARGE OF TAXES AND ENCUMBRANCES**

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

**13. SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

**14. REMOVAL OF EQUIPMENT**

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

**15. DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

**16. CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**17. CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**18. REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**19. FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

**20. QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**21. FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

**22. MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint T[redacted] as the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: c/o A-One Business Services Ltd.
204-555 Southdale Road East
London ON N6E 1A2

Lessor: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

SCHEDULE " A "

Attached hereto and forming a part of this Petroleum and Natural Gas Lease and Grant dated the 29th day of April, 2010.

BETWEEN: [redacted]

AND ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee covenants and agrees with the Lessor that no drilling operations shall be commenced on any part of the surface of the said lands.

2. The Lessee hereby warrants that there is no holder of a valid Oil and Gas Lease for the subject property as established by Statutory Declaration of Dale Norman Attached hereto as Schedule " B " . The Lessee herein hereby agrees to indemnify and save harmless the Lessor with respect to any claims, actions, causes of actions or any liabilities whatsoever which may arise or result from the inaccuracy or breach of misrepresentation and warranty of the Lessee herein.

3. The Lessee covenants and agrees with the Lessor that the Lessee will not locate any central facility, compressor station, processing plants or any other structure on the surface of the said lands

SIGNED, SEALED AND DELIVERED,
in the presence of :

Witness

Witness

Witness

Witness

Witness

Witness

LESSOR

[redacted]

SCHEDULE " A " – Page 2 of 2

Witness

Witness

Witness

Witness

Witness

LESSOR

[redacted]

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman
*"I have authority to bind the Corporation"*

SCHEDULE " B "

Declaration deposited as Instrument Number R669461.

**31 FAMILY LAW ACT**

We N/A and N/A being spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described. 14

**32.** See Schedules "A" and "B" attached hereto and forming a part hereof.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X.....

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD. Trustee**

X.....
John L. Normah, President
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

104045-10212

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00777-0021

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

15

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, the Southwest half of the Southeast half of Lot 5, in the Fifth Concession. Now known as P.I.N. 00777-0021.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*

☐ (a) the transferee named in the above-described conveyance;

☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);

☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));

☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.

☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 500.00 | *All blanks must be filled in. Insert "Nil" where applicable* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 500.00 | $ 500.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 500.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

☐ does not contain a single family residence or contains more than two single family residences;

☐ contains at least one and not more than two single family residences; or

☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 11th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable

(ii) Assessment Roll No. *(if available)*

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 2 – Tab 4

# 20121

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs Wordprocessor Interface

**D**

FOR OFFICE USE ONLY

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

R66 9513

JUN 16 2010 10:57

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 9 pages 10

(3) Property Identifier(s): Block 00777 Property 0058 — Additional: See Schedule ☐

(4) Nature of Document: Petroleum and Natural Gas Lease and Grant

(5) Consideration: Five Hundred ---------- 00/100 Dollars $500.00

(6) Description:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fifth Concession, now known as P.I.N. 00777-0058, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

**LAND TRANSFER TAX ACT**
**Direction to Registrar**

Ontario

**No Ontario Land Transfer Tax on Registration of this Transfer**

**Date** Jun 10/2010 **Signature** [redacted]

**Tax determination subject to audit (s.10) and assessment [s.12(4)] under the Act.**

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 03 01 |
| [redacted] | [redacted] | 2010 03 01 |

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman, President<br>*"I have the authority to bind the corporation"* | 2010 05 13 |

Lessee

(13) Address for Service c/o 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104045- 10198

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada.

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made effective this 15th day of March, 2010

BETWEEN: [redacted] the City of **CHATHAM**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, containing **50.0** acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fifth Concession, now known as P.I.N. 00777-0058, more particularly described in Schedule "A" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of **FIVE HUNDRED** Dollars (**$500.00**) to be paid within **45** days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Five (5)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

104045-10198

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southeast quarter of Lot 5, in the Fifth Concession.

SAVE AND EXCEPT that part of Lot 5, in the Fifth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-5165.

FURTHER SAVE AND EXCEPT that part of Lot 5, in the Fifth Concession, expropriated by the Corporation of the County of Kent and shown as Part 1 on a Plan registered in the Registry Office for the Registry Division of the County of Kent, on the 8th day of December, 1966, as DP1158.

FURTHER SAVE AND EXCEPT the Forced Road running through Lot 5, in the Fifth Concession,

Now known as P.I.N. 00777-0058.

THE DESCRIPTION OF THE LAND IN THIS INSTRUMENT DOES NOT COMPLY WITH THE REGULATIONS UNDER THE REGISTRY ACT. A REVISED DESCRIPTION MAY BE REQUIRED IN SUBSEQUENT INSTRUMENTS.

R Pisanelli

Asst Dep Land Registrar

(iii) the recovery of any injected substance; or
(iv) any acts for or incidental to any of the foregoing;

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;

(h) "rental" shall have the meaning given in paragraph 2;

(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;

(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;

(k) "suspended well payment" shall have the meaning given in paragraph 3;

(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;

(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

**2. RENTALS**

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of **FIVE HUNDRED** Dollars (**$500.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

**3. SUSPENDED WELLS**

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to **FIVE THOUSAND** Dollars (**$5,000.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

**4. ROYALTIES**

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

**5. LESSER INTEREST**

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

**6. TAXES PAYABLE BY THE LESSOR**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

**7. TAXES PAYABLE BY THE LESSEE**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**8. COMPENSATION AND RESTORATION OF SURFACE**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

**9. POOLING AND UNITIZATION**

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

**10. CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

**11. INDEMNIFICATION**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

**12. DISCHARGE OF TAXES AND ENCUMBRANCES**

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

**13. SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

**14. REMOVAL OF EQUIPMENT**

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

**15. DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

**16. CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**17. CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**18. REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**19. FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

**20. QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**21. FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

**22. MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] as the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: c/o A-One Business Services Ltd.
204-555 Southdale Road East
London ON N6E 1A2

Lessor: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

SCHEDULE "6"

Attached hereto and forming a part of this Petroleum and Natural Gas Lease and Grant dated the 1st day of March, 2010.

BETWEEN: [redacted]

AND ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee agrees that prior to entry on the said lands for drilling purposes, the Lessee shall deposit, in trust, a surety bond in the amount of Ten Thousand Dollars ($10,000.00) for each acre required for the purpose of the drilling of the well with a solicitor mutually agreed upon between the Lessor and the Lessee to ensure adequate clean-up of the well site, within a six month period. It is hereby agreed that the minimum acreage required will be one acre.

2. The Lessee agrees with the Lessor that it shall not enter onto the said lands for any reason whatsoever without the express written consent of the Lessor, which consent shall not be unreasonably withheld.

3. The Lessee agrees that prior to entry for drilling, it shall notify the Lessor either orally or in writing of its intention to drill and the location on which it proposes to drill and it shall discuss with the Lessor the location of the well site and access thereto.

4. No drilling shall be commenced on any part of the said lands without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

5. Notwithstanding anything contained in the original Petroleum and Natural Gas Lease and Grant, the Lessor covenants and agrees with the Lessee that in the event that the Lessee fails to pay the "delay rental" on the due date, then and in that event the said Petroleum and Natural Gas Lease and Grant shall forthwith terminate and no longer be binding upon the Lessor and the Lessee.

6. The Lessee agrees that prior to entry on the said lands to conduct seismic operations the Lessee or an agent to the Lessee shall mark all drainage tiles which may come in contact or lay beneath the seismic program involved. The Lessee also agrees that they will avoid all drainage tiles with Vibrator Shot Points at a distance of seven feet or greater.

7. The lessee covenants with the Lessor that it shall install metering facilities at its own expense for any production produced from the Lessor's lands.

8. The Lessee covenants with the Lessor that any royalties payable under the Petroleum and Natural Gas Lease and Grant shall be free and clear of all expenses of the Lessee including costs of transporting the leased substances, however, the Lessor shall pay any taxes within the meaning of Clause 6 (Taxes Payable by the Lessor) of the Petroleum and Natural Gas Lease and Grant.

9. The Lessee covenants and agrees with the Lessor that the Lessee will not surrender this Lease during the primary term of this Lease.

10. The Lessee covenants and agrees with the Lessor that if operations for the drilling of a well are not commenced on the said lands or on the lands immediately adjoining the said lands within five (5) years from the date of this Lease then this Lease shall terminate; provided further that if the aforementioned operations for the drilling of a well are commenced within five (5) years from the date of this Lease, whether productive of the leased substances or not, then all the other terms and conditions of this Lease shall prevail.

**31 FAMILY LAW ACT**

[redacted]ng spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

**32.** See Schedule "B" attached hereto and forming a part hereof.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X. Roger J. Lapointe

**LESSOR**

[redacted]

X X. [redacted]

X.....

X.....

X.....

**LESSEE**
**ELEXCO LTD., Trustee**

X. John L. Norman
John L. Norman, President
*"I have authority to bind the Corporation"*

# Section 7 – Schedule 2 – Tab 5

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act, 1984

20147

D

FOR OFFICE USE ONLY

NUMBER 441275

CERTIFICATE OF REGISTRATION

10:56 FEB 17 1987

KENT

No. 24

CHATHAM Roy Rennie

LAND REGISTRAR

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block Property Additional: See Schedule ☐

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

Two Hundred and Fifty-----00 Dollars $250.00

(6) Description

In the Township of Dover, in the County of Kent, being that Part of Lot 4, in the Fourth Concession.
See Schedule page 3.

New Property Identifiers Additional: See Schedule ☐

Executions Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | X [redacted] | 1986 12 13 |
| [redacted] | X [redacted] | 1986 12 13 |

Lessor. We are spouses of one another. We are at least eighteen years of age.

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| E.P.Rowe Oil Limited | E. Peter Rowe | 1987 02 02 |
| E. Peter Rowe, President | | |
| | | |

Lessee

(13) Address for Service 150 Kent Street, London, Ontario, N6A 1L3

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

ELEXCO LTD.
150 Kent Street
London, Ontario
N6A 1L3

File 4089

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 16 00 |
| | NT |
| | |
| | |
| Total | |

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Township of Dover, in the County of Kent, in the Province of Ontario, being composed of:

That part of the Southwesterly half of the Southwesterly half of Lot 4, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at the most Westerly angle of Lot 4;
THENCE Northeasterly, along the Northwesterly limit of said Lot, to the dividing line between the Southwest and Northeast halves of the Southwest half of Lot 4;
THENCE Southeasterly, along said dividing line between the Southwest and Northeast halves of the Southwest half, to the Southeasterly limit of said Lot;
THENCE Southwesterly, along the Southeasterly limit of Lot 4, to the centre line of the McFarlane Relief Municipal Drain;
THENCE Westerly, along said centreline of the McFarlane Relief Municipal Drain,to the Southwesterly limit of Lot 4;
THENCE Northwesterly, along the Southwesterly limit of said Lot, to the point of commencement.

(The above described lands are intended to be those lands described in Instrument No. 285721, less those lands described in Instrument No. 417800, registered in the Registry Office for the Registry Division of the County of Kent.)

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 13th day of December 19 86

BETWEEN [redacted]

of the Township of Dover in the County of Kent
Province of Ontario,
(hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

E.P.Rowe Oil Limited a Company incorporated pursuant to the laws of Canada, having its Head Office in the City of London, in the County of Middlesex.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of Dover in the County of Kent Province of Ontario, containing 49.75 acres, more or less and described as follows:

Part of Lot 4, in the Fourth Concession, in the Township of Dover, in the County of Kent, more particularly described in Schedule A attached hereto and made a part hereof.

IN CONSIDERATION of the sum of Two Hundred and Fifty-----00 ($250.00) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

TO HAVE AND TO ENJOY the same for a term of ~~XXXXX~~ D.O. Five (5) M.O. years from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

PROVIDED that if operations for the drilling of a well are not commenced on the said lands within one year from the date hereof, this Lease shall terminate and be at an end on 12th December 1987 unless the Lessee shall have paid or tendered to the Lessor on or before the said date the sum of Five----------00 ($5.00) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**

In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:

(a) "leased substances" shall mean and include:—
  (i) all petroleum, natural gas and related hydrocarbons; and
  (ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,

  but shall not mean and include coal and valuable stone.

(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.

(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.

(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**

(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:
  (i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder: and
  (ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | |
|---|---|
| An amount up to 500,000 cubic feet per day | X% |
| 500,001 to 2,000,000 cubic feet per day | 5% |
| 2,000,001 to 4,000,000 cubic feet per day | XX% |
| An amount exceeding 4,000,000 cubic feet per day | XXX% |

All D.O. 12½% m.a.o. SPL

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.

(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**

If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to Two Hundred and Fifty00 ($250.00.....) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**

The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lesser Interest:—**

If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**10. Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**11. Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**12. Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**13. Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

**14. Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

**15. Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

**16. Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

**17. Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

**18. Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

**19. Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**20. Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

**21. Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

22. **Manner of Payments:—**
All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint . . [redacted] ..... of

. [redacted] ..... as his agent as aforesaid and

The Canadian Imperial Bank of Commerce ..... (Bank or Trust Company)

at .....

Paincourt, Ontario, N0P 1Z0 ..... and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

23. **Entire Agreement:—**
This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

24. **Notices:—**
All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at P.O. BOx 877, Station B, London, Ontario, N6A 4Z3

and to the Lessor at . [redacted] .....

..... or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

26. We, [redacted] ..... and [redacted] ..... being spouses within the meaning of Section 1(f) of The Family Law Reform Act [illegible] do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

m.d.O. D.O

27. **Enuring Clause:—**
Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

.....

.....

LESSOR

[redacted] .....

[redacted] .....

.....

LESSEE

E. P. ROWE OIL LIMITED

.....

E. Peter Rowe, President

.....

Form 1 - Land Transfer Tax Act

# Affidavit of Residence and of Value of the Consideration

*Refer to all instructions on reverse side.*

DYE & DURHAM CO. LIMITED
Form No. 500
(Amended Aug. 1, 1986)

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* Part of Lot 4, in the Fourth Concession, in the Township of Dover, in the County of Kent

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* [redacted] E OIL LIMITED

I, *(see instruction 2 and print name(s) in full)* John L. Norman

**MAKE OATH AND SAY THAT:**

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☒ (d) The authorized agent acting in this transaction for *(insert name(s) of principal(s))* E.P. NOWE OIL LIMITED described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* _____ described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* _____ who is my spouse described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and as such, I have personal knowledge of the facts herein deposed to.
2. *(To be completed where the value of the consideration for the conveyance exceeds $250,000).*
   I have read and considered the definition of "single family residence" set out in clause 1(1)(ja) of the Act. The land conveyed in the above-described conveyance
   - ☐ contains at least one and not more than two single family residences.
   - ☐ does not contain a single family residence.
   - ☐ contains more than two single family residences. *(see instruction 3)*

   *Note:* Clause 2(1) (d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of $250,000 where the conveyance contains at least one and not more than two single family residences.
3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. *(see instructions 4 and 5)* None
4. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below)* | $ Nil | |
| (d) Securities transferred to the value of *(detail below)* | $ Nil | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ Nil | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ Nil | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(Total of (a) to (f))* | $ 250.00 | $ 250.00 |
| (h) VALUE OF ALL CHATTELS - items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ Nil |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ Nil |
| (j) TOTAL CONSIDERATION | | $ 250.00 |

*All Blanks Must Be Filled In. Insert "Nil" Where Applicable.*

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 6)* N/A
6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined
7. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980.

Sworn before me at the City of London
in the County of Middlesex
this 9th day of January 19 87

A Commissioner for taking Affidavits, etc.

*signature(s)*

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 7)* Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not known ☒

E. Name(s) and address(es) of each transferee's solicitor Not applicable

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

# Section 7 – Schedule 2 – Tab 6

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act, 1984

20148

D

FOR OFFICE USE ONLY

NUMBER 441274

CERTIFICATE OF REGISTRATION

10:55 FEB 17 1987

KENT

No. 24

CHATHAM Ron Rowe

LAND REGISTRAR

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 6 pages

(3) Property Identifier(s) Block Property Additional: See Schedule ☐

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

Two Hundred and Fifty-----00 Dollars $ 250.00

(6) Description

In the Township of Dover, in the County of Kent, being the East half of the West half of Lot 4, in the Fourth Concession.

(as in Instrument No. 348996)

New Property Identifiers Additional: See Schedule ☐

Executions Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☐ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

(9) This Document relates to instrument number(s) Continued on Schedule ☐

(10) Party(ies) (Set out Status or Interest)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 1986 12 13

[redacted] 1986 12 13

Lessor. We are spouses of one another. We are at least eighteen years of age.

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) Signature(s) Date of Signature Y M D

E.P.ROWE OIL LIMITED 1987 02 02

E. Peter Rowe, President

LESSEE

(13) Address for Service [redacted]

(14) Municipal Address of Property [redacted],

(15) Document Prepared by:

BLEXCO LTD.
150 Kent Street
London, Ontario
N6A 1L3

File 4088

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 16.00 |
| | NIL |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 13th day of December 1986

BETWEEN [redacted]

[redacted]

of the Township of Dover in the County of Kent
Province of Ontario,
(hereinafter called "the Lessor")
OF THE FIRST PART

—AND—

E.P. Rowe Oil Limited a Company incorporated pursuant to the laws of Canada, having its Head Office in the City of London, in the County of Middlesex.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of Dover in the County of Kent Province of Ontario, containing 50 acres, more or less and described as follows:

The East half of the West half of Lot 4, in the Fourth Concession.

(as in Instrument No. 348996)

IN CONSIDERATION of the sum of Two Hundred and Fifty----------00 ($250.00.....) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

TO HAVE AND TO ENJOY the same for a term of ten (10) years from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

PROVIDED that if operations for the drilling of a well are not commenced on the said lands within one year from the date hereof, this Lease shall terminate and be at an end on 12th December 1987 unless the Lessee shall have paid or tendered to the Lessor on or before the said date the sum of Five----------00 ($5.00....) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**
In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:
(a) "leased substances" shall mean and include:—
(i) all petroleum, natural gas and related hydrocarbons; and
(ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,
but shall not mean and include coal and valuable stone.
(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.
(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.
(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**
(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:
(i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder: and
(ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | |
|---|---|
| An amount up to 500,000 cubic feet per day | XXXX 3% |
| 500,001 to 2,000,000 cubic feet per day | XXXX } $11 |
| 2,000,001 to 4,000,000 cubic feet per day | XXXX } |
| An amount exceeding 4,000,000 cubic feet per day | XXXX } 12½% |

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.
(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**
If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to Two Hundred and Fifty-----00 ($ 250.00 ) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**
The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lesser Interest:—**
If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**
The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**
The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**
The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**
The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**10. Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**11. Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**12. Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**13. Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

**14. Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

**15. Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

**16. Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

**17. Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

**18. Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

**19. Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**20. Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

**21. Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

22. **Manner of Payments:—**

All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] of [redacted] as his agent as aforesaid and The Canadian Imperial Bank of Commerce (Bank or Trust Company) at [redacted] and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

23. **Entire Agreement:—**

This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

24. **Notices:—**

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at P.O. Box 877, Station B, London, Ontario, N6A 4Z3 and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

26. We, [redacted] and [redacted] being spouses within the meaning of Section 1(f) of The Family Law Reform Act of Ontario, 1978 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

27. **Enuring Clause:—**

Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

LESSOR

[redacted]

LESSEE

E.P. ROWE OIL LIMITED

E. Peter Rowe, President

Form 1 - Land Transfer Tax Act

# Affidavit of Residence and of Value of the Consideration

*Refer to all instructions on reverse side.*

DYE & DURHAM CO. LIMITED
Form No. 500
(Amended Aug. 1, 1986)

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* The East half of the West half of Lot 4, in the Fourth Concession, Township of Dover, County of Kent.

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* E.P. ROWE OIL LIMITED

I, *(see instruction 2 and print name(s) in full)* John L. Norman

**MAKE OATH AND SAY THAT:**

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))*: *(see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☒ (d) The authorized agent ~~XXXXXXXX~~ acting in this transaction for *(insert name(s) of principal(s))* E.P. ROWE OIL LIMITED
   - ☐ described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* [redacted]
   - ☐ described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* [redacted] who is my spouse described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and as such, I have personal knowledge of the facts herein deposed to.
2. *(To be completed where the value of the consideration for the conveyance exceeds $250,000).*
   I have read and considered the definition of "single family residence" set out in clause 1(1)(ja) of the Act. The land conveyed in the above-described conveyance
   - ☐ contains at least one and not more than two single family residences.
   - ☐ does not contain a single family residence.
   - ☐ contains more than two single family residences. *(see instruction 3)*

   *Note:* Clause 2(1) (d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of $250,000 where the conveyance contains at least one and not more than two single family residences.
3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non-resident corporation" or a "non-resident person" as set out in the Act. *(see instructions 4 and 5)* None
4. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below)* | $ Nil | |
| (d) Securities transferred to the value of *(detail below)* | $ Nil | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ Nil | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ Nil | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(Total of (a) to (f))* | $ 250.00 | $ 250.00 |
| (h) VALUE OF ALL CHATTELS - Items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ Nil |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ Nil |
| (j) TOTAL CONSIDERATION | | $ 250.00 |

*All Blanks Must Be Filled In. Insert "Nil" Where Applicable.*

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 6)* N/A
6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined
7. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980.

Sworn before me at the City of London
in the County of Middlesex
this 16th day of January 19 87

Christopher Hall
A Commissioner for taking Affidavits, etc.

[signature]
signature(s)

## Property Information Record

A. Describe nature of instrument Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 7)* Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* Not applicable

(ii) Legal description of property conveyed. Same as in D.(i) above.

E. Name(s) and address(es) of each transferee's solicitor Not applicable

Yes ☐ No ☐ Not known ☒

**For Land Registry Office use only**

REGISTRATION NO.

Land Registry Office No.

Registration Date

# Section 7 – Schedule 2 – Tab 7

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act, 1984

20424 D

20149

FOR OFFICE USE ONLY

NUMBER 431857

CERTIFICATE OF REGISTRATION

2:24 pm JUN 25 1986

KENT

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block Property Additional See Schedule ☐

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

ONE DOLLAR---------- Dollars $ 1.00

(6) Description

In the Township of Dover East, in the County of Kent, being the Northeast half of Lot 4, in the Fourth Concession, as described in Instrument No. 160519, the East half of the South half of Lot 3, in the Fifth Concession, as described in Instrument No. 189443 and the Southwest quarter of Lot 4, in the Fifth Concession, as described in Instrument No. 29596, see Schedule page

New Property Identifiers TENDERED Additional: See Schedule ☐

Executions DUPLICATE Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| [redacted] | [redacted] | 1986 | 02 | 28 |
| [redacted] | [redacted] | 1986 | 02 | 28 |

We are spouses of one another. We are at least 18 years of age.

Lessors.

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| E.P. ROWE OIL LIMITED | E. Peter Rowe | 1986 | 04 | 21 |
| | E. Peter Rowe, President | | | |

Lessee

(13) Address for Service 150 Kent St. London, Ontario N6A 1L3

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.,
150 Kent Street,
London, Ontario.
N6A 1L3

File 3750

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 16.00 |
| | INT |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 28 day of February 86

BETWEEN [redacted]

[redacted]

of the Township of Dover East in the County of Kent
Province of Ontario,

(hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

E.P. ROWE OIL LIMITED, a Company incorporated pursuant to the laws of Canada, having its Head Office in the City of London, in the County of Middlesex

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of Dover East in the County of Kent Province of Ontario, containing 200 acres, more or less and described as follows:

The Northeast half of Lot 4, in the Fourth Concession, as described in Instrument No. 160519, the East half of the South half of Lot 3, in the Fifth Concession, as described in Instrument No. 189443, and the Southwest quarter of Lot 4, in the Fifth Concession, as described in Instrument No. 29596, in the Township of Dover East, in the County of Kent, more particularly described in Schedule A attached hereto and made a part hereof.

IN CONSIDERATION of the sum of One Dollar---------- ($ 1.00) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

SPR five 5 BS WGF LJ.
XXXX

TO HAVE AND TO ENJOY the same for a term of ten (10) years from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

PROVIDED that if operations for the drilling of a well are not commenced on the said lands within one year from the date hereof, this Lease shall terminate and be at an end on February 27 1987 unless the Lessee shall have paid or tendered to the Lessor on or before the said date the sum of ten--- ($ 10.00) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

SCHEDULE A

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Township of Dover East, in the County of Kent, in the Province of Ontario, being composed of:

FIRSTLY: The Northeast half of Lot 4, in the Fourth Concession, as described in Instrument No. 160519.

SECONDLY: The East half of the South half of Lot 3, in the Fifth Concession, as described in Instrument No. 189443.

THIRDLY: The Southwest quarter of Lot 4, in the Fifth Concession, as described in Instrument No. 29596, for the Township of Dover East.

**10. Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**11. Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**12. Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**13. Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

**14. Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

**15. Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

**16. Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

**17. Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

**18. Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

**19. Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**20. Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

**21. Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**

In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:

(a) "leased substances" shall mean and include:—
  (i) all petroleum, natural gas and related hydrocarbons; and
  (ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,

but shall not mean and include coal and valuable stone.

(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.

(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.

(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**

(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:
  (i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder; and
  (ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | |
|---|---|
| An amount up to 500,000 cubic feet per day | XXX 12½% |
| 500,001 to 2,000,000 cubic feet per day | XXX 12½% |
| 2,000,001 to 4,000,000 cubic feet per day | XXX 12½% |
| An amount exceeding 4,000,000 cubic feet per day | XXX 12½% |

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.

(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**

If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to ..... Two Thousand Dollars ..... ($ 2,000.00 .....) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**

The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lesser Interest:—**

If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

22. **Manner of Payments:—**

All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] of [redacted], as his agent as aforesaid and pay direct (Bank or Trust Company) at [redacted] and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

23. **Entire Agreement:—**

This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

24. **Notices:—**

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at [redacted] and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

26. We, [redacted] and [redacted] being spouses within the meaning of Section 1(f) of The Family Law Reform Act of Ontario, 1978 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

27. **Enuring Clause:—**

Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

[redacted]

LESSOR

[redacted]

LESSEE

E.P. ROWE OIL LIMITED

E. Peter Rowe, President

Form 1 - Land Transfer Tax Act

# AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* Part of Lot 4, in the Fourth Concessior and part of Lots 3 and 4, in the Fifth Concession, in the Township of Dover East, in the County of Kent.

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* E.P. Rowe Oil Limited

I, *(see instruction 2 and print name(s) in full)* John L. Norman

**MAKE OATH AND SAY THAT:**

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))*: *(see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☒ (d) The authorized agent or solicitor acting in this transaction for *(insert name(s) of principal(s))* E.P. Rowe Oil Limited described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3)*.
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* None
4. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ | NIL |
| (ii) Given back to vendor | $ | NIL |
| (c) Property transferred in exchange *(detail below)* | $ | NIL |
| (d) Securities transferred to the value of *(detail below)* | $ | NIL |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ | NIL |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ | NIL |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ | $ |
| (h) VALUE OF ALL CHATTELS - Items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ NIL |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ NIL |
| (j) TOTAL CONSIDERATION | | $ |

ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* N/A
6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined
7. Other remarks and explanations, if necessary The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980.

SWORN before me at the City of London
in the County of Middlesex
this 8th day of May 19 86

A Commissioner for taking Affidavits, etc.

signature(s)

## PROPERTY INFORMATION RECORD

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)*. Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor Not applicable

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

# Section 7 – Schedule 2 – Tab 8

# Oil And Gas Lease

FROM

[redacted]

TO

E. P. ROWE OIL LIMITED
P.O. Box 8086 SUB STN 41
LONDON ONTARIO.

No. 391809

Registry Division of Kent (No. 24)

I CERTIFY that this instrument is registered as of 2:40 P.M.

JUN - 7 1983 in the

Land Registry Office at Chatham, Ontario

Land Registrar

Dated 27th May, 1983.

Term Two (2) Years.

Location Dover East Twp.
Kent Co.

15.00
15.NT

05102

D974350C1

30

# Oil and Gas Lease E-45

AGREEMENT OF LEASE made this 27th day of May, 1983.

BETWEEN [redacted]

of the [redacted] in the County of [redacted]

Province of Ontario.

(hereinafter called "the Lessor")
OF THE FIRST PART.

— AND —

E.P.ROWE OIL LIMITED, a company incorporated under the laws of Canada

(hereinafter called "the Lessee")
OF THE SECOND PART.

WITNESSETH that the Lessor, being the owner or entitled to become the owner subject to any registered encumbrances, of all the petroleum and related hydrocarbons and all gas within, upon or under those certain lands in the Township of Dover East in the County of Kent, Province of Ontario, described as follows:

The south east one half (SW½) of the southwest one half (SW½) of Lot five (5) Concession four (IV)

containing 50 acres more or less (hereinafter called the "said lands").

IN CONSIDERATION OF the sum of ($ 500.00 (five hundred dollars)) paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee all the petroleum and natural gas and related hydrocarbons, all other gases, and all minerals and substances (whether liquid or solid and whether hydrocarbons or not) produced in association with any of the foregoing or found in any water contained in an oil or gas reservoir, or any of them (all hereinafter referred to as "the leased substances") within, upon or under the said lands and all the right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from, or roadways, lanes or rights-of-way adjoining, the said lands, together with the exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of the leased substances, to store gas and fluids in the sub-surface strata whether produced from the said lands or elsewhere and to drill wells, including the drilling, deepening or use of any well or wells for the injection or storage of gas, air, water or any other fluids into the sub-strata, whether produced from the said lands or elsewhere, lay pipe lines and build and install such tanks, telephone, telegraph and power lines, stations, structures and roadways as may be necessary and including the right, for the said purposes and insofar as the Lessor has the right to grant the same, to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient together with the right to fence any portion of the said lands used as a well site.

TO HAVE AND ENJOY the same for a term of two (2) years from the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands or from lands with which the said lands or any part thereof are then pooled, combined or unitized or so long as the said lands are being used by the Lessee for injection or storage purposes as above mentioned, subject to the other provisions herein contained.

PROVIDED that if operations for the drilling of a well are not commenced on the said lands or on lands with which the said lands or any part thereof are then pooled, combined or unitized within one (1) year from the date hereof, this Lease shall thereupon terminate and be at an end, unless the Lessee shall have paid or tendered to the Lessor annually in advance thereafter a rental in the sum of $ 500.00 (five hundred dollars) (hereinafter called the "annual acreage rental") which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of ONE (1) year, and that in like manner and upon like payments or tenders, the commencement of drilling operations shall be further deferred for like periods successively.

PROVIDED FURTHER that if at any time during the said two (2) year term and prior to the discovery of production on the said lands, there shall be drilled a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands production or production operations are not continuing, then this Lease, except for injection or storage purposes, shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the annual acreage rental for the ensuing year as above provided, in which latter event the immediately preceding proviso hereof governing the payment of annual acreage rental and effect thereof, shall be deemed to be in force with effect from such anniversary date.

PROVIDED FURTHER that if at any time after the expiration of the said two (2) year term the leased substances are not being produced on the said lands and the Lessee is then engaged in drilling, working, or production, operations thereon, this Lease shall remain in force so long as such operations are prosecuted and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands.

PROVIDED FURTHER that if at any time after the expiration of the said two (2) year term the leased substances are not being produced on the said lands and no drilling operations are being continued thereon but the Lessee is then using the said lands for injection or storage purposes, this lease shall, subject to the payment as tender by the Lessee to the Lessor of the annual acreage rental hereinafter provided, remain in force so long as such use is continued.

AND PROVIDED FINALLY ALWAYS that if drilling, working, production or production operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's control, the time of such interruption or suspension shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. Royalties:—

(a) CRUDE OIL

In respect of all crude oil produced, saved and marketed from the said lands there is hereby excepted and reserved unto the Lessor a gross royalty of twelve and one-half per cent (12½%) of the current market value of such crude oil at the point or points of measurement, namely, the production tanks of the Lessee to which the well or wells on the said lands are connected. Such royalty shall be payable to the Lessor on the 25th day of the month following upon the month in which any well drilled on the said lands shall be brought into production of crude oil and thereafter on the 25th day of each succeeding month for so long as crude oil shall be saved and sold from the said lands.

The Lessee shall make available to the Lessor, if requested by the Lessor, the Lessee's records of the quantity of crude oil produced, saved and marketed from the said lands and as ascertained at the point or points of measurement.

(b) GAS WELLS

There is hereby excepted and reserved unto the Lessor a royalty in respect of each gas well completed on the said lands of one-eighth (1/8) of the current market value at the well of all gas produced, saved and marketed from the said lands.

(c) SUBSTANCES OTHER THAN CRUDE OIL AND GAS

There is hereby excepted and reserved unto the Lessor in respect of all substances other than crude oil and gas saved and marketed a royalty of twelve and one-half per cent (12½%) of the market value thereof at the wellhead.

2. Lessor Interests:—

If the leased substances be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall only be entitled to receive a percentage of the rentals and royalties herein provided, which percentage shall be equal to the Lessor's percentage interest in the leased substances.

3. Compensation and Restoration of Surface:—

The Lessee shall pay and be responsible for actual damages caused by the operations of the Lessee to crops, trees and other property or improvements of the Lessor on the said lands, and upon the abandonment of any well the cessation of operations by the Lessee on the well site, the Lessee shall restore the surface thereof to the same condition, so far as practicable, as existed before the entry thereon and use thereof by the Lessee.

4. Taxes Payable by the Lessor:—

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

5. Taxes Payable by the Lessee:—

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

6. Correction of Land Description:—

If the description of the said lands hereinabove contained be incorrect or insufficient for the purpose of registration, or if it does not include all of the lands intended to be described in this Lease, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, and the Lessor covenants to execute a new Lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

7. Clearance of Prior Leases:—

The Lessor covenants that there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid, and the Lessor further covenants and agrees to co-operate with the Lessee in any and all such proceedings.

8. Use of Leased Substances by Lessee:—

The Lessee shall have the right to the free use of the leased substances or any of them and water produced from the said lands, except water from the Lessor's wells, for all operations hereunder.

9. Operations:—

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease such provisions of law shall prevail:

(b) The Lessee covenants not to drill a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lersor will bury pipe lines below ordinary plough depth.

10. Discharge of Encumbrances:—

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

11. Surrender:—

(a) Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall be extinguished or correspondingly reduced as the case may be, but the Lessee shall not be entitled to a refund of any rental theretofore paid.

(b) If this Lease has been registered in the Registry Office for the Registry Division in which the said lands are situated, the Lessee upon surrendering all of its interest in the said lands to the Lessor, shall, at its own expense, register such surrender in the said Registry Office.

12. Removal of Equipment:—

The Lessee shall at all times during the currency of this Lease and for a period of SIX (6) months after the termination hereof, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

13. Shut-in Wells:—

If all wells on the said lands or on land with which the said lands or any part thereof are then pooled, combined or unitized are, either before or after production therefrom, shut-in, suspended, capped or otherwise are not being produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee may pay or tender to the Lessor within SIXTY (60) days after the date of such wells being shut-in, suspended, capped or otherwise not being produced an advance annual royalty equal to the amount of delay rental provided for in this Lease for the acreage then held under this Lease by the party making such payment or tender and if such payment or tender is made, it shall be deemed conclusively under all provisions of this Lease that petroleum and natural gas and related hydrocarbons are being produced from the said lands and royalty is being paid in full there on during the entire annual period for which such advance royalty is from time to time paid or tendered.

14. Pooling and Unitization:—

The Lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulation or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety, the same as if the Lessor and Lessee

herein and the owner or owners of the entire interest in the other lands so pooled or combined with the said lands had joined in the execution of one Lease in the first instance covering the entire property so pooled or combined. In such event the Lessor shall, in lieu of payments elsewhere herein specified, receive on production of petroleum, natural gas and related hydrocarbons or any of them from all the lands so pooled or combined only such portion of the payment stipulated herein as the surface area of the said lands placed in the said pool bears to the total surface area of all the lands so pooled or combined.

Similarly, the Lessee is given the absolute right and power to unitize the leased substances with the petroleum, natural gas and related hydrocarbons or any of them within, upon or under other lands situated on the same geological structure on which the said lands are located, whether or not such petroleum, natural gas and related hydrocarbons or any of them within, upon or under such other lands be now or hereafter under grant or lease to the Lessee. In such event, the Lessor shall, in lieu of the payments elsewhere herein specified, receive on production of petroleum, natural gas and related hydrocarbons or any of them from all the lands so unitized, payments based on such portion of production from the entire unitized lands as is allocated to the said lands or the portion or portions thereof which have been so unitized.

The said rights of the Lessee to pool, combine or unitize hereunder may be exercised by the Lessee without further consent of the Lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

Drilling operations on or production of petroleum, natural gas and related hydrocarbons, or any of them, from or the presence of a shut-in, suspended, capped or otherwise non-producing well on, whether before or after any pooling or combining or unitizing, any land included in any such pool or unit above mentioned shall have the same effect in continuing this Lease in force and effect during the term hereby granted, or any extension or renewal thereof, as to all the said lands, as if such operations were upon or such production was from or such well was on the said lands, or some portion thereof.

15. Default:—
In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained and which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor may give to the Lessee written notice requiring it to remedy such default and in the event of the Lessee failing to remedy such default within a period of THIRTY (30) days from receipt of such notice this Lease shall thereupon terminate, and it shall be lawful for the Lessor, into and upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess, and enjoy, anything herein contained to the contrary notwithstanding.

16. Quiet Enjoyment:—
The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands as hereinbefore set forth, has good right and full power to grant and demise the same and the rights and privileges in manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

17. Further Assurances:—
The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurance as may be necessary to give effect to this Lease.

18. Assignment:—
The parties hereto may each or either of them delegate, assign, sublet, or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interests obtained by or conferred upon them respectively hereunder and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this Clause; provided that no assignment of royalties, rentals or other monies payable hereunder shall be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all of such sums remaining to be paid or to accrue hereunder; and provided further that the Lessor shall give the Lessee THIRTY (30) days' notice in writing of any such delegation, assignment, sublease or conveyance by the Lessor.

19. Manner of Payment:—
All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor, or for the Lessor's credit in the ..... at ..... , or its successors, hereinafter called "the depository", which said depository shall be deemed to be the Lessor's agent and shall continue as the depository for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by assignment or otherwise) of the said lands or of the leased substances therein contained or of the royalties or other payments to accrue hereunder, unless and until the Lessee shall have been given THIRTY (30) days' notice in writing by the Lessor to make such payments to another depository in Canada which shall be specified in such notice, provided, however, that only one such depository shall be designated at any time or from time to time as aforesaid. All such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to the depository by the Lessor so designated.

20. Entire Agreement:—
The terms of this Lease express and constitute the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

21. Notices:—
All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, and addressed to the Lessor (or ..... ) at [redacted] and to the Lessee at [redacted] Canada, or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee FORTY-EIGHT (48) hours after such mailing.

22. Enuring Clause:—
Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents, the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

[redacted]

E. P. ROWE OIL LIMITED

Secretary

AMENDED MARCH 1977

## AFFIDAVIT OF SUBSCRIBING WITNESS

I, J. Michael Rowe

of the City of London

in the County of Middlesex

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed

*See footnote at [redacted] by [redacted]

*See footnote I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the [redacted]

this 27th. day of MAY 19 83

J. Michael Rowe

ERNEST PETER ROWE, a Commissioner, etc.,
Province of Ontario, while licensed under
The Petroleum Resources Act.
Expires October 5th, 1985

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

E. Peter Rowe

* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after the instrument had been read to him and he appeared fully to understand it". Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

MARCH, 1978

## AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

I/~~WE~~ [redacted]

of the [redacted]

in the [redacted]

* If attorney see footnote make oath and say: When I executed the attached instrument,

I/~~WE~~ WAS at least eighteen years old.

*Within the meaning of section 1(f) of The Family Law Reform Act, 1978:—*

Strike out inapplicable clauses.

~~a) I was a spouse.~~

~~b) We were spouses of one another.~~

c) [redacted]

**Not a Matrimonial Home, etc. see footnote.

Resident of Canada, etc.

(SEVERALLY) SWORN before me at the Township of Dover East, Kent County

this 27th. day of MAY 19 83

[redacted]

ERNEST PETER ROWE, a Commissioner, etc.,
Province of Ontario, while licensed under
The Petroleum Resources Act.
Expires October 5th, 1985

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

E. Peter Rowe

*Where affidavit made by attorney substitute: "When I executed the attached instrument as attorney for (name), he/she was (spousal status and, if applicable, name of spouse) within the meaning of Section 1(f) of The Family Law Reform Act, 1978, and when he/she executed the power of attorney, he/she had attained the age of majority".

Refer to all instructions on Reverse Side

Form 1 - Land Transfer Tax Act

DYE & DURHAM CO. LIMITED
FORM NO. 80:
(Amended Oct. 1, 19

# AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* THE SW½ of the SW½ of LOT 5, CONC. IV DOVER TWP.

BY *(print names of all transferors in full)*

TO *(see instruction 1 and print names of all transferees in full)* E.P.ROWE OIL LIMITED

I, *(see instruction 2 and print name(s) in full)* J. MICHAEL ROWE

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☐ (d) The authorized agent or solicitor acting in this transaction for *(insert name(s) of principal(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☒ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* E.P. ROWE OIL LIMITED described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3).*
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* n/a
4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 500.00 | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ nil | |
| (ii) Given back to vendor | $ nil | |
| (c) Property transferred in exchange *(detail below)* | $ nil | |
| (d) Securities transferred to the value of *(detail below)* | $ nil | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ nil | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ nil | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ | $ 500.00 |
| (h) VALUE OF ALL CHATTELS – Items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ nil |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ nil |
| (j) TOTAL CONSIDERATION | | $ 500.00 |

ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* n/a
6. If the consideration is nominal, is the land subject to any encumbrance? n/a
7. Other remarks and explanations, if necessary ...The attached instrument is a conveyance of only the mineral rights to the land, the consideration for the conveyance is wholly dependent upon the quantity or value of the minerals that are won, taken, removed or raised. and exemption is claimed pursuant to Section 2 of Ontario Regulation 66/80.

SWORN before me at the
In the
this 27th. day of MAY 1983

A Commissioner for taking Affidavits, etc.

ERNEST PETER ROWE, a Commissioner, etc., Province of Ontario, while licensed under The Petroleum Resources Act. Expires October 5th, 1983

J. Michael Rowe
signature(s)

## PROPERTY INFORMATION RECORD

A. Describe nature of instrument: OIL & GAS LEASE

B. (i) Address of property being conveyed *(if available)*

(ii) Assessment Roll No. *(if available)* n/a

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)*

D. (i) Registration number for last conveyance of property being conveyed *(if available)* n/a

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor
n/a

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

AMENDED MARCH 1977

## AFFIDAVIT OF SUBSCRIBING WITNESS

I, J. Michael Rowe

of the City of London

in the County of Middlesex

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed

*See footnote at [redacted] by [redacted]

*See footnote I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Township of Dover East, Kent County

this 27th day of MAY 1983

J. Michael Rowe

ERNEST PETER ROWE, a Commissioner, etc.,
Province of Ontario, while licensed under
The Petroleum Resources Act.
Expires October 5th, 1985
A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

E. Peter Rowe

* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after the instrument had been read to him and he appeared fully to understand it". Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

MARCH, 1978

## AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

I/~~We~~ [redacted]

of the [redacted]

in the [redacted]

*If attorney see footnote make oath and say: When I executed the attached instrument,

I/~~We~~ WAS at least eighteen years old.

*Within the meaning of section 1(f) of The Family Law Reform Act, 1978:—*

Strike out inapplicable clauses,

~~a) I was a spouse.~~

~~b) We were spouses of one another.~~

c) [redacted] was my spouse.

**Not a Matrimonial Home, etc. see footnote.

Resident of Canada, etc.

(SEVERALLY) SWORN before me at the Township of Dover East, Kent County

this 27th day of MAY, 1983

[redacted]

ERNEST PETER ROWE, a Commissioner, etc.,
Province of Ontario, while licensed under
The Petroleum Resources Act,
Expires October 5th, 1985
A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

E. Peter Rowe

*Where affidavit made by attorney substitute: "When I executed the attached instrument as attorney for (name), he/she was (spousal status and, if applicable, name of spouse) within the meaning of Section 1(f) of The Family Law Reform Act, 1978, and when he/she executed the power of attorney he/she [illegible]

# Section 7 – Schedule 2 – Tab 9

00783002

2015

# Oil and Gas Lease

AGREEMENT OF LEASE made this 27th day of May 19 83.

BETWEEN

[redacted]

of the Twp. of Dover East in the County of Kent

Province of Ontario.

(hereinafter called "the Lessor")
OF THE FIRST PART,

— AND —

E. P. ROWE OIL LIMITED, a company incorporated under the laws of Canada

(hereinafter called "the Lessee")
OF THE SECOND PART.

WITNESSETH that the Lessor, being the owner or entitled to become the owner subject to any registered encumbrances, of all the petroleum and related hydrocarbons and all gas within, upon or under those certain lands in the Township of Dover East in the County of Kent, Province of Ontario, described as follows:

The northeast one half (NE½) of the southwest one half (SW½) of Lot five (5) Concession four (IV)

containing 50 acres more or less (hereinafter called the "said lands").

IN CONSIDERATION OF the sum of ($ 5000.00 (five hundred dollars)) paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee all the petroleum and natural gas and related hydrocarbons, all other gases, and all minerals and substances (whether liquid or solid and whether hydrocarbons or not) produced in association with any of the foregoing or found in any water contained in an oil or gas reservoir, or any of them (all hereinafter referred to as "the leased substances") within, upon or under the said lands and all the right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from, or roadways, lanes or rights-of-way adjoining, the said lands, together with the exclusive right and privilege to explore, drill for, win, take, remove, store and dispose of the leased substances, to store gas and fluids in the sub-surface strata whether produced from the said lands or elsewhere and to drill wells, including the drilling, deepening or use of any well or wells for the injection or storage of gas, air, water or any other fluids into the sub-strata, whether produced from the said lands or elsewhere, lay pipe lines and build and install such tanks, telephone, telegraph and power lines, stations, structures and roadways as may be necessary and including the right, for the said purposes and insofar as the Lessor has the right to grant the same, to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient together with the right to fence any portion of the said lands used as a well site.

TO HAVE AND ENJOY the same for a term of two (2) years from the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands or from lands with which the said lands or any part thereof are then pooled, combined or unitized or so long as the said lands are being used by the Lessee for injection or storage purposes as above mentioned, subject to the other provisions herein contained.

PROVIDED that if operations for the drilling of a well are not commenced on the said lands or on lands with which the said lands or any part thereof are then pooled, combined or unitized within one (1) year from the date hereof, this Lease shall thereupon terminate and be at an end, unless the Lessee shall have paid or tendered to the Lessor annually in advance thereafter a rental in the sum of $ 5000.00 (five hundred dollars) (hereinafter called the "annual acreage rental") which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of ONE (1) year, and that in like manner and upon like payments or tenders, the commencement of drilling operations shall be further deferred for like periods successively.

PROVIDED FURTHER that if at any time during the said two (2) year term and prior to the discovery of production on the said lands, there shall be drilled a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands production or production operations are not continuing, then this Lease, except for injection or storage purposes, shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the annual acreage rental for the ensuing year as above provided, in which latter event the immediately preceding proviso hereof governing the payment of annual acreage rental and effect thereof, shall be deemed to be in force with effect from such anniversary date.

PROVIDED FURTHER that if at any time after the expiration of the said two (2) year term the leased substances are not being produced on the said lands and the Lessee is then engaged in drilling, working, or production, operations thereon, this Lease shall remain in force so long as such operations are prosecuted and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands.

PROVIDED FURTHER that if at any time after the expiration of the said two (2) year term the leased substances are not being produced on the said lands and no drilling operations are being continued thereon but the Lessee is then using the said lands for injection or storage purposes, this lease shall, subject to the payment as tender by the Lessee to the Lessor of the annual acreage rental hereinafter provided, remain in force so long as such use is continued.

AND PROVIDED FINALLY ALWAYS that if drilling, working, production or production operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's control, the time of such interruption or suspension shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

71-321-5

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Royalties:—**

(a) CRUDE OIL

In respect of all crude oil produced, saved and marketed from the said lands there is hereby excepted and reserved unto the Lessor a gross royalty of twelve and one-half percent (12½%) of the current market value of such crude oil at the point or points of measurement, namely, the production tanks of the Lessee to which the well or wells on the said lands are connected. Such royalty shall be payable to the Lessor on the 25th day of the month following upon the month in which any well drilled on the said lands shall be brought into production of crude oil and thereafter on the 25th day of each succeeding month for so long as crude oil shall be saved and sold from the said lands.

The Lessee shall make available to the Lessor, if requested by the Lessor, the Lessee's records of the quantity of crude oil produced, saved and marketed from the said lands and as ascertained at the point or points of measurement.

(b) GAS WELLS

There is hereby excepted and reserved unto the Lessor a royalty in respect of each gas well completed on the said lands of one-eighth (1/8) of the current market value at the well of all gas produced, saved and marketed from the said lands.

(c) SUBSTANCES OTHER THAN CRUDE OIL AND GAS

There is hereby excepted and reserved unto the Lessor in respect of all substances other than crude oil and gas saved and marketed a royalty of twelve and one-half percent (12½%) of the market value thereof at the wellhead.

2. **Lessor Interests:—**

If the leased substances be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall only be entitled to receive a percentage of the rentals and royalties herein provided, which percentage shall be equal to the Lessor's percentage interest in the leased substances.

3. Compensation and Restoration of Surface:—

The Lessee shall pay and be responsible for actual damages caused by the operations of the Lessee to crops, trees and other property or improvements of the Lessor on the said lands, and upon the abandonment of any well the cessation of operations by the Lessee on the well site, the Lessee shall restore the surface thereof to the same condition, so far as practicable, as existed before the entry thereon and use thereof by the Lessee.

4. Taxes Payable by the Lessor:—

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

5. Taxes Payable by the Lessee:—

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

6. Correction of Land Description:—

If the description of the said lands hereinabove contained be incorrect or insufficient for the purpose of registration, or if it does not include all of the lands intended to be described in this Lease, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, and the Lessor covenants to execute a new Lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

7. Clearance of Prior Leases:—

The Lessor covenants that there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid, and the Lessor further covenants and agrees to co-operate with the Lessee in any and all such proceedings.

8. Use of Leased Substances by Lessee:—

The Lessee shall have the right to the free use of the leased substances or any of them and water produced from the said lands, except water from the Lessor's wells, for all operations hereunder.

9. Operations:—

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease such provisions of law shall prevail;

(b) The Lessee covenants not to drill a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor will bury pipe lines below ordinary plough depth.

10. Discharge of Encumbrances:—

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

11. Surrender:—

(a) Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall be extinguished or correspondingly reduced as the case may be, but the Lessee shall not be entitled to a refund of any rental theretofore paid.

(b) If this Lease has been registered in the Registry Office for the Registry Division in which the said lands are situated, the Lessee upon surrendering all of its interest in the said lands to the Lessor, shall, at its own expense, register such surrender in the said Registry Office.

12. Removal of Equipment:—

The Lessee shall at all times during the currency of this Lease and for a period of SIX (6) months after the termination hereof, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

13. Shut-in Wells:—

If all wells on the said lands or on land with which the said lands or any part thereof are then pooled, combined or unitized are, either before or after production therefrom, shut-in, suspended, capped or otherwise are not being produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee may pay or tender to the Lessor within SIXTY (60) days after the date of such wells being shut-in, suspended, capped or otherwise not being produced an advance annual royalty equal to the amount of delay rental provided for in this Lease for the acreage then held under this Lease by the party making such payment or tender and if such payment or tender is made, it shall be deemed conclusively under all provisions of this Lease that petroleum and natural gas and related hydrocarbons are being produced from the said lands and royalty is being paid in full there on during the entire annual period for which such advance royalty is from time to time paid or tendered.

14. Pooling and Unitization:—

The Lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulation or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety, the same as if the Lessor and Lessee

Refer to all Instructions on Reverse Side

# Form 1 - Land Transfer Tax Act

DYE & DURHAM CO. LIMITED FORM NO. 500 (Amended Oct. 1, 1981)

## AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* THE NE½ of the SW½ of LOT 5, CONC IV (50 acres) DOVER EAST TWP.

BY *(print names of all transferors in full)*

TO *(see instruction 1 and print names of all transferees in full)* E.P.ROWE OIL LIMITED

I, *(see instruction 2 and print name(s) in full)* J. MICHAEL ROWE

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☐ (d) The authorized agent or solicitor acting in this transaction for *(insert name(s) of principal(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☒ (e) The President, Vice-President, Manager, Secretary, Director or Treasurer authorized to act for *(insert name(s) of corporation(s))* E.P. ROWE OIL LIMITED described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3).*
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* n/a
4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 500.00 | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ nil | |
| (ii) Given back to vendor | $ nil | |
| (c) Property transferred in exchange *(detail below)* | $ nil | |
| (d) Securities transferred to the value of *(detail below)* | $ nil | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ nil | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ nil | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ | $ 500.00 |
| (h) VALUE OF ALL CHATTELS - Items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ nil |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ nil |
| (j) TOTAL CONSIDERATION | | $ 500.00 |

ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* n/a
6. If the consideration is nominal, is the land subject to any encumbrance? n/a
7. Other remarks and explanations, if necessary ...The attached instrument is a conveyance of only the mineral rights to the land, the consideration for the conveyance is wholly dependent upon the quantity or value of the minerals that are won, taken, removed or raised, and exemption is claimed pursuant to Section 2 of Ontario Regulation 66/80.

SWORN before me at the
in the
this 27th day of MAY 1983

A Commissioner for taking Affidavits etc. ERNEST PETER ROWE, a Commissioner, etc., Province of Ontario, while licensed under The Petroleum Resources Act. Expires October 6, 1986

J. Michael Rowe

## PROPERTY INFORMATION RECORD

A. Describe nature of instrument: OIL & GAS LEASE

B. (i) Address of property being conveyed *(if available)*

(ii) Assessment Roll No. *(if available)* n/a

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)*

D (i) Registration number for last conveyance of property being conveyed *(if available)* n/a

(ii) Legal description of property conveyed: Same as in D.(I) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor
n/a

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

AMENDED MARCH 1977

## AFFIDAVIT OF SUBSCRIBING WITNESS

I, J. Michael Rowe

of the City of London

in the County of Middlesex

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed

*See footnote at Dover East Township by [redacted] and [redacted]

Kent County

*See footnote I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Township of Dover East, Kent County

this 27th day of MAY 1983

J. Michael Rowe

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.
ERNEST PETER ROWE, a Commissioner, etc.,
Province of Ontario, while licensed under
The Petroleum Resources Act.
Expires October 5th, 1985

E. Peter Rowe

* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after the instrument had been read to him and he appeared fully to understand it". Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

MARCH, 1978

## AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

X/WE [redacted]

of the [redacted]

in the [redacted]

* If attorney see footnote make oath and say: When WE executed the attached instrument,

X/WE WERE at least eighteen years old.

*Within the meaning of section 1(f) of The Family Law Reform Act, 1978:—*

Strike out inapplicable clauses.

~~a) I was a spouse.~~

b) We were spouses of one another.

~~c) was my spouse.~~

**Not a Matrimonial Home, etc. see footnote.

Resident of Canada, etc.

(SEVERALLY) SWORN before me at the Township of Dover East, Kent County

this 27th day of MAY 1983

[redacted]

ERNEST PETER ROWE, a Commissioner, etc.,
Province of Ontario, while licensed under
The Petroleum Resources Act.
Expires October 5th, 1985 AKING AFFIDAVITS, ETC.

E. Peter Rowe

*Where affidavit made by attorney substitute: "When I executed the attached instrument as attorney for (name), he/she was (spousal status and, if applicable, name of spouse) within the meaning of Section 1(f) of The Family Law Reform Act, 1978, and when he/she executed the power of attorney, he/she had attained the age of majority".

**Where spouse does not join in or consent, see Section [illegible]

herein and the owner or owners of the entire interest in the other lands so pooled or combined with the said lands had joined in the execution of one Lease in the first instance covering the entire property so pooled or combined. In such event the Lessor shall, in lieu of payments elsewhere herein specified, receive on production of petroleum, natural gas and related hydrocarbons or any of them from all the lands so pooled or combined only such portion of the payment stipulated herein as the surface area of the said lands placed in the said pool bears to the total surface area of all the lands so pooled or combined.

Similarly, the Lessee is given the absolute right and power to unitize the leased substances with the petroleum, natural gas and related hydrocarbons or any of them within, upon or under other lands situated on the same geological structure on which the said lands are located, whether or not such petroleum, natural gas and related hydrocarbons or any of them within, upon or under such other lands be now or hereafter under grant or lease to the Lessee. In such event, the Lessor shall, in lieu of the payments elsewhere herein specified, receive on production of petroleum, natural gas and related hydrocarbons or any of them from all the lands so unitized, payments based on such portion of production from the entire unitized lands as is allocated to the said lands or the portion or portions thereof which have been so unitized.

The said rights of the Lessee to pool, combine or unitize hereunder may be exercised by the Lessee without further consent of the Lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

Drilling operations on or production of petroleum, natural gas and related hydrocarbons, or any of them, from or the presence of a shut-in suspended, capped or otherwise non-producing well on, whether before or after any pooling or combining or unitizing, any land included in any such pool or unit above mentioned shall have the same effect in continuing this Lease in force and effect during the term hereby granted, or any extension or renewal thereof, as to all the said lands, as if such operations were upon or such production was from or such well was on the said lands, or some portion thereof.

15. Default:—

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained and which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor may give to the Lessee written notice requiring it to remedy such default and in the event of the Lessee failing to remedy such default within a period of THIRTY (30) days from receipt of such notice this Lease shall thereupon terminate, and it shall be lawful for the Lessor, into and upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess, and enjoy, anything herein contained to the contrary notwithstanding.

16. Quiet Enjoyment:—

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands as hereinbefore set forth, has good right and full power to grant and demise the same and the rights and privileges in manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

17. Further Assurances:—

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurance as may be necessary to give effect to this Lease.

18. Assignment:—

The parties hereto may each or either of them delegate, assign, sublet, or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interests obtained by or conferred upon them respectively hereunder and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this Clause; provided that no assignment of royalties, rentals or other monies payable hereunder shall be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all of such sums remaining to be paid or to accrue hereunder; and provided further that the Lessor shall give the Lessee THIRTY (30) days' notice in writing of any such delegation, assignment, sublease or conveyance by the Lessor.

19. Manner of Payment:—

All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor, or for the Lessor's credit in the

at . or its successors, hereinafter called "the depository", which said depository shall be deemed to be the Lessor's agent and shall continue as the depository for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by assignment or otherwise) of the said lands or of the leased substances therein contained or of the royalties or other payments to accrue hereunder, unless and until the Lessee shall have been given THIRTY (30) days' notice in writing by the Lessor to make such payments to another depository in Canada which shall be specified in such notice, provided, however, that only one such depository shall be designated at any time or from time to time as aforesaid. All such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to the depository by the Lessor so designated.

20. Entire Agreement:—

The terms of this Lease express and constitute the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

21. Notices:—

All notices to be given hereunder may be given by letter delivered or [redacted] prepaid, and addressed to the Lessor (or ) at [redacted] and to the Lessee at [redacted] Canada, or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee FORTY-EIGHT (48) hours after such mailing.

22. Enuring Clause:—

Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents, the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

[redacted]

E. P. ROWE OIL LIMITED

Secretary

# Oil And Gas Lease

FROM

[redacted]

TO

E. P. ROWE OIL LIMITED
P.O. BOX 8086 SUB. STN. #41
LONDON, ONT.

391810

No.
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
3:41 P.M.
JUN - 7 1983 in the

Land
Registry Office
at Chatham,
Ontario.

Land Registrar

Dated MAY 27th, 1983

Term TWO (2) YEARS

Location DOVER EAST TWP.
KENT CTY

15.00

# Section 7 – Schedule 2 – Tab 10

Province of Ont

# Document General

Form 4 — Land Registration Reform Act, 1984

00763 0063

20153 D

FOR OFFICE USE ONLY

NUMBER 155531

CERTIFICATE OF REGISTRATION

403 FEB 10 1988

KENT No. 24 CHATHAM Ray Kennedy
LAND REGISTRAR

(1) Registry [X] Land Titles [ ] (2) Page 1 of 7 pages

(3) Property Identifier(s) Block Property Additional See Schedule [ ]

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

Dollars $

(6) Description

In the Township of Dover East, in the County of Kent, being the Northeast half of Lot 5, in the Fourth Concession.

As in Instrument No. 153909.

New Property Identifiers Additional: See Schedule [ ]

Executions ENTERED NO DUPLICATE Additional: See Schedule [ ]

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch [ ] (b) Schedule for: Description [ ] Additional Parties [ ] Other [X]

(8) This Document provides as follows:

Continued on Schedule [ ]

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| [redacted] | | 1987 | 12 | 16 |
| [redacted] | | 1987 | 12 | 16 |

We are at least the age of eighteen.
We are spouses of one another

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y | M | D |
|---|---|---|---|---|
| PPC OIL & GAS CORP ~~E.P. ROWE OIL LIMITED~~ | E. Peter Rowe, Vice President of Exploration | 1987 | 12 | 21 |

Lessee

(13) Address for Service 150 Kent Street, London, Ontario. N6A 1L3.

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:
Elexco Ltd.,
150 Kent Street,
London, Ontario.
N6A 1L3

File 4095

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 20.00 |
| | M.T. |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 16th day of December 19 87

BETWEEN [redacted]

[redacted]

of the Township of Dover in the County of Kent
Province of Ontario,
(hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

PPC OIL & GAS CORP., A Company incorporated under the laws of the Province of Ontario, having its Head Office at the City of Toronto, in the Province of Ontario.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of Dover East in the County of Kent Province of Ontario, containing 100 acres, more or less and described as follows:

The Northeast half of Lot 5, in the Fourth Concession, in the Township of Dover East, in the County of Kent.

As.in Instrument No. 153909.

IN CONSIDERATION of the sum of One Dollar ($1.00) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the convenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

TO HAVE AND TO ENJOY the same for a term of ~~ten (10)~~ one (1) year from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

~~PROVIDED that if operations for the drilling of a well are not commenced on the said lands within one year from the date~~ hereof, this Lease shall terminate and be at an end on ..... unless the Lessee shall have paid or tendered to the Lessor on or before the said date the sum of ..... ($ ..... ) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of ~~drilling operations and the termination of this Lease shall be further deferred for like periods successively;~~

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the immediately preceding proviso hereof governing the payment of the delay rental and the effect thereof, shall be applicable thereto;

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**

In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:

(a) "leased substances" shall mean and include:—

(i) all petroleum, natural gas and related hydrocarbons; and

(ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,

but shall not mean and include coal and valuable stone.

(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.

(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.

(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**

(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:

(i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder: and

(ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | | |
|---|---|---|
| An amount up to 500,000 cubic feet per day | ~~3%~~ | 12½ |
| 500,001 to 2,000,000 cubic feet per day | ~~5%~~ | 12½ |
| 2,000,001 to 4,000,000 cubic feet per day | ~~7½%~~ | 12½ |
| An amount exceeding 4,000,000 cubic feet per day | ~~12½%~~ | 12½ |

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.

(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**

If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to ..... One Thousand Dollars ..... ($ 1,000.00 .....) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**

The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lesser Interest:—**

If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**10. Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**11. Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**12. Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**13. Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

**14. Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

**15. Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

**16. Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

**17. Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

**18. Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

**19. Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**20. Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

**21. Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

22. **Manner of Payments:—**
All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] of [redacted] as his agent as aforesaid and Pay direct to the Lessor. (Bank or Trust Company) at [redacted] and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

23. **Entire Agreement:—**
This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

24. **Notices:—**
All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at P.O. Box 877, Station "B", London, Ontario. N6A 4Z3 and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

25. If the standard of mensurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

26. We, [redacted] and [redacted] being spouses within the meaning of Section 1(1) of The Family Law Act, 1986 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

27. **Enuring Clause:—**
Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

28. See Schedule " A " attached hereto and forming part of this lease.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

LESSOR

[redacted]

LESSEE

PPC OIL & GAS CORP.

E. Peter Rowe, Vice-President of Exploration

SCHEDULE "A"

Attached hereto and forming part of Petroleum and Natural Gas Lease and Grant dated the 16 day DECEMBER, 1987 BETWEEN:

[redacted]

and

~~E.P. ROWE OIL LIMITED~~
FFC OIL & GAS CORP.

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee agrees to register a surrender of those lands held by the Lessor in the Township of Dover East, County of Kent and being the North half of Lot 5, Concession 5, the East half of the North half of Lot 4, Concession 5, upon the execution of this document.

2. The Lessee agrees not to drill a well or wellsoon the South quarter of the said lands herein leased, WITHOUT THE WRITTEN CONSENT OF THE LESSOR.

3. The Lessee agrees to pool only the Lessor's lands to create a drilling spacing unit should a well or wells be drilled on the said leased lands

[redacted]

7

Form 1 - Land Transfer Tax Act

## Affidavit of Residence and of Value of the Consideration

*Refer to all instructions on reverse side*

DYE & DURHAM CO. LIMITED
Form No. 500
(Amended Aug. 1, 1986)

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* In the Township of Dover East, in the County of Kent being part of Lot 5, in the Fourth Concession.

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* PPC OIL & GAS CORP.

I, *(see instruction 2 and print name(s) in full)* John L. Norman

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))* *(see instruction 2)*

- ☐ (a) A person in trust for whom the land conveyed in the above described conveyance is being conveyed;
- ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- ☐ (c) A transferee named in the above described conveyance;
- ☒ (d) The authorized agent ~~or solicitor~~ acting in this transaction for *(insert name(s) of principal(s))* PPC OIL & GAS CORP.

  described in paragraph(s) (a), ~~(b)~~, (c) above; *(strike out references to inapplicable paragraphs)*
- ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* _____

  described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
- ☐ (f) A transferee described in paragraph( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* _____ who is my spouse described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and as such, I have personal knowledge of the facts herein deposed to.

2. *(To be completed where the value of the consideration for the conveyance exceeds $250,000).*
I have read and considered the definition of "single family residence" set out in clause 1(1)(ja) of the Act. The land conveyed in the above described conveyance

- ☐ contains at least one and not more than two single family residences.
- ☐ does not contain a single family residence.
- ☐ contains more than two single family residences. *(see instruction 3)*

*Note:* Clause 2(1) (d) imposes an additional tax at the rate of one-half of one per cent upon the value of consideration in excess of $250,000 where the conveyance contains at least one and not more than two single family residences.

3. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1(1)(f) and (g) of the Act and each of the following persons to whom or in trust for whom the land is being conveyed in the above-described conveyance is a "non resident corporation" or a "non-resident person" as set out in the Act. *(see instructions 4 and 5)* None

4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 1.00 | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below)* | $ Nil | |
| (d) Securities transferred to the value of *(detail below)* | $ Nil | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ Nil | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ Nil | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(Total of (a) to (f))* | $ 1.00 | $ 1.00 |
| (h) VALUE OF ALL CHATTELS - items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ Nil |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ Nil |
| (j) TOTAL CONSIDERATION | | $ 1.00 |

*All Blanks Must Be Filled In. Insert "Nil" Where Applicable.*

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 6)* N/A

6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined

7. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980.

Sworn before me at the City of London
in the County of Middlesex
this 28th day of January, 19 88.

A Commissioner for taking Affidavits, etc.

*signature(s)*

### Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 7)* Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not known ☒

E. Name(s) and address(es) of each transferee's solicitor Not applicable

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

# Section 7 – Schedule 2 – Tab 11

# Agreement of Lease

Made this 10th. day of June A.D. 19 2015.4

Between [redacted]

of the Township of Dover in the County of Kent Province of Ontario, lessor, of the First Part, and RAM PETROLEUMS LIMITED, a company incorporated under the laws of the Province of Ontario, lessee, of the Second Part.

WITNESSETH that the Lessor in consideration of One Dollar in hand paid, (receipt of which is hereby acknowledged) does hereby grant and demise unto the lessee for the term of 1 years and for so long thereafter as operations including the production of hydrocarbons in paying quantities are conducted with no cessation for more than thirty days, all petroleum natural gas and related hydrocarbons which may be found under the lands intended to be included in this contract, together with the exclusive right to carry on geological research work and to drill for and remove said hydrocarbons, by piping or otherwise, from all such lands owned by said lessor in the Township of Dover in the County of Kent and Province of Ontario and which may be more particularly described as follows The Southwest half of the Southwest half of Lot Six (6), Concession Four (4), Save and Except thereout and therefrom that part of the said lot designated as Part One (1) as shown on Reference Plan deposited in the Registry Office as No. 24R1475.

containing in all 55 acres more or less. And it is further understood and agreed that the lessor is the owner of said lands and that title is in his name and if the above description be incorrect or insufficient for the purpose of registration or if it does not include all the lands in said Township intended to be conveyed by this contract, lessor hereby appoints Douglas [illegible] his attorney to correct said description so as to carry out the intent of this contract and the lessor further agrees to execute a new lease, on the same terms, containing a proper description of all the lands intended to be included in this contract if so required by the lessee.

Lessor grants to lessee the right to possession of so much land as shall be deemed necessary by lessee to conduct operations for said purposes, including research work, with the right to use water, gas and oil (if found) for operations and the right to remove all buildings, machinery, fixtures, etc., placed by lessee on the premises.

The lessee agrees not to drill within 250 feet of house or barn or in orchard without special consent of lessor, and to pay all damages from operations and leave gates and fences as found. All pipe lines to be buried below tile depth if requested by lessor.

The lessee agrees to pay the lessor for one eighth of all petroleum natural gas and related hydrocarbons saved and sold from said premises.

The lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulations or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety.

The said rights of the lessee to pool, combine or unitize hereunder may be exercised by the lessee without further consent of the lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

This lease shall be null and void and no longer binding on either party if a well is not completed on the lands within one year from this date, ~~unless the lessee shall thereafter pay to the lessor a rental at the rate of ..... per year until operations for drilling or completion of a well have ceased without being recommenced for thirty days.~~

If, at the expiration of the primary term or at any time thereafter, there is or are well or wells capable of producing minerals on the lands or the pooled lands and all such wells are shut-in, this Lease shall continue in force. If no royalties have been paid or operations conducted during any year in which this Lease is so continued, the Lessee shall on or before the anniversary date pay a suspended operations fee in an amount equal to the rental stated above.

Failure on the part of the lessee to comply with the conditions or to pay the cash consideration herein mentioned will render this lease null and void and not binding on either party, the lessor, however, to give thirty days' notice to the party of the second part, pointing out the default so it can be removed before declaring the lease void. The lessee may at any time surrender this lease and there upon be released from all further liability.

The lessor undertakes that there is at present no valid petroleum gas or mineral lease covering the lands above mentioned or any portion thereof. Should any such lease be registered against the above lands the lessor hereby authorizes and empowers the lessee, at the lessee's option and at the lessee's expense to take any proceedings the lessee deems advisable to obtain a release or discharge of such registered lease or to obtain a declaration that such lease is invalid.

All payments under this lease may be made either in cash or by cheque of the lessee and may be made either to the lessor personally or by mail ~~or by depositing same to his credit in the ..... Bank~~ at ..... and payment shall be deemed to have been made upon the date when an envelope addressed to the depository bank or to the lessor at [redacted] enclosing said cheque is deposited in a post office in Ontario and same shall be made in the manner above provided until such time as the lessee receives notice in writing of any change of interest or address on the part of the lessor or the depository bank.

All grants and covenants to extend to the heirs, executors, administrators, successors and assignees of the parties.

..... , spouse of the said lessor consents to the transaction evidenced by this instrument and releases to the said lessee all his or her claims upon the said lands insofar as is necessary to give effect to this lease.

WITNESS the hands and seals of the parties hereto the day and year above written.

SIGNED, SEALED AND DELIVERED
in the presence of

Douglas [illegible]

[redacted]

RAM PETROLEUMS LIMITED

(2336)

Treasurers Consent of the Late William Peltier recd February 1, 19.., 19.. and Registered February 24th., 1971 as Registered Instrument No. 223950

Consent of the Late William Peltier Registered as No. [illegible] on the 25th. February, 19..

# Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO
TO WIT:

I, ~~WE~~: [redacted]

of the [redacted] of [redacted]

in the County of [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I WAS ~~WE WERE EACH~~ at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I WAS ~~WAS NOT~~ a spouse.

4. [redacted] was my spouse.

~~5. We were spouses of one another.~~

5. THE LANDS DESCRIBED IN THE ATTACHED INSTRUMENT HAVE NEVER BEEN OCCUPIED BY ME AND WILFRED CLEEVE AS OUR MATRIMONIAL HOME.

6. This document does not contravene the Planning Act because the present registered owner does not retain the fee or the equity of redemption in, or a power or right to grant assign or exercise a power of appointment with respect to any land abutting the land affected by the attached instrument.

SWORN BEFORE ME AT THE ~~TOWNSHIP~~ CITY

OF Chatham.

IN THE COUNTY OF Kent.

THIS 30th. DAY OF March.

A. D. 19 83.

[signature]

A COMMISSIONER FOR TAKING AFFIDAVITS, ECT.

[signature]

Douglas William Thomas

"APPOINTED TO ADMINISTER OATHS AND TAKE AFFIDAVITS WITHIN THE PROVINCE OF ONTARIO WHILE LICENSED UNDER THE ENGERY ACT, 1984. TO LEASE GAS OR OIL RIGHTS, FOR THIS PURPOSE ONLY"

MY COMMISSION EXPIRES ON 8th June, 1984.

# Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO
TO WIT:

I, ~~We~~ [redacted]

of the [redacted] of [redacted]

in the County of [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I ~~WAS~~ ~~WE WERE EACH~~ at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I ~~WAS~~ WAS NOT a spouse.

4. ~~XXXX

# Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO

TO WIT:

I [redacted]

of the [redacted] of [redacted]

in the County of [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I WAS ~~WE WERE EACH~~ at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I WAS ~~WAS NOT~~ a spouse.

4. [redacted] was my spouse.

5. ~~We were married to one another.~~ [redacted] NEVER

6. This document does not contravene the Planning Act because the present registered owner does not retain the fee or the equity of redemption in, or a power or right to grant assign or exercise a power of appointment with respect to any land abutting the land affected by the attached instrument.

SWORN BEFORE ME AT THE TOWNSHIP

OF Dover

IN THE COUNTY OF Kent.

THIS 30th DAY OF March.

A. D. 19 83

[redacted]

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

Douglas William Thomas

"APPOINTED TO ADMINISTER OATHS AND TAKE AFFIDAVITS WITHIN THE PROVINCE OF ONTARIO WHILE LICENSED UNDER THE ENGERY ACT, 1964, TO LEASE GAS OR OIL RIGHTS, FOR THIS PURPOSE ONLY"

MY COMMISSION EXPIRES ON 1st June, 1984

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw it executed at ~~Township~~ CITY of Chatham.
by [redacted]
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Town of
Port Elgin in the County of Bruce.
this 30th day of May, 1983

Douglas W. Thomas

A Commissioner For Taking Affidavits
Etc.

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw it executed at Township of [redacted]
by [redacted]
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Town of
Port Elgin in the County of Bruce,
this 30th day of May, 1983

Douglas W. Thomas

A Commissioner For Taking Affidavits
Etc.

Law and Commercial Stationers
Form No. 167

CANADA
Province of Ontario
To Wit

To all whom these Presents may come, be seen or known

I, John Lester Norman

a Notary Public, in and for the Province of Ontario, by Royal Authority duly appointed, residing at the City of London, in the County of Middlesex

in said Province,

In place of evidence, insert appropriate County, District, Regional Municipality, etc.

Do Certify and Attest that the paper-writing hereto annexed is a true copy of a document produced and shown to me by [redacted]

and purporting to be a Unit Operation Agreement dated the 13th day of May, 1985, b[redacted] as LESSORS, and Ram Petroleums Limited CCNR Petroleum Corporation and E. P. Rowe Oil Limited as LESSEES.

dated the 27th day of May 1985,

the said copy having been compared by me with the said original document, an act whereof being requested I have granted under my Notarial Form and Seal of Office to serve and avail as occasion shall or may require.

In Testimony Whereof I have hereto subscribed my name and affixed my Notarial Seal of Office at the City of London, in the County of Middlesex

this 27th day of May 1985.

A Notary Public in and for the Province of Ontario.

Lease No.:
DATED:: Jun. 10th., 19 83

[redacted]

and

[redacted] Petroleum Limited
Suite [illegible], P.O. Box 17
130 Adelaide Street West
Toronto, Ontario
[illegible]

LEASE AND GRANT

392530
No.
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
7:44 A M.
JUN 30 1983
in the
Land Registry Office at Chatham, Ontario.
Land Registrar

County: Kent
Township: Dover
Lot Number: 6
Con. Number: 4

15.00
N.T.

# Section 7 – Schedule 2 – Tab 12

Between [redacted] day of May — 20155

00784 - 0004

of the City of Chatham In the County of Kent Province of Ontario, lessor, of the First Part, and RAM PETROLEUMS LIMITED, a company incorporated under the laws of the Province of Ontario, lessee, of the Second Part.

WITNESSETH that the Lessor in consideration of One Dollar in hand paid, (receipt of which is hereby acknowledged) does hereby grant and demise unto the lessee for the term of Six (6) MONTHS years and for so long thereafter as operations including the production of hydrocarbons in paying quantities are conducted with no cessation for more than thirty days, all petroleum natural gas and related hydrocarbons which may be found under the lands intended to be included in this contract, together with the exclusive right to carry on geological research work and to drill for and remove said hydrocarbons, by piping or otherwise, from all such lands owned by said lessor in the Township of Dover In the County of Kent and Province of Ontario and which may be more particularly described as follows That part of Lot Six (6), Concession Four (4) described as the Northeast half of the Southwest half of Lot Six (6), Concession Four (4) Save and Except thereout and therefrom that part of the said lot designated as Part Two (2) as shown on Reference Plan deposited in the Registry Office as Number 24 R 1

containing in all 50 acres more or less. And it is further understood and agreed that the lessor is the owner of said lands and that title is in his name and if the above description be incorrect or insufficient for the purpose of registration or if it does not include all the lands in said Township intended to be conveyed by this contract, lessor hereby appoints Douglas W. Thomas his attorney to correct said description so as to carry out the intent of this contract and the lessor further agrees to execute a new lease, on the same terms, containing a proper description of all the lands intended to be included in this contract if so required by the lessee.

Lessor grants to lessee the right to possession of so much land as shall be deemed necessary by lessee to conduct operations for said purposes, including research work, with the right to use water, gas and oil (if found) for operations and the right to remove all buildings, machinery, fixtures, etc., placed by lessee on the premises.

The lessee agrees not to drill within 250 feet of house or barn or in orchard without special consent of lessor, and to pay all damages from operations and leave gates and fences as found. All pipe lines to be buried below tile depth if requested by lessor.

The lessee agrees to pay the lessor for one eighth of all petroleum natural gas and related hydrocarbons saved and sold from said premises.

The lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulations or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety.

The said rights of the lessee to pool, combine or unitize hereunder may be exercised by the lessee without further consent of the lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

This lease shall be null and void and no longer binding on either party if a well is not completed on the lands within ~~one year~~ Six (6) MONTHS from this date, ~~unless the lessee shall thereafter pay to the lessor a rental at the rate of ..... per year until operations for drilling or completion of a well have ceased without being recommenced for thirty days.~~

If, at the expiration of the primary term or at any time thereafter, there is or are well or wells capable of producing minerals on the lands or the pooled lands and all such wells are shut-in, this Lease shall continue in force. If no royalties have been paid or operations conducted during any year in which this Lease is so continued, the Lessee shall on or before the anniversary date pay a suspended operations fee in an amount equal to the rental stated above.

Failure on the part of the lessee to comply with the conditions or to pay the cash consideration herein mentioned will render this lease null and void and not binding on either party, the lessor, however, to give thirty days' notice to the party of the second part, pointing out the default so it can be removed before declaring the lease void. The lessee may at any time surrender this lease and there upon be released from all further liability.

The lessor undertakes that there is at present no valid petroleum gas or mineral lease covering the lands above mentioned or any portion thereof. Should any such lease be registered against the above lands the lessor hereby authorizes and empowers the lessee at the lessee's option and at the lessee's expense to take any proceedings the lessee deems advisable to obtain a release or discharge of such registered lease or to obtain a declaration that such lease is invalid.

All payments under this lease may be made either in cash or by cheque of the lessee and may be made either to the lessor personally or by mail ~~or by depositing same to his credit in the ..... Bank~~ at ..... and payment shall be deemed to have been made upon the date when an envelope addressed to the depository bank or to the lessor at [redacted] enclosing said cheque is deposited in a post office in Ontario and same shall be made in the manner above provided until such time as the lessee receives notice in writing of any change of interest or address on the part of the lessor or the depository bank.

All grants and covenants to extend to the heirs, executors, administrators, successors and assignees of the parties.

..... , spouse of the said lessor consents to the transaction evidenced by this instrument and releases to the said lessee all his or her claims upon the said lands insofar as is necessary to give effect to this lease.

LAND TRANSFER TAX ACT ONTARIO

WITNESS the hands and seals of the parties hereto the day and year above written.

SIGNED, SEALED AND DELIVERED in the presence of

[redacted]

RAM PETROLEUMS LIMITED

Per

# Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO
TO WIT:

I, [redacted]
of the [redacted] of [redacted]
in the County of [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I WAS~~WE WERE EACH~~ at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I ~~WAS~~WAS NOT a spouse.

4. ~~XXXX

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw it executed at ~~Township~~ City of CHATHAM.
by [redacted].
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Town of )
Port Elgin in the County of Bruce. )
this 3rd day of April, 1973 )

[signature] )

A Commissioner For Taking Affidavits )
Etc. )

[signature]

Lease No.:

DATED:: May 29th., 1983

[redacted]

and

Ram Petroleums Limited
Suite 918, P.O. Box 17
130 Adelaide Street West
Toronto, Ontario
M5H 3P5

No. 391914
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
10:50 A.M.
JUN 10 1983 in the
Land
Registry Office
at Chatham,
Ontario

Land Registrar

LEASE AND GRANT

| | |
|---|---|
| County: | Kent |
| Township: | Dover |
| Lot Number: | 6 |
| Con. Number: | 4 |

15.00

# Agreement of Lease

this 29th day of December A.D. 19 83

20153

Between [redacted]

of the City of Chatham in the County of Kent Province of Ontario, lessor, of the First Part, and RAM PETROLEUMS LIMITED, a company incorporated under the laws of the Province of Ontario, lessee, of the Second Part.

WITNESSETH that the Lessor in consideration of One Dollar in hand paid, (receipt of which is hereby acknowledged) does hereby grant and demise unto the lessee for the term of ..... years and for so long thereafter as operations including the production of hydrocarbons in paying quantities are conducted with no cessation for more than thirty days, all petroleum natural gas and related hydrocarbons which may be found under the lands intended to be included in this contract, together with the exclusive right to carry on geological research work and to drill for and remove said hydrocarbons, by piping or otherwise, from all such lands owned by said lessor in the Township of Dover in the County of Kent and Province of Ontario and which may be more particularly described as follows: That part of Lot Six (6), Concession Four (4) described as the Northeast half of the Southwest half of Lot Six (6), Concession Four (4) Save and Except thereout and therefrom that part of the said lot designated as Part Two (2) as shown on Reference Plan deposited in the Registry Office as Number 24 R.1475

containing in all 50 acres more or less. And it is further understood and agreed that the lessor is the owner of said lands and that title is in his name and if the above description be incorrect or insufficient for the purpose of registration or if it does not include all the lands in said Township intended to be conveyed by this contract, lessor hereby appoints Douglas W. Thorne his attorney to correct said description so as to carry out the intent of this contract and the lessor further agrees to execute a new lease, on the same terms, containing a proper description of all the lands intended to be included in this contract if so required by the lessee.

Lessor grants to lessee the right to possession of so much land as shall be deemed necessary by lessee to conduct operations for said purposes, including research work, with the right to use water, gas and oil (if found) for operations and the right to remove all buildings, machinery, fixtures, etc., placed by lessee on the premises.

The lessee agrees not to drill within 250 feet of house or barn or in orchard without special consent of lessor, and to pay all damages from operations and leave gates and fences as found. All pipe lines to be buried below tile depth if requested by lessor.

The lessee agrees to pay the lessor for one eighth of all petroleum natural gas and related hydrocarbons saved and sold from said premises.

The lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulations or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety.

The said rights of the lessee to pool, combine or unitize hereunder may be exercised by the lessee without further consent of the lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

This lease shall be null and void and no longer binding on either party if a well is not completed on the lands within one year from this date, ~~unless the lessee shall thereafter pay to the lessor a rental at the rate of ..... per year until operations for drilling or completion of a well have ceased without being recommenced for thirty days.~~

If, at the expiration of the primary term or at any time thereafter, there is or are well or wells capable of producing minerals on the lands or the pooled lands and all such wells are shut-in, this Lease shall continue in force. If no royalties have been paid or operations conducted during any year in which this Lease is so continued, the Lessee shall on or before the anniversary date pay a suspended operations fee in an amount equal to the rental stated above.

Failure on the part of the lessee to comply with the conditions or to pay the cash consideration herein mentioned will render this lease null and void and not binding on either party, the lessor, however, to give thirty days' notice to the party of the second part, pointing out the default so it can be removed before declaring the lease void. The lessee may at any time surrender this lease and there upon be released from all further liability.

The lessor undertakes that there is at present no valid petroleum gas or mineral lease covering the lands above mentioned or any portion thereof. Should any such lease be registered against the above lands the lessor hereby authorizes and empowers the lessee, at the lessee's option and at the lessee's expense to take any proceedings the lessee deems advisable to obtain a release or discharge of such registered lease or to obtain a declaration that such lease is invalid.

All payments under this lease may be made either in cash or by cheque of the lessee and may be made either to the lessor personally or by mail or ~~by depositing same to his credit in the~~ ..... ~~Bank~~ at ..... and payment shall be deemed to have been made upon the date when an envelope addressed to the depository bank or to the lessor at [redacted] enclosing said cheque is deposited in a post office in Ontario and same shall be made in the manner above provided until such time as the lessee receives notice in writing of any change of interest or address on the part of the lessor or the depository bank.

All grants and covenants to extend to the heirs, executors, administrators, successors and assignees of the parties.

..... , spouse of the said lessor consents to the transaction evidenced by this instrument and releases to the said lessee all his or her claims upon the said lands insofar as is necessary to give effect to this lease.

WITNESS the hands and seals of the parties hereto the day and year above written.

SIGNED, SEALED AND DELIVERED
in the presence of

[redacted]

RAM PETROLEUMS LIMITED

Per .....

Per .....

Refer to all Instructions on Reverse Side

# Form 1 - Land Transfer Tax Act

EYE & DIGHAM CO. LIMITED FORM NO. 500 (Amended Oct. 1, 1983)

## AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* That Pt. of Lot. 6, Con. 4 described as the Northeast half of the Southwest half of Lot 6, Con. 4 save and except thereout and therefrom that part of the said lot designated as Part 2 as shown on Reference Plan deposited in the Registy Office as #24 R 1

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* RAM PETROLEUMS LIMITED

I, *(see instruction 2 and print name(s) in full)* ~~XXXXXXXXXXXX~~ R.J. OPEKAR

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))*: *(see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance.
   - ☐ (d) The authorized agent or solicitor acting in this transaction for *(insert name(s) of principal(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☒ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* RAM PETROLEUMS LIMITED described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3)*.
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* Ram Petroleums Limited, a company incorporated under the laws of the Province of Ontario.
4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ NIL | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ NIL | |
| (ii) Given back to vendor | $ NIL | |
| (c) Property transferred in exchange *(detail below)* | $ NIL | |
| (d) Securities transferred to the value of *(detail below)* | $ NIL | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ NIL | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ NIL | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ NIL | $ NIL |
| (h) VALUE OF ALL CHATTELS - items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ NIL |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ NIL |
| (j) TOTAL CONSIDERATION | | $ NIL |

ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* N/A
6. If the consideration is nominal, is the land subject to any encumbrance? N/A
7. Other remarks and explanations, if necessary The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land. An exemption from land transfer tax is claimed as provided under paragraph 3 of Subsection 3(1) of Regulation 571 R.R.O., 1980.

SWORN before me at the City of Toronto
in the Municipality of Metropolitan Toronto
this 6th day of January 19 84

A Commissioner for taking Affidavits, etc.

R.J. Opekar
*signature(s)*
R.J. OPEKAR ~~ROGER BARTON~~

### PROPERTY INFORMATION RECORD

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* N/A

(ii) Assessment Roll No. *(if available)* N/A

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)* N/A

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor N/A

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

# Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO
TO WIT:

I, We [redacted]
of the [redacted] of [redacted]
in the County [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I WAS ~~WE WERE~~ EACH at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I ~~WAS~~ WAS NOT a spouse.

~~XXXX

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw it executed at ~~Township~~ City of [redacted]
by [redacted]
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Town of
Port Elgin in the County of Bruce.
this 29th day of November, 19[redacted]

Douglas W. Thomas

A Commissioner For Taking Affidavits
Etc.

Lease No.:
DATED:: November 29th., 1983

398814

No.
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
9:30a .M.
JAN 16 1984
in the
Land Registry
Office at
Chatham,
Ontario.

Land Registrar

[redacted]

and

Tex. Petroleum a Limited
Suite 2. , ..x. Box 17
130 Adelaide Street West
Toronto, Ontario M5H 3P5

LEASE AND GRANT

County: Kent
Township: Dover
Lot Number: 4
Con. Number: 4

5 00

# Section 7 – Schedule 2 – Tab 13

# Agreement of Lease

#2308

a this 26th day of May A.D. 19 83

20156

Between [redacted]

of the [redacted] of [redacted] in the County of [redacted] Province of Ontario, lessor, of the First Part, and RAM PETROLEUMS LIMITED, a company incorporated under the laws of the Province of Ontario, lessee, of the Second Part.

WITNESSETH that the Lessor in consideration of One Dollar in hand paid, (receipt of which is hereby acknowledged) does hereby grant and demise unto the lessee for the term of 3 years and for so long thereafter as operations including the production of hydrocarbons in paying quantities are conducted with no cessation for more than thirty days, all petroleum natural gas and related hydrocarbons which may be found under the lands intended to be included in this contract, together with the exclusive right to carry on geological research work and to drill for and remove said hydrocarbons, by piping or otherwise, from all such lands owned by said lessor in the Township of Dover in the County of Kent and Province of Ontario and which may be more particularly described as follows Part of Lot Two (2), Concession First or Front Dover West and, Part of Lot Six (6), Concession Four (4) East Dover, more particularly described in Schedule "A" attached hereto

containing in all 120 acres more or less. And it is further understood and agreed that the lessor is the owner of said lands and that title is in his name and if the above description be incorrect or insufficient for the purpose of registration or if it does not include all the lands in said Township intended to be conveyed by this contract, lessor hereby appoints Douglas W. Thomas his attorney to correct said description so as to carry out the intent of this contract and the lessor further agrees to execute a new lease, on the same terms, containing a proper description of all the lands intended to be included in this contract if so required by the lessee.

Lessor grants to lessee the right to possession of so much land as shall be deemed necessary by lessee to conduct operations for said purposes, including research work, with the right to use water, gas and oil (if found) for operations and the right to remove all buildings, machinery, fixtures, etc., placed by lessee on the premises.

The lessee agrees not to drill within 250 feet of house or barn or in orchard without special consent of lessor, and to pay all damages from operations and leave gates and fences as found. All pipe lines to be buried below tile depth if requested by lessor. AND TO RESTORE THE PROPERTY TO AS GOOD A CONDITION AS IT WAS PRIOR TO ANY DRILLING OPERATION ON THE SUBJECT PROPERTY.

The lessee agrees to pay the lessor for one eighth of all petroleum natural gas and related hydrocarbons saved and sold from said premises.

The lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulations or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety.

The said rights of the lessee to pool, combine or unitize hereunder may be exercised by the lessee without further consent of the lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

This lease shall be null and void and no longer binding on either party if a well is not completed on the lands within one year from this date, unless the lessee shall thereafter pay to the lessor a rental at the rate of $10.00/acre per year until operations for drilling or completion of a well have ceased without being recommenced for thirty days.

If, at the expiration of the primary term or at any time thereafter, there is or are well or wells capable of producing minerals on the lands or the pooled lands and all such wells are shut-in, this Lease shall continue in force. If no royalties have been paid or operations conducted during any year in which this Lease is so continued, the Lessee shall on or before the anniversary date pay a suspended operations fee in an amount equal to the rental stated above.

Failure on the part of the lessee to comply with the conditions or to pay the cash consideration herein mentioned will render this lease null and void and not binding on either party, the lessor, however, to give thirty days' notice to the party of the second part, pointing out the default so it can be removed before declaring the lease void. The lessee may at any time surrender this lease and there upon be released from all further liability.

The lessor undertakes that there is at present no valid petroleum gas or mineral lease covering the lands above mentioned or any portion thereof. Should any such lease be registered against the above lands the lessor hereby authorizes and empowers the lessee, at the lessee's option and at the lessee's expense to take any proceedings the lessee deems advisable to obtain a release or discharge of such registered lease or to obtain a declaration that such lease is invalid.

All payments under this lease may be made either in cash or by cheque of the lessee and may be made either to the lessor personally or by mail or by depositing same to his credit in the [redacted] Bank at [redacted] and payment shall be deemed to have been made upon the date when an envelope addressed to the depository bank or to the lessor at [redacted] enclosing said cheque is deposited in a post office in Ontario and same shall be made in the manner above provided until such time as the lessee receives notice in writing of any change of interest or address on the part of the lessor or the depository bank.

All grants and covenants to extend to the heirs, executors, administrators, successors and assignees of the parties.

[redacted], spouse of the said lessor consents to the transaction evidenced by this instrument and releases to the said lessee all his or her claims upon the said lands insofar as is necessary to give effect to this lease.

WITNESS the hands and seals of the parties hereto the day and year above written.

SIGNED, SEALED AND DELIVERED
in the presence of

[redacted]

[redacted]

RAM PETROLEUMS LIMITED

R.L. Mercer

Field 2300

Schedule "A" Attached to and Forming Part of an Agreement dated May 26th, 1983

1. That part of the Southwest half of the Northeast half of Lot Six (6), Concession Four (4) Dover East commencing at a point in the limit between the Southwest half and the Northeast half of the said lot at a distance of Two hundred feet (200') North along the said limit from the Southerly limit of the said lot;
Thence Northeasterly parallel to the road allowance between the Third (3rd.) and Fourth 4th.) Concessions a distance of One hundred feet (100');
Thence Southeasterly and parallel to the Easterly limit of the said lot a distance of Two hundred feet (200') to the Northerly limit of the said road allowance;
Thence Northeasterly and along the said road allowance to the limit between the Northeasterly one-quarter and the Southwesterly three-quarters of the said lot;
Thence North along the last mentioned limit to the Northwesterly limit of the said lot;
Thence Southerly along the last mentioned limit to the limit between the Northeasterly half and the Southwesterly half of the said lot;
Thence Southeasterly along the last mentioned limit to the place of beginning;
Save and Except thereout and therefrom that part of the said lot designated as Part 4, as shown on Reference Plan deposited in the Registry Office as No. 25R1475.

2. Part of Lot Number Two (2) in the First or Front Concession River Thames and Concession Two Dover West and being more particularly described as follows:
Premising that the Northwesterly limit of Lot Number Two (2), Concession Two (2) has an astronomical bearing of South Forty-five degrees West (S.45°W) and relating all bearings herein thereto.
Commencing at the Northerly angle of Lot Two (2), Concession Two (2);
Thence South Forty-five degrees West (S.45°W) along the Northwesterly limit of said Lot Two (2), Six hundred and sixty-six feet (666');
Thence South Forty-five degrees East (S.45°E) and parallel to the Northeasterly limit of Lot Two (2), One thousand, four hundred and seventy-seven feet (1,477') to the centre of the Main Drain of the Dolsen Creek Pumping Works;
Thence North Thirty-six degrees, seven minutes, thirty seconds East (N.36°07'30"E) along the centre line of the said drain Three hundred and thirty-eight feet (338');
Thence South Forty-five degrees East (S.45°E.) and parallel to the said Northeasterly limit of Lot Number Two (2), Two thousand and seventy feet (2,070');
Thence North Forty-five degrees East (N.45°E) Twenty-four and five-tenths feet (24.5');
Thence South Forty-six degrees, fifty minutes East (S.46°50'E) and parallel to the said Northeasterly limit of Lot Number Two (2), Two thousand, one hundred and twenty-nine and seventy-four one-hundredths feet (2,129.74') more or less to the Southeasterly limit of a new road designated as Part 3, Registered Plan No. 1233;
Thence South Forty-six degrees, fifty minutes East (S.46°50'E) and parallel to the said Northeasterly limit of Lot Number Two, Two thousand and six and sixty one-hundredths feet (2,006.60') more or less to the waters' edge of the River Thames;
Thence Easterly along the said waters' edge of the River Thames Two hundred and seventy-six feet (276') more or less to a point distant One hundred and ninety feet (190') measured Westerly along the said waters' edge from the Northeasterly limit of said Lot Number Two (2);
Thence Northerly a distance of One hundred and sixty-five feet (165') more or less to intersect a line drawn at right angles to the said Northeasterly limit of Lot Number Two (2) at a point distant Forty feet (40') measured Southwesterly therefrom; said right angle line being distant Two thousand and sixty-two and twenty one-hundredths feet (2,062.20') measured Southeasterly along the said Northeasterly limit of Lot Number Two (2) from the Southeasterly limit of a new road desiganted as Part 3, Registered Plan No. 1233;

Thence North Forty-three degrees, ten minutes East (N.43°10'E) along said right angle line Forty feet (40') to the Said Northeasterly limit of Lot Number Two (2);
Thence North Forty-six degrees, fifty minutes West (N.46°50'W) Two thousand, one hundred and twenty-eight and thirty-nine one-hundredths feet (2,128.39') to the Northwesterly limit of said new road, Registered Plan No. 1233;
Thence North Forty-six degrees, fifty minutes West (N.46°50'W) along the said Northeasterly limit of Lot Number Two, Two thousand, five hundred and fifty-nine and thirty-five one-hundredths feet (2,559.35') to a steel post planted;
Thence North Forty-five degrees West (N.45°W), Three thousand and ten feet (3,010') more or less to theppoint of commencement.

3. Part of Lot Number Two (2), in the First Concession of the said Township of Dover West, said strip of land having a perpendicular width of Fifteen feet (15') (the Southwesterly limit of said strip of land being a reference line) extending from the Southeasterly limit of Part 3, according to Deposit Plan Number 1233 to a point in a line drawn through the point of termination of said reference line, on a course North Fifty-two degrees, thirteen minutes, thirty seconds East (N.52°13'30"E) which said reference line may be more particularly described as follows:
Premising that the Southeasterly limit of said Part 3 has a bearing of North Fifty-two degrees, thirteen minutes, thirty seconds East (N.52°13'30"E) as shown on Deposit Plan Number 1233, and relating all bearing herein thereto.
Commencing at the Southerly angle of said Part 3;
Thence South Forty-two degrees, five minutes, ten seconds East (S.42°05'10"E) a distance of One thousand, one hundred and fifty-six feet (1,156') to the point of termination of said reference line.
Saving and excepting thereout and therefrom that portion of the lands hereby conveyed designated as Part 3, Registered Plan 1233.
And also Saving and Excepting thereout and therefrom that portion of the lands hereby conveyed comprising the River Road along the River Thames.

# Affidavit as to Age and Spousal Status

PROVINCE OF ONTARIO

TO WIT:

I/We [redacted]

of the [redacted] of [redacted]

in the County of [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I WAS/WE WERE EACH at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I WAS/WAS NOT married to the transferee. ✓

4. [redacted] was my spouse. ✓

5. We were spouses of one another.

6. This document does not contravene the Planning Act because the present registered owner does not retain the fee or the equity of redemption in, or a power or right to grant assign or exercise a power of appointment with respect to any land abutting the land affected by the attached instrument.

SWORN BEFORE ME AT THE TOWNSHIP

OF Dover.

IN THE COUNTY OF Kent.

THIS 23rd DAY OF March.

A. D. 19 83

[redacted]

A COMMISSIONER FOR TAKING AFFIDAVITS, ECT.

Douglas William Thomas

"APPOINTED TO ADMINISTER OATHS AND TAKE AFFIDAVITS WITHIN THE PROVINCE OF ONTARIO WHILE LICENSED UNDER THE ENGERY ACT, 1964, TO LEASE GAS OR OIL RIGHTS, FOR THIS PURPOSE ONLY"

MY COMMISSION EXPIRES ON 13th June, 1984.

AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw it executed at Township of Dover.
by [redacted]
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the Town of
Port Elgin in the County of Bruce.
this 31st day of March, 1983

A Commissioner For Taking Affidavits
Etc.

Lease No.:
DATED:: May 26th., 1983

[redacted]

and

Ram Petroleums Limited
130 Adelaide Street West
Suite 910, P.O. Box 17
Toronto, Ontario
M5H 3P5

No. 391919
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
10:55 A.M.
JUN 10 1983 in the
Land Registry Office at Chatham, Ontario.
Land Registrar

LEASE AND GRANT

County: Kent
Township: Dover
Lot Number: 6 2
Con. Number: 4, 1

17 cl
NT

# Section 7 – Schedule 2 – Tab 14

Between [redacted]

day of MAY 00784-0002 00784-0004 1954

20158

of the [redacted] of [redacted] in the County of [redacted] Province of Ontario, lessor, of the First Part, and RAM PETROLEUMS LIMITED, a company incorporated under the laws of the Province of Ontario, lessee, of the Second Part.

WITNESSETH that the Lessor in consideration of One Dollar in hand paid, (receipt of which is hereby acknowledged) does hereby grant and demise unto the lessee for the term of 1 years and for so long thereafter as operations including the production of hydrocarbons in paying quantities are conducted with no cessation for more than thirty days, all petroleum natural gas and related hydrocarbons which may be found under the lands intended to be included in this contract, together with the exclusive right to carry on geological research work and to drill for and remove said hydrocarbons, by piping or otherwise, from all such lands owned by said lessor in the Township of [redacted] in the County of [redacted] and Province of Ontario and which may be more particularly described as follows

The Northeast half of the Northeast half of Lot Six (6) Concession Four (4)

Schedule "A" attached hereto forms part of this agreement of lease

containing in all 50 acres more or less. And it is further understood and agreed that the lessor is the owner of said lands and that title is in his name and if the above description be incorrect or insufficient for the purpose of registration or if it does not include all the lands in said Township intended to be conveyed by this contract, lessor hereby appoints [redacted] his attorney to correct said description so as to carry out the intent of this contract and the lessor further agrees to execute a new lease, on the same terms, containing a proper description of all the lands intended to be included in this contract if so required by the lessee.

Lessor grants to lessee the right to possession of so much land as shall be deemed necessary by lessee to conduct operations for said purposes, including research work, with the right to use water, gas and oil (if found) for operations and the right to remove all buildings, machinery, fixtures, etc., placed by lessee on the premises. *See attached Schedule "A" hereto. As PER 1983 LEASE

The lessee agrees not to drill within 250 feet of house or barn or in orchard without special consent of lessor, and to pay all damages from operations and leave gates and fences as found. All pipe lines to be buried below tile depth if requested by lessor.

The lessee agrees to pay the lessor for one eighth of all petroleum natural gas and related hydrocarbons saved and sold from said premises.

The lessee is hereby given the absolute right and power to pool or combine the said lands or any portion or portions thereof with any other lands adjoining the said lands so that any such pool shall constitute a drilling or spacing unit as specified by any regulations or order of any body having jurisdiction in such matters and to the end that all the lands so pooled or combined shall be jointly operated and developed as an entirety.

The said rights of the lessee to pool, combine or unitize hereunder may be exercised by the lessee without further consent of the lessor at any time and from time to time whether before, during or after the discovery of petroleum, natural gas and related hydrocarbons or any of them within, upon or under the said lands or within, upon or under such other lands.

THIS LEASE SHALL BE NULL AND VOID AND NO LONGER BINDING ON EITHER PARTY IF A WELL IS NOT COMPLETED ON THE SAID LANDS WITHIN ONE YEAR FROM THIS DATE.

If, at the expiration of the primary term or at any time thereafter, there is or are well or wells capable of producing minerals on the lands or the pooled lands and all such wells are shut-in, this Lease shall continue in force. If no royalties have been paid during any year in which this Lease is so continued, the Lessee shall on or before the anniversary date pay a suspended operations fee in an amount equal to [redacted]. *See attached Schedule "A" hereto as per 1983 Lease

Failure on the part of the lessee to comply with the conditions or to pay the cash consideration herein mentioned will render this lease null and void and not binding on either party, the lessor, however, to give thirty days' notice to the party of the second part, pointing out the default so it can be removed before declaring the lease void. The lessee may at any time surrender this lease and there upon be released from all further liability.

The lessor undertakes that there is at present no valid petroleum gas or mineral lease covering the lands above mentioned or any portion thereof. Should any such lease be registered against the above lands the lessor hereby authorizes and empowers the lessee, at the lessee's option and at the lessee's expense to take any proceedings the lessee deems advisable to obtain a release or discharge of such registered lease or to obtain a declaration that such lease is invalid.

All payments under this lease may be made either in cash or by cheque of the lessee and may be made either to the lessor personally or [redacted] at [redacted] and payment shall be deemed to have been made upon the date when an envelope addressed to the depository bank or to the lessor at [redacted] enclosing said cheque is deposited in a post office in Ontario and same shall be made in the manner above provided until such time as the lessee receives notice in writing of any change of interest or address on the part of the lessor or the depository bank.

All grants and covenants to extend to the heirs, executors, administrators, successors and assignees of the parties.

[redacted], spouse of the said lessor consents to the transaction evidenced by this instrument and releases to the said lessee all his or her claims upon the said lands insofar as is necessary to give effect to this lease.

WITNESS the hands and seals of the parties hereto the day and year above written.

SIGNED, SEALED AND DELIVERED
in the presence of

[redacted]

[redacted]

RAM PETROLEUMS LIMITED

189 Mcmm61 File 2515

Refer to Instructions on Reverse Side

# Form 1 - Land Transfer Tax Act

## AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* The Northeast half of the Northeast half of Lot 6, Concession 4, Schedule "A" attached hereto forms part of this agreement of lease, Dover Township, Kent County

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* RAM PETROLEUMS LIMITED

I, *(see instruction 2 and print name(s) in full)* ~~ROGER BARTON~~ R.J. OPEKAR

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))* *(see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☐ (d) The authorized agent or solicitor acting in this transaction for *(insert name(s) of principal(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☒ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* RAM PETROLEUMS LIMITED described in paragraph(s) ~~(a)~~, ~~(b)~~, ~~(c)~~, (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3)*.
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* Ram Petroleums Limited, a company incorporated under the laws of the Province of Ontario.
4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ NIL | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ NIL | |
| (ii) Given back to vendor | $ NIL | |
| (c) Property transferred in exchange *(detail below)* | $ NIL | |
| (d) Securities transferred to the value of *(detail below)* | $ NIL | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ NIL | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ NIL | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ NIL | $ NIL |
| (h) VALUE OF ALL CHATTELS - Items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ NIL |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ NIL |
| (j) TOTAL CONSIDERATION | | $ NIL |

   ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE
5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* N/A
6. If the consideration is nominal, is the land subject to any encumbrance? N/A
7. Other remarks and explanations, if necessary The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land. An exemption from land transfer tax is claimed as provided under paragraph 3 of Subsection 3(1) of Regulation 571 R.R.O., 1980.

SWORN before me at the City of Toronto
in the Municipality of Metropolitan Toronto
this 29th day of May, 1984

A Commissioner for taking Affidavits, etc.

R.J. OPEKAR
signature(s)
~~ROGER BARTON~~

### PROPERTY INFORMATION RECORD

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* N/A

(ii) Assessment Roll No. *(if available)* N/A

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)* N/A

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor N/A

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |

SCHEDULE "A"

Attached to and forming part of an Oil and Gas Lease dated the 26th day of May, 1983 and all provisions in this schedule shall be paramount in case of any conflict with any of the terms contained in the original agreement.

Prior to entering on the said lands to drill a well for production of the leased substances the Lessee shall post a bond in the amount of $ 5,000.00 per acre for surface lands used while drilling a well on the said lands. The Lessor shall and will release to the Lessor all rights under the terms of such bond upon the Lessee tendering to the Lessor funds to reimburse the Lessor for damages caused while drilling for production of the leased substances.

And further always provided the Lessee will inspect and reimburse the Lessor for damages on the leased premises for a maximum term of 5 years following the completion of any well drilled on the said lands for production of the leased substances. The Lessor shall be responsible to notify the Lessee by registered mail of the most appropriate time of year to inspect such well site to determine if any additional damages exist. If damages should be determined they shall be calculated at all current prices.

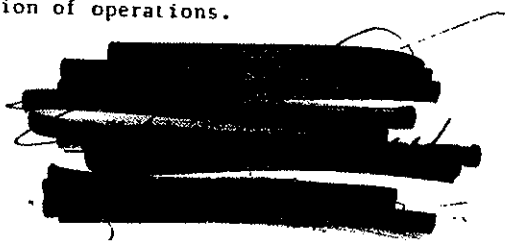
See Attached

SHUT-In Wells

The Lessee shall on or before the anniversary date pay a suspended operations fee in the amount of $ 2,500.00 per year.

Equipment

All equipment located on the said lands owned by the Lessee shall be removed within three months following the termination of operations.



# Affidavit as to Age and Sponsal Status

PROVINCE OF ONTARIO
TO WIT:

I/We [redacted]

of the [redacted] of [redacted]

in the County of [redacted]

IN THE WITHIN INSTRUMENT NAMED, MAKE OATH AND SAY THAT AT THE TIME OF THE EXECUTION OF THE WITHIN INSTRUMENT,

1. I WAS/WE WERE EACH at least eighteen years old.

2. And within the meaning of section 1 (f) of the Family Law Reform Act, 1978.

3. I WAS/WAS NOT spouse

4. XXXX

## AFFIDAVIT OF SUBSCRIBING WITNESS

I, Douglas W. Thomas
of the Town of Port Elgin
in the County of Bruce, Province of Ontario, make oath and say:
I am a subscribing witness to the attached instrument and I was present and saw it executed at Township of Dower.
by [redacted]
I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.
SWORN before me at the Town of
Port Elgin in the County of Bruce.
this 8th day of May, 19[illegible]

Douglas W. Thomas

A Commissioner For Taking Affidavits
Etc.

Lease No.:

DATED:: May 26th., 1984

[redacted]

and

Ram Petroleums Limited
Suite 918, P.O. Box 17
130 Adelaide Street West
Toronto, Ontario
M5H 3P5

## LEASE AND GRANT

| | |
|---|---|
| County: | Kent |
| Township: | Dover |
| Lot Number: | 6 |
| Con. Number: | 4 |

403803

No.
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
10:11 A.M. JUN 18 1984 in the
Land Registry
Office at
Chatham,
Ontario.

Land Registrar

IUT 16

# Section 7 – Schedule 2 – Tab 15

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SortDocs® 4.1 Wordprocessor Interface

20159 D

FOR OFFICE USE ONLY

- 0655992

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT

2007 MAY 30 AM 10 19

(1) Registry [X] Land Titles [ ]

(2) Page 1 of 9 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0336 |
| 00784 | 0338 |

Additional: See Schedule [ ]

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

Four Hundred ---------- 00/100 Dollars $400.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0338 and P.I.N. 00784-0336, more particularly described in Schedule "A" attached hereto.

New Property Identifiers

Additional: See Schedule [ ]

Executions

Additional: See Schedule [ ]

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch [ ] (b) Schedule for: Description [X] Additional Parties [ ] Other [X]

(8) This Document provides as follows:

[redacted]rg, as in Instrument No. 556370 and No. 599797, am one and the same person [redacted]. I make this statement for no improper purpose.

(9) This Document relates to Instrument number(s)

Continued on Schedule [ ]

(10) Party(ies) (Set out Status or Interest)

Name(s)

[redacted]

Signature(s)

[redacted]

Date of Signature Y M D: 2006 12 01

[redacted]

Signature(s)

[redacted]

Date of Signature Y M D: 2006 12 01

We are spouse of one another.
We are at least eighteen years of age.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman

Date of Signature Y M D: 2007 04 05

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service [redacted]

(14) Municipal Address of Property

[redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

Our File No. 104005-10040

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NI |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

2.

**Agreement of Lease** made effective this ..1... day of ..December....., 2006

BETWEEN:

[redacted]

[redacted] in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township of DOVER EAST.**, in the **Municipality of CHATHAM-KENT**, in the Province of Ontario, containing **40.0** acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0338 and P.I.N. 00784-0336, more particularly described in Schedule "A" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of **--FOUR HUNDRED--/00** Dollars **($400.00)** to be paid within **45** days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Ten (10)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

**1. INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

SCHEDULE "A"



ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: All mineral rights, including all petroleum, natural gas and related hydro-carbons, and all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under the most Southwesterly one-fifth of Lot 7, in the Second Concession or Fourth Range.

SAVE AND EXCEPT that part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 6 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

Now known as P.I.N. 00784-0338.

SECONDLY: That part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

SAVE AND EXCEPT all mineral rights, including all petroleum, natural gas and related hydro-carbons, and all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under that part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

Now known as P.I.N. 00784-0336.

(iii) the recovery of any injected substance; or
(iv) any acts for or incidental to any of the foregoing;

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;

(h) "rental" shall have the meaning given in paragraph 2;

(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;

(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;

(k) "suspended well payment" shall have the meaning given in paragraph 3;

(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;

(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

## 2. RENTALS

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of **--FOUR HUNDRED--/00** Dollars **($400.00)** as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

## 3. SUSPENDED WELLS

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to **--FOUR HUNDRED--/00** Dollars **($400.00)** within 90 days after the expiry of such lease year (herein called the "suspended well payment").

## 4. ROYALTIES

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

## 5. LESSER INTEREST

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

## 6. TAXES PAYABLE BY THE LESSOR

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

## 7. TAXES PAYABLE BY THE LESSEE

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

## 8. COMPENSATION AND RESTORATION OF SURFACE

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

9. POOLING AND UNITIZATION

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

10. CONDUCT OF OPERATIONS

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

11. INDEMNIFICATION

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

12. DISCHARGE OF TAXES AND ENCUMBRANCES

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

13. SURRENDER

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

14. REMOVAL OF EQUIPMENT

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

15. DEFAULT

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

16. CORRECTION OF LAND DESCRIPTION

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

17. CLEARANCE OF PRIOR LEASES

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

18. REGISTRATION OF LEASE

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

19. FORCE MAJEURE

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

20. QUIET ENJOYMENT

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

21. FURTHER ASSURANCES

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

22. MANNER OF PAYMENT

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

31 FAMILY LAW ACT

[redacted] being spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X. Chris Dawton

**LESSOR**

X. [redacted]

X.

X.

X.

**LESSEE**
**ELEXCO LTD., Trustee**

X. John L. Norman
John L. Norman, President
*"I have authority to bind the Corporation"*

SoftDocs is a registered trade mark of StyleUs Corporation

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0338
00784-0336

104005-10040

# Land Transfer Tax Affidavit

Land Transfer Tax Act

9.

In the Matter of the Conveyance of *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0338 and P.I.N. 00784-0336.

BY *(print names of all transferors in full)* [redacted] and [redacted]

TO *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponent(s):*

- ☐ (a) the transferee named in the above-described conveyance;
- ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
- ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee
- ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ (the transferee(s));
- ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 400.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 400.00 | $ 400.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ Nil |
| | | $ 400.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

- ☐ does not contain a single family residence or contains more than two single family residences;
- ☐ contains at least one and not more than two single family residences; or
- ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $ _____ and the remainder of the lands are used for _____ purposes.

**Note:** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 13th day of April, 2007

Signature(s)
John L. Norman

A Commissioner for taking Affidavits, etc.

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A
(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

Note: As to (c) and (d) the land being transferred will receive French Public School Board Election [illegible]

# Section 7 – Schedule 2 – Tab 16

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 WordProcessor Interface

41

20161 **D**

0654686

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (62)

2007 FEB 13 AM 10 45

(1) Registry [X] Land Titles [ ] (2) Page 1 of 11 pages

(3) Property Identifier(s) Block 00784 Property 0009 Additional See Schedule [ ]

(4) Nature of Document
Petroleum and Natural Gas Lease and Grant

(5) Consideration
Four Hundred ---------- 00/100 Dollars $400.00

(6) Description
In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0009, more particularly described in Schedule "A" attached hereto.

New Property Identifiers — Additional: See Schedule [ ]

Executions — Additional: See Schedule [ ]

(7) This Document Contains: (a) Redescription [ ] New Easement [ ] Plan/Sketch [ ] (b) Schedule for: Description [X] Additional Parties [X] Other [X]

) This Document provides as follows:

Continued on Schedule [ ]

) This Document relates to instrument number(s)

0) Party(ies) (Set out Status or Interest)
Name(s) [redacted] Signature(s) [redacted] Date of Signature Y M D 2006 09 14

am at least eighteen years of age.
he property is not ordinarily occupied by me and my
ouse, who is not separated from me, as our family
sidence.

essor
1) Address for Service [redacted]

2) Party(ies) (Set out Status or Interest)
Name(s) LEXCO LTD., Trustee Signature(s) John L. Norman Date of Signature Y M D 2007 02 12
John L. Norman, President
*"I have the authority to bind the corporation"*

essee
3) Address for Service [redacted]

4) Municipal Address of Property [redacted]

(15) Document Prepared by:
Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

Our File No. 104005-10030

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |

Additional Property Identifier(s) and/or Other Information

0) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] [redacted] 06 04 14

am not a spouse. I am at least eighteen years of age.

essor

1) Address for Service

[redacted]

0) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

essor

1) Address for Service

0) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

essor

1) Address for Service

FOR REGISTRY OFFICE USE ONLY

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made effective this 14th day of September, 2006

BETWEEN: [redacted]YN and [redacted] of the [redacted], in the [redacted]T, in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee**.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township of DOVER EAST.**, in the **Municipality of CHATHAM-KENT**, in the Province of Ontario, containing **40.0** acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0009, more particularly described in Schedule "A" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of --**FOUR HUNDRED--/00** Dollars (**$400.00**) to be paid within 45 days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Ten (10)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

104005-10030

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Northeasterly one-half of the Southwesterly two-fifths of Lot 7, in the Fourth Concession.

SAVE AND EXCEPT that part of Lot 7, in the Fourth Concession, now designated as Part 7 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

Now known as P.I.N. 00784-0009.

(iii) the recovery of any injected substance; or
(iv) any acts for or incidental to any of the foregoing;

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;

(h) "rental" shall have the meaning given in paragraph 2;

(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;

(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;

(k) "suspended well payment" shall have the meaning given in paragraph 3;

(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;

(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

**2. RENTALS**

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of **--FOUR HUNDRED--/00** Dollars (**$400.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

**3. SUSPENDED WELLS**

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to **--FOUR HUNDRED--/00** Dollars (**$400.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

**4. ROYALTIES**

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

**5. LESSER INTEREST**

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

**6. TAXES PAYABLE BY THE LESSOR**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

**7. TAXES PAYABLE BY THE LESSEE**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

**8. COMPENSATION AND RESTORATION OF SURFACE**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

9. POOLING AND UNITIZATION

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

10. CONDUCT OF OPERATIONS

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

11. INDEMNIFICATION

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

12. DISCHARGE OF TAXES AND ENCUMBRANCES

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

13. SURRENDER

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

14. REMOVAL OF EQUIPMENT

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

15. **DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

16. **CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

17. **CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

18. **REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

19. **FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

20. **QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

21. **FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

22. **MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoin[redacted]s the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository.

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: [redacted] Lessor: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

SCHEDULE " B "

Attached hereto and forming a part of this Petroleum and Natural Gas Lease and Grant dated the 14 day of September, 2006.

BETWEEN:

[redacted]

AND

ELEXCO LTD., Trustee

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee and the Lessor covenant and agree each with the other that any existing petroleum and/or natural gas well or wells presently located on the said lands which were drilled pursuant to the provisions of a certain Petroleum and Natural Gas Lease and Grant between [redacted] and E.P. Rowe Oil Limited, Lessee, dated the 16th day of September, 1982, and registered on the 12th day of October, 1982, in the Registry Office for the Registry Division of the County of Kent, as Instrument No. 384348 (hereinafter referred to as "said oil and gas lease"), or any existing petroleum and/or natural gas well or wells presently located on lands with which the said lands have been pooled or unitized pursuant to the said oil and gas lease (hereinafter referred to as the "said wells"), shall be deemed to be a petroleum and/or natural gas well or wells for the purposes of this Lease.

SIGNED, SEALED AND DELIVERED,
in the presence of :

Witness

Witness

LESSOR

[redacted]

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman, President
*"I have authority to bind the Corporation"*

31 FAMILY LAW ACT

We N/A and N/A being spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

32. See Schedule "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X. Chris Dorton

X.

LESSOR

X. [redacted]

X. [redacted]

X.

X.

X.

LESSEE
ELEXCO LTD., Trustee

X. John L. Norman
John L. Norman, President
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-10030

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and
Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0009

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

In the Matter of the Conveyance of *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0009.

BY *(print names of all transferors in full)* [redacted]N

TO *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 400.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 400.00 | $ 400.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 400.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 29th day of December, 2006

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable
(ii) Assessment Roll No. *(if available)* _____

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A
(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

**For Land Registry Office Use Only**

| |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

# Section 7 – Schedule 2 – Tab 17

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 41 Wordprocessor Interface

20163 D

FOR OFFICE USE ONLY

065591S

CERTIFICATE - NO ENCUMBRANCES
CERTIFICATE - NO ENCUMBRANCES

2007 FEB 23 09 53

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages

(3) Property Identifier(s) Block 00784 Property 0311 Additional See Schedule ☐

(4) Nature of Document
Petroleum and Natural Gas Lease and Grant

(5) Consideration
Seven Hundred and Ninety ---------- 00/100 Dollars $790.00

(6) Description
In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, PART OF LOT 7, CON 4. Now known as P.I.N. 00784-0311(R). As more particularly described in Schedule "A" attached hereto.

New Property Identifiers Additional: See Schedule ☐

Executions Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

8) This Document provides as follows:

Continued on Schedule ☐

9) This Document relates to instrument number(s)

10) Party(ies) (Set out Status or Interest)
Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D
2006 11 24

essor

11) Address for Service [redacted]

12) Party(ies) (Set out Status or Interest)
Name(s)

ELEXCO LTD., Trustee

Signature(s) John L. Norman 2007 04 30

John L. Norman, President
*"I have the authority to bind the corporation"*

essee

13) Address for Service [redacted]

14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

Our File No. 104005-10039

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NT |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made effective this 24 day of November, 2006

BETWEEN: [redacted], of the Township of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.,** a company incorporated under the laws of the Province of Ontario, **Trustee.**

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township** of **DOVER EAST.**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, containing **79.0** acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, PART OF LOT 7, CON 4. Now known as P.I.N. 00784-0311 (R). As more particularly described in Schedule "A" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of **--SEVEN HUNDRED NINETY--/00** Dollars **($790.00)** to be paid within **45** days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Ten (10)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

104005-10039

SCHEDULE "A"

3.

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The East half of the West four-fifths of Lot 7 in the Fourth Concession.

SAVE AND EXCEPT that part of Lot 7, in the Fourth Concession, now designated as Part 8 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475

FURTHER SAVE AND EXCEPT that part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-5892.

Now known as P.I.N. 00784-0311.

(iii) the recovery of any injected substance; or
(iv) any acts for or incidental to any of the foregoing;

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;

(h) "rental" shall have the meaning given in paragraph 2;

(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;

(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;

(k) "suspended well payment" shall have the meaning given in paragraph 3;

(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;

(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

## 2. RENTALS

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of --**SEVEN HUNDRED NINETY--/00** Dollars (**$790.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

## 3. SUSPENDED WELLS

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to --**SEVEN HUNDRED NINETY--/00** Dollars (**$790.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

## 4. ROYALTIES

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

## 5. LESSER INTEREST

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

## 6. TAXES PAYABLE BY THE LESSOR

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

## 7. TAXES PAYABLE BY THE LESSEE

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

## 8. COMPENSATION AND RESTORATION OF SURFACE

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

9. **POOLING AND UNITIZATION**

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

10. **CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

11. **INDEMNIFICATION**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

12. **DISCHARGE OF TAXES AND ENCUMBRANCES**

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

13. **SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

14. **REMOVAL OF EQUIPMENT**

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

**15. DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

**16. CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**17. CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**18. REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**19. FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

**20. QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**21. FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

**22. MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository;

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: c[redacted]d.

[redacted]

Lessor:

[redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

31 **FAMILY LAW ACT**

We N/A and N/A being spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

8

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X. Chris Baxter

[redacted]

X.

X.

X.

X.

**LESSEE**
**ELEXCO LTD., Trustee**

X. John L. Norman

John L. Norman, President
*"I have authority to bind the Corporation"*

SmartDocs is a registered trade mark of StyleUs Corporation.

104003-10039

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0311

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent. PART OF LOT 7, CON 4. Now known as P.I.N. 00784-0311 (R).

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, ~~Vice-President, Secretary, Treasurer, Director or Manager~~ authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 790.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 790.00 | $ 790.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 790.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 30th day of March, 2007

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable

(ii) Assessment Roll No. *(if available)* _____

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 2 – Tab 18

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

20164

FOR OFFICE USE ONLY

R667608

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

DEC 22 2009 15:58

LAND REGISTRAR / BUREAU DE LA PUBLICITÉ DES DROITS

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 10 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0328 |
| 00784 | 0329 |

Additional: See Schedule ☐

(4) Nature of Document

Petroleum and Natural Gas Lease and Grant

(5) Consideration

Nine Hundred ---------- 00/100 Dollars $900.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2009 9 17 |
| [redacted] | [redacted] | 2009 9 17 |

We are spouses of one another.
We are at least eighteen years of age.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman | 2009 12 04 |

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service [redacted]

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104045-1042

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made effective this 17 day of September, 2009

BETWEEN: [redacted]

[redacted] Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, Trustee.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain

lands in the Geographic Township of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, containing 90 acres, more or less and described as follows:

**In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.**

(herein called the "said lands")

IN CONSIDERATION of the sum of --**NINE HUNDRED**-- Dollars ($900.00) to be paid within 45 days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of ~~Ten (10)~~ Five (5) B.P. R.P. years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

(iii) the recovery of any injected substance; or

104045-10142

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: That part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6087.

Now known as P.I.N. 00784-0328.

SECONDLY: That part of Lot 8, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at a point in the Southeasterly limit of Lot 8, in the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, said point being distant 1,604.1 feet from the Northeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 186.8 feet to a point;
THENCE Northwesterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to a point;
THENCE Southwesterly, parallel to the Southeasterly limit of said Lot, a distance of 150.0 feet to a point;
THENCE Southeasterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to the Southeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 183.87 feet to the dividing line between Lot 8 and Lot 7;
THENCE Southwesterly, along the Southeasterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between the Northeast one-fifth and the Southwest four-fifths of said Lot;
THENCE Northwesterly, along the dividing line between the Northeast one-fifth and the Southwest four-fifths of Lot 7, a distance of 4,389.0 feet to the Northwesterly limit of said Lot;
THENCE Northeasterly, along the said Northwesterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between Lot 7 and Lot 8;
THENCE Northeasterly, along the Northwesterly limit of Lot 8, a distance of 520.67 feet to a point in the dividing line between the Southwest quarter and the Northeast three-quarters of Lot 8;
THENCE Southeasterly, along the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, a distance of 4,389.0 feet to the point of commencement.

.../2

SAVE AND EXCEPT that part of Lot 7 and Lot 8, in the Fourth Concession, now designated as Part 9 and Part 11 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24r-1475.

FURTHER SUBJECT TO that part of Lot 7, in the Fourth concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-0329..

Now known as P.I.N. 00784-0329.

(iv) any acts for or incidental to any of the foregoing;
(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;
(h) "rental" shall have the meaning given in paragraph 2:
(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;
(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;
(k) "suspended well payment" shall have the meaning given in paragraph 3;
(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;
(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

2. **RENTALS**

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of --**NINE HUNDRED**-- Dollars (**$900.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

3. **SUSPENDED WELLS**

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to --**NINE HUNDRED**-- Dollars (**$900.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

4. **ROYALTIES**

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.
(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.
(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.
(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

5. **LESSER INTEREST**

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

6. **TAXES PAYABLE BY THE LESSOR**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

7. **TAXES PAYABLE BY THE LESSEE**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

8. **COMPENSATION AND RESTORATION OF SURFACE**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

9. **POOLING AND UNITIZATION**

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

10. **CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

11. **INDEMNIFICATION**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

12. **DISCHARGE OF TAXES AND ENCUMBRANCES**

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

13. **SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

14. **REMOVAL OF EQUIPMENT**

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

15. **DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

16. **CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

17. **CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

18. **REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

19. **FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

20. **QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

21. **FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

22. **MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

23 ASSIGNMENT

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

24 NOTICES

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: [redacted] Lessor: [redacted]

[redacted]st

[redacted]

[redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

25 ENTIRE AGREEMENT

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

26 NO AMENDMENT EXCEPT IN WRITING

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

27 TIME OF THE ESSENCE

Time shall be of the essence.

28 ENUREMENT

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

29 SEVERABILITY

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

30 STANDARD OF MEASUREMENT

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

31 FAMILY LAW ACT

We [redacted] being spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X.....

X.....

**LESSOR**

X. [redacted]

X. [redacted]

X.....

X.....

**LESSEE**
**ELEXCO LTD., Trustee**

X.....
John L. Norman, President
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104045-10142 10

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0328
00784-0329

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, ~~Vice-President, Secretary, Treasurer, Director or Manager~~ authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 900.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 900.00 | $ 900.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 900.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 23rd day of November, 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable

(ii) Assessment Roll No. *(if available)* _____

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 535 Southdale Road East, London, Ontario*

# Section 7 – Schedule 2 – Tab 19

20157

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made this 14 day of June 19 84

BETWEEN [redacted]

of the [redacted] of [redacted] in the [redacted]
Province of Ontario,

(hereinafter called "the Lessor")
OF THE FIRST PART

— AND —

E.P. ROWE OIL LIMITED, a company incorporated pursuant to the laws of Canada, having its head office in the City of London, in the County of Middlesex.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the Township of Dover East in the County of Kent Province of Ontario, containing 1.00 acres, more or less and described as follows:

Part of the Northeast half of Lot 6, in the Fourth Concession, in the Township of Dover East, in the County of Kent, more particularly described in Schedule "A" attached hereto and made a part hereof.

IN CONSIDERATION of the sum of Fifty Dollars ($ 50.00 ) Dollars paid to the Lessor by the Lessee (the receipt whereof is hereby acknowledged by the Lessor) and subject to the rents hereinafter reserved and the royalties hereinafter excepted from this grant and the covenants of the Lessee hereinafter contained, DOTH HEREBY GRANT AND LEASE unto the Lessee the leased substances as hereinafter defined, upon or under the said lands as hereinbefore defined, together with the exclusive right and privilege insofar as the Lessor has the right to grant the same, to explore, drill for, win, take, remove, and dispose of the leased substances and for the said purposes to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipe lines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes;

TO HAVE AND TO ENJOY the same for a term of ten (10) ~~years~~ five 5 from and including the date hereof and so long thereafter as the leased substances or any of them are produced from the said lands, subject to the other provisions herein contained;

~~PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the~~

hereof, this Lease shall terminate and be at an end on unless the Lessee shall ~~have paid or tendered~~ to the Lessor on or before the said date the sum of ($ ) Dollar per acre, (hereinafter called the "delay rental"), which payment or tender shall confer the privilege of deferring the commencement of drilling operations for a period of one year from the said date, and that, in like manner and upon like payments or tenders, the commencement of drilling operations and the termination of this Lease shall be further deferred for like periods successively;

PROVIDED FURTHER that if at any time during the said term and prior to the discovery of production on the said lands, the Lessee shall drill a dry well or wells thereon, or if at any time during such term and after the discovery of production on the said lands all such production shall cease, then this Lease shall terminate at the next ensuing anniversary date hereof unless operations for the drilling of a further well on the said lands shall have been commenced or unless production or production operations shall have been resumed or unless the Lessee shall have paid or tendered the delay rental; in which latter event the ~~[illegible]~~ thereto;

File 2648

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Township of Dover East, in the County of Kent, in the Province of Ontario, being composed of:

Part of the Northeast half of Lot 6, in the Fourth Concession, which may be more particularly described as follows:

BEGINNING at the most Southerly angle of Lot 6;
THENCE Northeasterly, along the Southeasterly limit of said Lot, to the dividing line between the Northeast and Southwest halves of Lot 6; said point being the point of commencement of the herein described lands;
THENCE continuing Northeasterly, along the Southeasterly limit of said Lot, a distance of 100 feet to a point;
THENCE Northwesterly, at right angles to the Southeasterly limit of Lot 6, a distance of 200 feet to a point;
THENCE Southwesterly, parallel to said Southeasterly limit, a distance of 100 feet to the dividing line between the Northeast and Southwest halves of Lot 6;
THENCE, Southeasterly, along said dividing line between the Northeast and Southwest halves of Lot 6, a distance of 200 feet to the point of commencement.

SAVE AND EXCEPT that part of Lot 6, now designated as Part 3 on a Reference Plan deposited in the Registry Office for the Registry Division of the County of Kent as Plan 24R-1475.

AND FURTHER ALWAYS PROVIDED that if at the end of the said term the leased substances are not being produced from the said lands (whether or not the leased substances have theretofore been produced therefrom) and the Lessee is then engaged in drilling or working operations thereon, or if at any time after the expiration of the said term, production of the leased substances has ceased and the Lessee shall have commenced further drilling or working operations within Ninety (90) days after the cessation of said production, then this Lease shall remain in force so long as any drilling or working operations are prosecuted with no cessation of more than Ninety (90) consecutive days, and, if they result in the production of the leased substances or any of them, so long thereafter as the leased substances or any of them are produced from the said lands; provided that if drilling or working operations are interrupted or suspended as the result of any cause whatsoever beyond the Lessee's reasonable control, or if any well on the said lands or on any spacing unit of which the said lands or any portion thereof form a part, is shut-in, suspended or otherwise not produced as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the time of such interruption or suspension or non-production shall not be counted against the Lessee, anything hereinbefore contained or implied to the contrary notwithstanding.

THE LESSOR AND THE LESSEE HEREBY COVENANT AND AGREE WITH EACH OTHER AS FOLLOWS:

1. **Interpretation:—**

In this Lease, unless there is something in the subject or context inconsistent therewith, the expressions following shall have the following meaning, namely:

(a) "leased substances" shall mean and include:—
  (i) all petroleum, natural gas and related hydrocarbons; and
  (ii) all minerals, substances and other gas produced in association with the foregoing or found in any water contained in an oil or gas reservoir,

but shall not mean and include coal and valuable stone.

(b) "lands" shall mean all the lands hereinbefore described or such portion or portions thereof as shall not have been surrendered.

(c) "spacing unit" shall mean and include the area allocated to a well for the purpose of drilling for and/or producing the leased substances or any of them by or under any law of the Province of Ontario now or hereafter in effect governing the spacing of petroleum and/or natural gas wells.

(d) "commercial production" shall mean the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of Thirty (30) days, would commercially and economically warrant the drilling of a like well in the vicinity thereof.

2. **Royalties:—**

(a) The Lessee shall pay to the Lessor a royalty in the amount equal to the value at the wellhead:
  (i) of twelve and one-half per cent (12½%) of all the leased substances, other than natural gas, produced from the said lands and sold, or used for the purposes other than operations hereunder: and
  (ii) of a percentage of all natural gas, including casinghead gas, produced from the said lands and sold, or used for the purposes other than operations hereunder, which percentages shall be based on the actual rate of production and shall be:

| | |
|---|---|
| An amount up to 500,000 cubic feet per day | 3% |
| 500,001 to 2,000,000 cubic feet per day | 5% |
| 2,000,001 to 4,000,000 cubic feet per day | 7½% |
| An amount exceeding 4,000,000 cubic feet per day | 12½% |

(b) The royalties as determined under this clause shall be payable on or before the last day of the month following the month for which such royalty is paid.

(c) Notwithstanding anything to the contrary herein contained, the Lessee in its operations hereunder, shall have the use, free from royalty, of water, other than water from the Lessor's water wells or from the Lessor's artificial surface reservoirs, and of leased substances produced from the said lands.

3. **Shut-In Wells:—**

If any well or wells on the said lands are shut-in, suspended or otherwise not produced during any year ending on an anniversary date as the result of a lack of or an intermittent market, or any cause whatsoever beyond the Lessee's reasonable control, the Lessee shall pay the Lessor at the expiration of each said year for that year a sum equal to Fifty Dollars ($ 50.00) Dollars for each such well and each such well shall be deemed to be a producing well hereunder.

4. **Records of Production:—**

The Lessee shall make available to the Lessor during normal business hours at the Lessee's address hereinafter mentioned, the Lessee's records relative to the quantity of leased substances produced from the said lands.

5. **Lesser Interest:—**

If the leased substances and/or the said lands be held by the Lessor in undivided ownership with another person or persons, then the Lessor shall be entitled to receive only a percentage of the rentals and royalties herein reserved, computed in accordance with the Lessor's percentage interest in the leased substances and/or the said lands.

6. **Indemnification:—**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury, damage or obligation to compensate arising out of or connected with the work carried on by the Lessee on the said lands or in respect of any breach of any of the terms and conditions of this Lease insofar as the same relates to and affects the said lands.

7. **Compensation and Restoration of Surface:—**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of the Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

8. **Taxes Payable by the Lessor:—**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

9. **Taxes payable by the Lessee:—**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

Also no operation shall take place on the said lands without prior written consent of the Lessor.

SAR RR

10. **Correction of Land Description:—**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

11. **Clearance of Prior Leases:—**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

12. **Registration of Lease:—**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

13. **Pooling:—**

The Lessee is hereby given the right and power at any time and from time to time to pool or combine the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, with any other lands or any zone or formation underlying the same, but so that the lands so pooled and combined (hereinafter referred to as a "unit") shall not exceed One (1) spacing unit as herein defined. In the event of such pooling or combining, the Lessor shall receive on production of the leased substances from the unit in lieu of the royalties herein specified, only such portion of such royalties as the surface area of that portion of the said lands placed in the unit bears to the total surface area of all the land in the unit. Further in the event of such pooling or combining, any payment made in accordance with paragraph 3 hereof shall be apportioned in the same way as royalties. Drilling operations on, or production of the leased substances from, or the presence of a shut-in or suspended well on, any land included in the unit shall have the same effect in continuing this Lease in force and effect as to the whole of the said lands, as if such drilling operations or production of the leased substances were upon or from the said lands or some portion thereof, or as if such shut-in or suspended well were located on the said lands, or some portion thereof.

14. **Operations:—**

(a) The Lessee shall conduct all its operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Lease, such provisions of law shall prevail.

(b) The Lessee covenants to bury pipe lines below ordinary plough depth when required by the Lessor.

15. **Discharge of Encumbrances:—**

The Lessee may at its option pay or discharge the whole or any portion of any tax, mortgage, balance of purchase money, lien or encumbrance of any kind or nature whatsoever upon the said lands or the leased substances which has priority to this Lease, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and may in addition thereto at the Lessee's option, reimburse itself by applying on the amount so paid by the Lessee, the rentals, royalties, or other sums accruing to the Lessor under the terms of this Lease.

16. **Surrender:—**

Notwithstanding anything herein contained, the Lessee may at any time or from time to time determine or surrender this Lease and the term hereby granted as to the whole or any part or parts of the leased substances and/or the said lands, upon giving the Lessor prior written notice to that effect, whereupon this Lease and the said term shall terminate as to the whole or any part or parts thereof so surrendered and the obligations of the Lessee shall, save as provided in paragraph 7 hereof, be extinguished or correspondingly reduced as the case may be. Any reduction in the delay rental under the terms of this clause will be in the same proportion as the amount of acreage surrendered bears to the total acres under lease. The Lessee shall not be entitled to a refund of any rental or royalty theretofore paid.

17. **Removal of Equipment:—**

The Lessee shall at all times during the currency of this Lease and for a period of Six (6) months after the termination hereof, so long as it is not in default or arrears, have the right to remove all or any of its machinery, equipment, structures, pipe lines, casing and materials from the said lands.

18. **Default:—**

In the case of the breach or non-observance or non-performance on the part of the Lessee of any covenant, proviso, condition, restriction or stipulation herein contained which ought to be observed or performed by the Lessee and which has not been waived by the Lessor, the Lessor shall, before bringing any action with respect thereto or declaring any forfeiture, give to the Lessee written notice setting forth the particulars of and requiring it to remedy such default, and in the event that the Lessee shall fail to commence to remedy such default within a period of Ninety (90) days from receipt of such notice, and thereafter diligently proceed to remedy the same, then except as hereinafter provided, this Lease shall thereupon terminate and it shall be lawful for the Lessor into or upon the said lands (or any part thereof in the name of the whole) to re-enter and the same to have again, repossess and enjoy; PROVIDED that this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands a well capable of producing the leased substances or any of them, and in that event the Lessor's remedy for any default hereunder shall be for damages only.

19. **Quiet Enjoyment:—**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained, the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

20. **Further Assurances:—**

The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Lease.

21. **Assignment:—**

The Parties hereto and each or either of them may at any time and from time to time delegate, assign, sub-let or convey to any other person or persons, corporation or corporations, all or any of the property, powers, rights and interest obtained by or conferred upon them respectively hereunder and as the same relate to all or any part of the said lands, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause; provided that no assignment of royalties, rentals or other monies payable hereunder and no change or division in the ownership of the said lands or any part thereof, by the Lessor, however accomplished shall operate to enlarge the obligations or diminish the rights of the Lessee nor shall any such assignment be binding upon the Lessee unless and except the same is for the entire interest of the Lessor in all such sums remaining to be paid or to accrue hereunder and provided further that the Lessor shall give the Lessee Thirty (30) days' notice in writing in a form satisfactory to the Lessee of any such delegation, assignment, sub-letting or conveyance by the Lessor; provided further that in the event that the Lessee

shall assign this Lease as to any part or parts of the said lands, then the delay rental shall be apportioned amongst the several leaseholders rateably according to the surface area of each and the several leaseholders shall be individually responsible for the payment of their portion of the delay rental and for the payment of royalties hereby reserved unto the Lessor in respect of any production from wells drilled on their respective parts of the said lands. Should the Assignee or Assignees of any such part or parts fail to pay the proportionate part of the delay rental or the royalty payable by him or them, such failure to pay shall not operate to terminate or affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its Assignees shall make due payment of rental and royalty.

**22. Manner of Payments:—**

All payments to the Lessor provided for in this Lease shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's Agent named in and pursuant to this clause or to "the depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his Agent, or in cash, either mailed postage prepaid, registered or delivered to the Lessor or his Agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] of

[redacted] as his agent as aforesaid and

[redacted] (Bank or Trust Company)

at [redacted]

[redacted] and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his Agent, as the case may be. The Agent and the depository shall be deemed to be acting on behalf of the Lessor and shall continue as the Agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the said lands or any part thereof or the leased substances therein contained or of the royalties or other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the Agent or depository as herein provided shall fully discharge the Lessee from all further obligation and liability in respect thereof. No change in Agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days' notice in writing to the Lessee to make such payments to another Agent or depository at a given address, which changes will be specified in such notice; provided however, that only one such Agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

**23. Entire Agreement:—**

This Lease expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

**24. Notices:—**

All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at P.O. Box 2273, Station A, London, Ontario N6A 4E3

and to the Lessor at [redacted]

[redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

**25.** If the standard of measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

**26.** We, [redacted] and [redacted] being spouses within the meaning of Section 1(f) of The Family Law Reform Act of Ontario, 1978 do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

**27. Enuring Clause:—**

Subject as hereinbefore provided, this Lease shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the Presence of:

[redacted]

LESSOR

[redacted]

LESSEE

E. P. ROWE OIL LIMITED

[redacted]

President

## AFFIDAVIT OF SUBSCRIBING WITNESS

Form No. 347

I, [redacted]

of the City of London

in the County of Middlesex

make oath and say:

I am a subscribing witness to the attached instrument and I was present and saw it executed

*See footnote at [redacted] by [redacted]

*See footnote I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at the City of London

in the County of Middlesex

this 18 day of June 19 84

Elaine Stalker

A COMMISSIONER FOR TAKING AFFIDAVITS ETC

ELAINE STALKER, a Commissioner, etc.,
Province of Ontario, for Elexco Ltd.
Expires February 4, 1986.

* *Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after the instrument had been read to him and he appeared fully to understand it". Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".*

MARCH, 1978

## AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

I/~~WE~~ [redacted]

of the Township of Dover East

in the County of Kent

*If attorney see footnote make oath and say: When I executed the attached instrument,

I/~~WE~~ was at least eighteen years old.

*Within the meaning of section 1(f) of The Family Law Reform Act, 1978:—*

Strike out inapplicable clauses.

a) I was not a spouse.

b) ~~We were spouses of one another~~ XXXXXXXXXXXXXXXXXX

c) XXXXXXXX ~~was my spouse.~~

**Not a Matrimonial Home, etc. see footnote.

The attached instrument, and the conveyance or other dealing with land affected thereby, do not contravene the provisions of The Planning Act, as amended because the present registered owner does not retain the fee or the equity of redemption in, or a power or right to grant, assign or exercise a power of appointment with respect to any land abutting the land affected by the attached instrument.

Resident of Canada, etc.

(SEVERALLY) SWORN before me at the Township of Dover East in The County of Kent

this 14 day of June 19 84

[redacted]

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC

BARRY GRIMES, a Commissioner, etc., Province of Ontario, for Elexco Ltd. Expires September 30, 1986.

*Where affidavit made by attorney substitute: *"When I executed the attached instrument as attorney for (name), he/she was (spousal status and, if applicable, name of spouse) within the meaning of Section 1(f) of The Family Law Reform Act, 1978, and when he/she executed the power of attorney, he/she had attained the age of majority".*

**Where spouse does not join in or consent, see Section 42(3) of The Family Law Reform Act, 1978 for complete separate affidavit.

Refer to all Instructions on Reverse Side

Form 1 - Land Transfer Tax Act

# AFFIDAVIT OF RESIDENCE AND OF VALUE OF THE CONSIDERATION

IN THE MATTER OF THE CONVEYANCE OF *(insert brief description of land)* Part of the Northeast half of Lot 6, in the Fourth Concession, Township of Dover East, County of Kent.

BY *(print names of all transferors in full)* [redacted]

TO *(see instruction 1 and print names of all transferees in full)* F. F. Powe Oil Limited

I, *(see instruction 2 and print name(s) in full)* John L. Norman

MAKE OATH AND SAY THAT:

1. I am *(place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s))*: *(see instruction 2)*
   - ☐ (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
   - ☐ (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
   - ☐ (c) A transferee named in the above-described conveyance;
   - ☒ (d) The authorized agent of ~~(x)(x)(x)~~ acting in this transaction for *(insert name(s) of principal(s))* F. F. Powe Oil Limited described in paragraph(s) ~~(a)~~, ~~(b)~~, (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for *(insert name(s) of corporation(s))* ..... described in paragraph(s) (a), (b), (c) above; *(strike out references to inapplicable paragraphs)*
   - ☐ (f) A transferee described in paragraph ( ) *(insert only one of paragraph (a), (b) or (c) above, as applicable)* and am making this affidavit on my own behalf and on behalf of *(insert name of spouse)* ..... who is my spouse described in paragraph ( ). *(insert only one of paragraph (a), (b) or (c) above, as applicable)*

   and as such, I have personal knowledge of the facts herein deposed to.
2. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. *(see instruction 3)*
3. The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. *(see instruction 4)* None
4. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ Nil | |
| (b) Mortgages (i) Assumed *(show principal and interest to be credited against purchase price)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below)* | $ Nil | |
| (d) Securities transferred to the value of *(detail below)* | $ Nil | |
| (e) Liens, legacies, annuities and maintenance charges to which transfer is subject | $ | |
| (f) Other valuable consideration subject to land transfer tax *(detail below)* | $ Nil | |
| (g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX *(TOTAL OF (a) to (f))* | $ Nil | $ Nil |
| (h) VALUE OF ALL CHATTELS - items of tangible personal property *(Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.454, as amended)* | | $ Nil |
| (i) Other consideration for transaction not included in (g) or (h) above | | $ Nil |
| (j) TOTAL CONSIDERATION | | $ Nil |

ALL BLANKS MUST BE FILLED IN. INSERT "NIL" WHERE APPLICABLE.

5. If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. *(see instruction 5)* n/a
6. If the consideration is nominal, is the land subject to any encumbrance? Undetermined
7. Other remarks and explanations, if necessary The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under paragraph 3 of subsection 3(1) of Regulation 571 R.R.O. 1980.

SWORN before me at the City of London
in the County of Middlesex
this 20th day of June 19 84

A Commissioner for taking Affidavits, etc. ELAINE STALKER, a Commissioner, etc., Province of Ontario, for Elesco Ltd. Expires February 4, 1986.

signature(s)

## PROPERTY INFORMATION RECORD

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed *(see instruction 6)* Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* Not applicable

(ii) Legal description of property conveyed: Same as in D.(i) above. Yes ☐ No ☐ Not Known ☒

E. Name(s) and address(es) of each transferee's solicitor Not applicable

| For Land Registry Office use only |
|---|
| REGISTRATION NO. |
| Land Registry Office No. |
| Registration Date |

No. 404605
Registry Division of Kent (No. 24)
I CERTIFY that this instrument is registered as of
1:30 P .M. JUL 5 1984 in the
Land Registry Office at Chatham, Ontario.

Land Registrar

LEASE No.

DATED June 14 19 84

[redacted]

— and —

E. P. Powe Oil Limited,
P.O. Box 8086,
Sub Station 41,
LONDON, Ontario.
N6C 2E0

# LEASE AND GRANT

Regional Municipality or County: Kent

Township: Dover East

Lot: PT NE/2 6 Conc. 4

**ELEXCO LTD.**
826 KING ST.
LONDON, ONTARIO
N5W 2X6

N.T. 10.50

# Section 7 – Schedule 2 – Tab 20

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

20160 D

FOR OFFICE USE ONLY

0655992

CERTIFICATE OF REGISTRATION
CERTIFICATE D'ENREGISTREMENT

2007 MAY 30 09 10 16

(1) Registry [X] Land Titles [ ] (2) Page 1 of 9 pages

(3) Property Identifier(s) Block 00784 Property 0336; 00784 0338 Additional See Schedule [ ]

(4) Nature of Document
Petroleum and Natural Gas Lease and Grant

(5) Consideration
Four Hundred ---------- 00/100 Dollars $400.00

(6) Description
In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0338 and P.I.N. 00784-0336, more particularly described in Schedule "A" attached hereto.

New Property Identifiers Additional: See Schedule [ ]

Executions Additional: See Schedule [ ]

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch [ ] (b) Schedule for: Description [X] Additional Parties [ ] Other [X]

(8) This Document provides as follows:

[redacted], as in Instrument No. 556370 and No. 599797, am one and the same person [redacted] I make this statement for no improper purpose.

Continued on Schedule [ ]

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)
Name(s)

[redacted]

Signature(s) [redacted]

Date of Signature Y M D
2006 12 01
2006 12 01

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)
Name(s)

ELEXCO LTD., Trustee

Signature(s) John L. Norman

Date of Signature Y M D
2007 04 05

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service [redacted]

(14) Municipal Address of Property

[redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

Our File No. 104005-10040

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NI |
| | |
| | |
| Total | |

# PETROLEUM and NATURAL GAS LEASE and GRANT

2.

**Agreement of Lease** made effective this ..1... day of ..December....., 2006

BETWEEN: [redacted]ST,

in the [redacted], in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township of DOVER EAST.**, in the **Municipality of CHATHAM-KENT**, in the Province of Ontario, containing **40.0** acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0338 and P.I.N. 00784-0336, more particularly described in Schedule "A" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of **--FOUR HUNDRED--/00** Dollars (**$400.00**) to be paid within **45** days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Ten (10)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

SCHEDULE "A"



ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: All mineral rights, including all petroleum, natural gas and related hydro-carbons, and all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under the most Southwesterly one-fifth of Lot 7, in the Second Concession or Fourth Range.

SAVE AND EXCEPT that part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 6 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

Now known as P.I.N. 00784-0338.

SECONDLY: That part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

SAVE AND EXCEPT all mineral rights, including all petroleum, natural gas and related hydro-carbons, and all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under that part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

Now known as P.I.N. 00784-0336.

(iii) the recovery of any injected substance; or
(iv) any acts for or incidental to any of the foregoing;

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;
(h) "rental" shall have the meaning given in paragraph 2;
(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;
(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;
(k) "suspended well payment" shall have the meaning given in paragraph 3;
(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;
(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

## 2. RENTALS

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of **--FOUR HUNDRED--/00** Dollars (**$400.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

## 3. SUSPENDED WELLS

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to **--FOUR HUNDRED--/00** Dollars (**$400.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

## 4. ROYALTIES

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.
(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.
(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.
(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

## 5. LESSER INTEREST

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

## 6. TAXES PAYABLE BY THE LESSOR

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

## 7. TAXES PAYABLE BY THE LESSEE

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

## 8. COMPENSATION AND RESTORATION OF SURFACE

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

9. POOLING AND UNITIZATION

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

10. CONDUCT OF OPERATIONS

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

11. INDEMNIFICATION

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

12. DISCHARGE OF TAXES AND ENCUMBRANCES

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

13. SURRENDER

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

14. REMOVAL OF EQUIPMENT

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

15. DEFAULT

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

16. CORRECTION OF LAND DESCRIPTION

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

17. CLEARANCE OF PRIOR LEASES

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

18. REGISTRATION OF LEASE

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

19. FORCE MAJEURE

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

20. QUIET ENJOYMENT

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

21. FURTHER ASSURANCES

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

22. MANNER OF PAYMENT

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: c/o A-One Business Services Ltd.
204-555 Southdale Road East
London ON N6E 1A2

Lessor: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

31 FAMILY LAW ACT

[redacted]ing spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X. Chris Dawton

**LESSOR**

X. [redacted]

X.

X.

**LESSEE**
**ELEXCO LTD., Trustee**

X. John L. Norman
John L. Norman, President
*"I have authority to bind the Corporation"*

X.

SoftDocs® Wordprocessor Interface LTTA 6/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-10040

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and
Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0338
00784-0336

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, parts of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0338 and P.I.N. 00784-0336.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, ~~[illegible]~~ authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 400.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 400.00 | $ 400.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 400.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 13th day of April, 2007

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable

(ii) Assessment Roll No. *(if available)* _____

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | | Yes | No |
|---|---|---|---|
| (a) | Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) | If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) | Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) | If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

# Section 7 – Schedule 2 – Tab 21

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

20162

D

FOR OFFICE USE ONLY

2667930

CERTIFICATE OF REGISTRATION
KENT (No.) CHATHAM

FEB 03 2010 9:44

New Property Identifiers

Additional See Schedule ☐

Executions

Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 9 pages

(3) Property Identifier(s): Block 00784 Property 0310 Additional: See Schedule ☐

(4) Nature of Document: Petroleum and Natural Gas Lease and Grant

(5) Consideration: One Hundred ---------- 00/100 Dollars $ 100.00

(6) Description:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0310, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 10 14

I am not a spouse.
I am at least eighteen years of age.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman, President
*"I have the authority to bind the corporation"*

Date of Signature Y M D: 2010 02 01

Lessee

(13) Address for Service [redacted]

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104045-10165 ROD

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NIL |
| | |
| | |
| Total | |

The Elexco Group, 555 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made effective this 14 day of OCTOBER, 2009

BETWEEN: [redacted]

in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain lands in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, containing 1 acres, more or less and described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0310, more particularly described in Schedule "A" attached hereto.

(herein called the "said lands")

IN CONSIDERATION of the sum of --**ONE HUNDRED**-- Dollars (**$100.00**) to be paid within **45** days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of **Five (5)** years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

**1. INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

(iii) the recovery of any injected substance; or

104045-10165

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-5892.

Now known as P.I.N. 00784-0310.

(iv) any acts for or incidental to any of the foregoing.

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;

(h) "rental" shall have the meaning given in paragraph 2;

(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;

(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;

(k) "suspended well payment" shall have the meaning given in paragraph 3;

(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;

(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

## 2. RENTALS

~~If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of Dollars ($ ) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.~~

## 3. SUSPENDED WELLS

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to **--TWENTY--** Dollars **($20.00)** within 90 days after the expiry of such lease year (herein called the "suspended well payment").

## 4. ROYALTIES

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

## 5. LESSER INTEREST

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

## 6. TAXES PAYABLE BY THE LESSOR

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

## 7. TAXES PAYABLE BY THE LESSEE

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

## 8. COMPENSATION AND RESTORATION OF SURFACE

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

**9. POOLING AND UNITIZATION**

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day peridd.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

**10. CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

**11. INDEMNIFICATION**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

**12. DISCHARGE OF TAXES AND ENCUMBRANCES**

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

**13. SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

**14. REMOVAL OF EQUIPMENT**

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

**15. DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

**16. CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**17. CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**18. REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**19. FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

**20. QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**21. FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

**22. MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: c/o A-One Business Services Ltd.
204-555 Southdale Road East
London ON N6E 1A2

Lessor: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

**31 FAMILY LAW ACT**

We n/a and n/a being spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X.....

X.....

**LESSOR**

[redacted]

X.....

X.....

X.....

**LESSEE**
**ELEXCO LTD., Trustee**

X.....
John L. Norman, President
*"I have authority to bind the Corporation"*

SoftDocs® Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104045-10165 9

# Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0310

## Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0310.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ (the transferee(s)); _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 100.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 100.00 | $ 100.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ Nil |
| | | $ 100.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☒ Yes ☐ No
5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 22nd day of January, 2010

[signature]
A Commissioner for taking Affidavits, etc.

[signature]
Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

| For Land Registry Office Use Only | |
|---|---|
| Registration No. | |
| Registration Date (Year/Month/Day) | |
| Land Registry Office No. | |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

0449K (2004-04)

# Section 7 – Schedule 2 – Tab 22

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.3 Wordprocessor Interface

D 20165

FOR OFFICE USE ONLY

R667608

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

DEC 2 2 2009 15:58

LAND REGISTRAR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 10 pages

(3) Property Identifier(s) — Block 00784 — Property 0328, 0329 — Additional: See Schedule ☐

(4) Nature of Document: Petroleum and Natural Gas Lease and Grant

(5) Consideration: Nine Hundred ---------- 00/100 Dollars $900.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2009 9 17 |
| [redacted] | [redacted] | 2009 9 17 |

We are spouses of one another.
We are at least eighteen years of age.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman | 2009 12 04 |
| | John L. Norman, President<br>*"I have the authority to bind the corporation"* | |

Lessee

(13) Address for Service 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104045-1042

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

# PETROLEUM and NATURAL GAS LEASE and GRANT

**Agreement of Lease** made effective this 17 day of September, 2009

BETWEEN: [redacted] of [redacted] in the **Municipality** [redacted], in the Province of Ontario

(hereinafter called "the Lessor")
OF THE FIRST PART

- AND -

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, Trustee.

(hereinafter called "the Lessee")
OF THE SECOND PART

WITNESSETH that the Lessor, being the owner or entitled to become the owner, subject to any registered encumbrances, of all petroleum, natural gas and related hydrocarbons, and of all minerals, substances and other gas within, upon or under those certain

lands in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, containing 90 acres, more or less and described as follows:

**In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.**

(herein called the "said lands")

IN CONSIDERATION of the sum of --**NINE HUNDRED**-- Dollars (**$900.00**) to be paid within 45 days of the date hereof and in consideration of the covenants of the Lessee hereinafter contained, HEREBY GRANTS AND LEASES exclusively unto the Lessee all the leased substances (as hereinafter defined) subject to the royalties hereinafter reserved, within, upon or under the said lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the leased substances or any of them within, upon or under any lands excepted from the said lands and any roadways, lands or rights of way adjoining the said lands; together with the exclusive right and privilege to conduct geophysical operations and to explore for, drill for, operate for, produce, win, take, remove, store, treat and dispose of the leased substances and the right to inject substances into the said lands for the purpose of obtaining, maintaining or increasing production from the said lands, the pooled lands or the unitized lands and to store and recover any such substances injected into the said lands and for the said purpose to enter upon, use and occupy the said lands or so much thereof and to such extent as may be necessary or convenient and to drill wells, lay pipelines including any and all necessary appurtenances, attachments and cathodic protection devices and build and install such tanks, stations, structures and roadways and to fence any portion of the said lands used as a well site as may be necessary for these purposes.

TO HAVE AND ENJOY the same for the term of ~~Ten (10)~~ 4 years (herein called the "primary term") commencing on the date hereof and continuing so long thereafter as operations (as hereinafter defined) are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days.

**THE LESSOR AND THE LESSEE, HEREBY COVENANT AND AGREE AS FOLLOWS:**

1. **INTERPRETATION**

In this Lease the following expressions shall have the following meanings:

(a) "anniversary date" means the date corresponding to the date first above written in each year during which the Lease remains in force;

(b) "commercial product" means the output from a well of such quantity of the leased substances or any of them as, considering the cost of drilling and production operations and price and quality of the leased substances, after a production test of suitable duration and nature in accordance with good oilfield practice, would commercially and economically warrant the drilling of a like well in the vicinity thereof;

(c) "force majeure" means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout, or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions, government restraints, including road bans, but shall not include lack of finances;

(d) "lease year" means a period of one year commencing on the date first above written or any anniversary date and ending at midnight of the day immediately preceding the next anniversary date;

(e) "leased substances" means all petroleum, natural gas and related hydrocarbons (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or related hydrocarbons or found in any water contained in any reservoir;

(f) "operations" means any of the following:

(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the said lands or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any leased substance from the said lands, the pooled lands or the unitized lands;

(ii) the production of any leased substance; or

(iii) the recovery of any injected substance; or

104045-10142

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: That part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6087.

Now known as P.I.N. 00784-0328.

SECONDLY: That part of Lot 8, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at a point in the Southeasterly limit of Lot 8, in the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, said point being distant 1,604.1 feet from the Northeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 186.8 feet to a point;
THENCE Northwesterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to a point;
THENCE Southwesterly, parallel to the Southeasterly limit of said Lot, a distance of 150.0 feet to a point;
THENCE Southeasterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to the Southeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 183.87 feet to the dividing line between Lot 8 and Lot 7;
THENCE Southwesterly, along the Southeasterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between the Northeast one-fifth and the Southwest four-fifths of said Lot;
THENCE Northwesterly, along the dividing line between the Northeast one-fifth and the Southwest four-fifths of Lot 7, a distance of 4,389.0 feet to the Northwesterly limit of said Lot;
THENCE Northeasterly, along the said Northwesterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between Lot 7 and Lot 8;
THENCE Northeasterly, along the Northwesterly limit of Lot 8, a distance of 520.67 feet to a point in the dividing line between the Southwest quarter and the Northeast three-quarters of Lot 8;
THENCE Southeasterly, along the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, a distance of 4,389.0 feet to the point of commencement.

.../2

SAVE AND EXCEPT that part of Lot 7 and Lot 8, in the Fourth Concession, now designated as Part 9 and Part 11 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24r-1475.

FURTHER SUBJECT TO that part of Lot 7, in the Fourth concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-0329..

Now known as P.I.N. 00784-0329.

(iv) any acts for or incidental to any of the foregoing;

(g) "pooled lands" means all or any portion of the said lands and such other lands as may have been pooled, which pooling shall not exceed a spacing unit, in accordance with the terms hereof or pursuant to any agreement, or any statute, regulation order or directive of any government or any governmental agency;

(h) "rental" shall have the meaning given in paragraph 2;

(i) "said lands" means all the lands and all zones and formations underlying the lands described above as the "said lands" or such portion or portions thereof as shall not have been surrendered;

(j) "spacing unit" means the area allocated to a well from time to time on or in the vicinity of the said lands, for the purpose of drilling for or production, as the case may be, the leased substances or any of them, as defined or prescribed by or under any statute, regulation order or directive of any government or any governmental agency;

(k) "suspended well payment" shall have the meaning given in paragraph 3;

(l) "unitized lands" means all or any portion of the said lands and such other lands as may have been unitized in accordance with the terms hereof or pursuant to any agreement, statute or any regulation, order or directive of any government or any governmental agency;

(m) "Unit Agreement" means any agreement for the development or operation of all or any portion of the said lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in the agreement.

2. **RENTALS**

If operations are not commenced on the said lands, the pooled lands or the unitized lands during the first lease year, the Lessee shall, on or before the expiration of the first lease year, pay or tender to the Lessor a sum (herein called the "rental") of --**NINE HUNDRED**-- Dollars (**$900.00**) as the annual rental for the next ensuing lease year of the primary term. If operations are not commenced on the said lands, the pooled lands or the unitized lands during any successive lease year during the primary term, the Lessee shall make like payments or tenders on or before the expiration of that year. For a greater certainty, no rental shall be paid on the expiry of the primary term.

3. **SUSPENDED WELLS**

If, at the expiration of the primary term or at any time or times hereafter, there is any well on the said lands, the pooled lands or the unitized lands, capable of producing the leased substances or any of them, and all such wells are shut-in or suspended, this Lease shall, nevertheless, continue in force as though operations were being conducted on the said lands, for so long as all the said wells are shut-in or suspended and so long thereafter as operations are conducted upon the said lands, the pooled lands or the unitized lands, with no cessation, in the case of each cessation of operations, of more than 90 consecutive days. If no royalties are otherwise payable hereunder during a lease year after the primary term within which such shut-in period or periods occur and during such lease year no other operations are conducted on the said lands, the pooled lands, or the unitized lands then, on or before the end of such lease year, the Lessee shall pay to the Lessor an amount equal to --**NINE HUNDRED**-- Dollars (**$900.00**) within 90 days after the expiry of such lease year (herein called the "suspended well payment").

4. **ROYALTIES**

(a) The Lessee shall pay to the Lessor a royalty in an amount equal to the current market value at the wellhead, as and when produced, of twelve and one-half percent (12.5%) of all the leased substances (including casinghead gas), produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b) hereof, from the said lands; provided that in no event shall the current market value be deemed to be in excess of the value actually received by the Lessee pursuant to a bona fide, arm's length sale or transaction. The royalty as determined under this clause shall be payable on or before the 15th day of the second month following the month in which the leased substances, with respect to which the royalty is payable, were produced, saved and sold, or used by the Lessee for a purpose other than that described in subclause (b). No royalty shall be payable to the Lessor with respect to any substance injected into and recovered from the said lands, other than leased substances originally produced from the said lands for which a royalty has not been paid or payable. The Lessor shall bear its reasonable proportion of any expense incurred by the Lessee for separating, treating, processing and transportation to the point of sale beyond the point of measurement.

(b) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use such part of the production of leased substances from the said lands as reasonably may be required and used by the Lessee in its operations hereunder on the said lands, the pooled lands or the unitized lands and the Lessor shall not be entitled to any royalty with respect to leased substances so used.

(c) The Lessor agrees that the royalty reserved and payable hereunder in respect of the leased substances shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments required by any such disposition out of the royalty received hereunder and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the royalty, rental and suspended well payments otherwise payable to the Lessor.

(d) The Lessee shall make available to the Lessor during normal business hours at the Lessee's address for notice, the Lessee's records relating to the leased substances produced from or allocated to the said lands.

5. **LESSER INTEREST**

If the Lessor's interest in the leased substances is less than the entire and undivided fee simple estate, the royalties, rentals and suspended well payments herein provided shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

6. **TAXES PAYABLE BY THE LESSOR**

The Lessor shall promptly satisfy all taxes, rates and assessments of whatsoever nature or kind made or imposed against or in respect of the surface of the said lands, or that may be assessed or levied, directly or indirectly, against the Lessor by reason of the Lessor's interest in production obtained from the said lands or the Lessor's ownership of mineral rights in the said lands.

7. **TAXES PAYABLE BY THE LESSEE**

The Lessee shall pay all taxes, rates and assessments that may be assessed or levied in respect of the undertaking and operations of the Lessee on, in, over or under the said lands, and shall further pay all taxes, rates and assessments that may be assessed or levied directly or indirectly against the Lessee by reason of the Lessee's interest in production from the said lands.

8. **COMPENSATION AND RESTORATION OF SURFACE**

The Lessee shall pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee, and upon the abandonment of any well and the cessation of operations by the Lessee on the well site, and upon the surrender of this Lease as herein provided, the Lessee shall restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

9. **POOLING AND UNITIZATION**

(a) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to pool the said lands, or any portion thereof, or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, with any other lands or any zone or formation underlying such other lands or any portion thereof, together with the said lands or any zone or formation thereof, or any of the leased substances therein, but so that the other lands or any zone or formation thereof, together with the said lands or any zone or formation thereof, shall not exceed one spacing unit. The Lessee shall thereafter give written notice to the Lessor describing the extent to which the said lands are being pooled and describing the space unit with respect to which they are so pooled. In the event of pooling there shall be allocated to that portion of the said lands included in the spacing unit that proportion of the total production of the leased substances from the spacing unit after deducting any leased substances used in operations on the pooled lands which the surface area of that portion of the said lands placed in the spacing unit bears to the total surface area of the lands in the spacing unit. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the pooling in the same manner as though produced from the said lands under the terms of this Lease.

(b) The Lessee may terminate any pooling pursuant to subclause (a) of this clause and thereafter shall given written notice to the Lessor.

(c) If the spacing unit pooled under this clause is varied or terminated by any statute, regulation, order or directive of any government or governmental agency, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the said lands, within the spacing unit, or any other cause beyond the Lessee's reasonable control, and this Lease would otherwise terminate as a result of such variation or termination of the spacing unit or such termination or invalidation of the pooling then this Lease shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the spacing unit has been varied or terminated or the pooling has been terminated or invalidated and the term of the Lease may be extended further pursuant to other provisions of this Lease, including without limitation the commencement of operations, within the said 90-day period.

(d) The Lessee is hereby given the right and power at any time and from time to time during and after the primary term to include the said lands or any portion thereof or any zone or formation underlying the said lands or any portion thereof, or any of the leased substances therein, in a Unit Agreement for the unitized development or operation thereof with any other lands, or any zone or formation underlying such other lands, or any of the leased substances therein, if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall thereafter give written notice to the Lessor stating that the said lands are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the several tracts of unitized lands, and the contents of any such Unit Agreement shall be in the sole discretion and determination of the Lessee, exercised bona fide, and when so determined shall be binding upon the Lessor.

(e) In the event of unitization, the production of leased substances which are unitized shall be allocated to that portion of the said lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of royalty, to be the entire production of the leased substances from the portion of the said lands included in the unit in the same manner as though produced from the said lands under the terms of this Lease. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the said lands, or any portion or portions of the said lands or the leased substances, from the Unit Agreement and shall give the Lessor written notice hereof.

(f) Any operation conducted on the pooled lands or the unitized lands, whether conducted before, after or during the exercise of the rights and powers granted under this clause, or the presence of a shut-in or suspended well on the pooled lands or the unitized lands, shall have the same effect in continuing this Lease in force and effect during the term hereby granted or any renewal or extension thereof as if such operations were upon the said lands, or as if said shut-in or suspended well were located on the said lands.

10. **CONDUCT OF OPERATIONS**

The Lessee shall conduct all operations on the said lands in a diligent, careful and workmanlike manner and in compliance with the provisions of any statutes, regulations, orders or directives of any government or governmental agency applicable to such operations, and where such provisions conflict with the terms of this Lease, such provisions shall prevail.

11. **INDEMNIFICATION**

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or connected with any operations carried out by the Lessee on the said lands, the pooled lands, or the unitized lands unless such loss, injury or damage was caused by the act or omission of the Lessor, its agents, employees or contractors.

12. **DISCHARGE OF TAXES AND ENCUMBRANCES**

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the said lands or the leased substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, the rentals, suspended well payments, royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, and any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessor in payment of the consideration payable hereunder, rentals, suspended well payments or royalties, or other sums accrued or accruing to the Lessor under the terms of this Lease, as the case may be.

13. **SURRENDER**

(a) Notwithstanding anything herein contained, the Lessee may, at any time or from time to time, by written notice to the Lessor, surrender this Lease as to the whole or any part of the leased substances or the said lands or both of them, and this Lease shall thereupon terminate as to the whole or any part of the leased substances or of the said lands or both of them so surrendered.

(b) Upon the said termination, the Lessee shall be released from all obligations accrued or to accrue respecting the said lands or the leased substances or both of them so surrendered excepting accrued royalty, rentals, suspended well payments, taxes and assessments. Any rentals paid shall not be refunded.

(c) Upon the said termination, suspended well payments and the obligation to pay rental and royalties shall be extinguished or proportionately reduced as the case may be; provided that if the Lessee surrenders all or any part of the said lands by zone or formation the rental hereinbefore specified shall not abate.

14. **REMOVAL OF EQUIPMENT**

The Lessee shall have at all times during the currency of this Lease and for a period of 6 months after its termination, the right to remove from the said lands all or any of its machinery, equipment, structures, pipelines, casing and materials whether placed upon, within or under the said lands.

**15. DEFAULT**

(a) If, before or after the expiry of the primary term, the Lessor considers that the Lessee has not complied with any provision or obligation of this Lease, including but not limited to a failure to give notice or to pay in the manner specified any rental, suspended well payments, royalty or other sums for which specific provision is made in this Lease, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the 30 day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Lease, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Lease, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Lease shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within 30 days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Lease, this Lease shall not terminate nor be subject to forfeiture or cancellation if there is located on the said lands or on the pooled lands or on the unitized lands a well capable of producing leased substances or any of them, or on which operations are being conducted; and, in that event, the Lessor's remedy for any default under this Lease shall be for damages only.

**16. CORRECTION OF LAND DESCRIPTION**

If the description of the said lands herein contained be incorrect or insufficient for the purpose of registration, the Lessor hereby appoints the leasing agent and/or any land department or other authorized employee of the Lessee to be the Lessor's attorney to correct this Lease accordingly, or if it does not include all of the lands intended to be described in this Lease, the Lessor covenants to execute a new lease in the same form in every respect as this Lease, but containing a proper description of all the lands intended to be included in this Lease as aforesaid, if so requested by the Lessee.

**17. CLEARANCE OF PRIOR LEASES**

The Lessor covenants that save as to this Lease there is no valid lease of the leased substances, and if a lease of the leased substances be registered against the said lands or any portion thereof, the Lessor hereby authorizes and empowers the Lessee, at the Lessee's option and expense, to take any proceedings to obtain a surrender, release, discharge or order vacating such lease or to obtain a declaration from the Supreme Court of Ontario that such lease is invalid and the Lessor further covenants and agrees to cooperate with the Lessee in any and all such proceedings.

**18. REGISTRATION OF LEASE**

The Lessee shall register this Lease in the Registry Office or in the Land Titles Office for the area in which the said lands are situated and the Lessee shall withdraw or discharge the document so registered within a reasonable time after termination of this Lease.

**19. FORCE MAJEURE**

(a) If operations are interrupted or suspended or cannot be commenced as a result of force majeure; this Lease shall not terminate during any such period of interruption, suspension or inability to commence caused thereby or for 30 days thereafter.

(b) If the Lessee is unable, in whole or in part, by force majeure to carry out its obligations hereunder, other than any obligation to make payment of any monies due hereunder, then the obligations of the Lessee, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

(c) Nothing herein shall require the settlement of strikes, lockouts or other labour disturbances except in the sole discretion of the Lessee.

**20. QUIET ENJOYMENT**

The Lessor covenants and warrants that the Lessor has good title to the leased substances and the said lands, has good right and full power to grant and demise the same and the rights and privileges in the manner aforesaid, and that upon the Lessee observing and performing the covenants and conditions on the Lessee's part herein contained the Lessee shall and may peaceably possess and enjoy the same and the rights and privileges hereby granted during the currency of this Lease without any interruption or disturbance from or by the Lessor or any other person whomsoever.

**21. FURTHER ASSURANCES**

The Lessor and the Lessee shall each do and perform all such further acts and execute and deliver all such deeds, documents and writings and give all such further assurances as may be reasonably required in order to fully perform and carry out the terms of this Lease.

**22. MANNER OF PAYMENT**

(a) All payments to the Lessor provided for in this Lease shall, at the Lessee's option, be paid or tendered either to the Lessor or to the depository named in this clause, and all such payments or tenders may be made by cheque or draft of the Lessee either mailed or delivered to the Lessor or to said depository, or paid by electronic deposit to the depository which payment shall be made in Canadian funds. If payment is made by the Lessee to the depository, the Lessor does hereby appoint [redacted] s the sole depository for the receipt of all monies payable under this Lease, and the Lessor agrees that said depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the said lands or the leased substances or of the consideration payable hereunder, rentals, suspended well payments or royalties to accrue hereunder. In the event the Lessor elects to be paid by electronic deposit, then the Lessor shall provide a voided cheque and written direction to the Lessee instructing it to make payments to the depository, such written direction to include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably. Any payment mailed to the Lessor or to the depository shall be deemed to have been paid 4 days (excluding Saturdays, Sundays and statutory holidays) after deposit in any mail box or post office.

(b) The Lessor may not cancel the appointment of a depository without designating a successor but may at any time designate a new depository by providing a written direction to the Lessee instructing it to make payments to the new depository. Subject to the Lessee's approval, in the event the Lessor elects to be paid by electronic deposit then the Lessor shall provide to the Lessee in addition to the written direction, a voided cheque. In such cases the direction shall include the depository's name, address, account number and be in a form acceptable to the Lessee acting reasonably; provided that:

(i) only a bank, trust company, credit union, or treasury branch in Canada may be designated as a depository,

(ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are,

or become, payable to more than one person, and

(iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this shall not prohibit the Lessee from making payment to the new depository prior to the expiration of the 45-day period. All payments or tenders made to such new depository shall be deemed to have been made in accordance with the terms of this Lease.

(c) If any depository shall at any time resign, or fail or refuse to act as the depository hereunder and a new depository is not designated by the Lessor pursuant to the terms of this clause within 10 days from such resignation, failure or refusal to act then the Lessee at its option may designate a depository for and on behalf of the Lessor, which depository shall be entitled to charge its usual fees and collect same from the Lessor, and said depository shall be the depository to all intents and purposes as if originally appointed by the Lessor.

(d) Should the Lessor be a non-resident of Canada, the Lessor acknowledges and agrees that the Lessee may deduct income, withholding or other taxes from any payment to the Lessor in compliance or intended compliance with the provisions of the *Income Tax Act*, tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Lessee of the balance of the payment to the Lessor shall be deemed to constitute full performance by the Lessee in respect of such payment.

**23 ASSIGNMENT**

Each of the parties hereto may delegate, assign, sublet or convey to any other person firm or corporation all or any of the property, powers, rights and interests obtained by or conferred upon them respectively by this Lease and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provision of this clause; provided that no assignment by the Lessor shall be binding upon the Lessee, notwithstanding any actual or constructive notice or knowledge thereof, unless and except when the same be for the entire interest of the Lessor. The Lessee need not act on any assignment until 45 days after the Lessee has been actually furnished with evidence satisfactory to it of such assignment. All payments made within the aforesaid period to the party or parties who would have been entitled to the same in the absence of such assignment shall be deemed to have been made in accordance with the terms of this Lease. The foregoing shall not, however, prohibit the Lessee from acting upon the assignment prior to the expiration of the aforesaid 45-day period and all payments or tenders made in accordance with such assignment shall be deemed to have been made in accordance with the terms of this Lease; provided further that if the Lessee shall assign this Lease as to any part or parts of the said lands, then the rental, suspended well payments and royalties shall be apportioned among the several lease holders rateably according to the surface area of each and should the assignee or assignees of any such part or parts fail to pay the proportionate part of the rental, suspended well payments and royalties payable by him or them, such failure to pay shall not affect this Lease insofar as it relates to and comprises the part or parts of the said lands in respect of which the Lessee or its assignees shall have made due payment.

**24 NOTICES**

(a) All notices, communications and statements (herein called "notices") required or permitted hereunder shall be in writing. Notices may be served:

(i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal delivery hours. Personally served notices shall be deemed received by the addressee when actually delivered as aforesaid; or

(ii) by facsimile or electronic transmission or telecommunications (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are served at that party's address hereinafter given. Notices so served shall be deemed received by the respective addressees thereof (1) when actually received by them if received within the normal working hours of a business day, or (2) at the commencement of the next ensuing business day following transmission thereof, whichever is the earlier, or

(iii) by mailing them first class (air mail if to or from a location outside of Canada) post, postage prepaid to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 4th day (excluding Saturdays, Sundays, or statutory holidays) following the mailing thereof. No notice shall be effective if mailed during any period in which postal workers are on strike or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.

(b) The address for service of notices shall be as follows:

Lessee: c/o A-One Business Services Ltd.
204-555 Southdale Road East
London ON N6E 1A2

Lessor: [redacted]

(c) Any party may change its address for service by notice to the other party served as aforesaid.

(d) Nothing herein shall in any way affect the method of payment of monies as set out in clauses 22 and 23 of this Lease.

**25 ENTIRE AGREEMENT**

The terms of this Lease constitute the entire agreement between the parties and no implied covenant or liability of any kind is created or shall arise by reason hereof or anything contained herein. This Lease supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties relating to the subject matter hereof. The parties recognize that the terms of this Lease may be modified or affected by statute, regulation, order, or directive of any government or governmental agency.

**26 NO AMENDMENT EXCEPT IN WRITING**

No amendment or variation of the terms of this Lease shall be binding on any party unless it is evidenced in writing executed by the parties.

**27 TIME OF THE ESSENCE**

Time shall be of the essence.

**28 ENUREMENT**

This Lease shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**29 SEVERABILITY**

If any provision hereof becomes illegal or unenforceable, the provision will be deemed to be severed and the Lease shall continue as amended.

**30 STANDARD OF MEASUREMENT**

If the standard measurement applicable to the transaction contemplated herein is changed by law to the metric or any other system all measurements provided for herein shall be interpreted as referring to their metric or other applicable equivalents.

31 FAMILY LAW ACT

[redacted]ing spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

IN WITNESS WHEREOF the Lessor and the Lessee have executed and delivered this Lease, the day and year first above written.

SIGNED, SEALED AND DELIVERED

In the Presence of:

X.....

X.....

**LESSOR**

X.....

X.....

X.....

**LESSEE**
**ELEXCO LTD., Trustee**

X.....
John L. Norman, President
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104045-10142 10

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0328
00784-0329

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 900.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 900.00 | $ 900.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 900.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 23rd day of November 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable

(ii) Assessment Roll No. *(if available)* _____

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. ~~(i) Registration number for last conveyance of property being conveyed~~ *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

**For Land Registry Office Use Only**
Registration No.
Registration Date (Year/Month/Day)
Land Registry Office No.

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

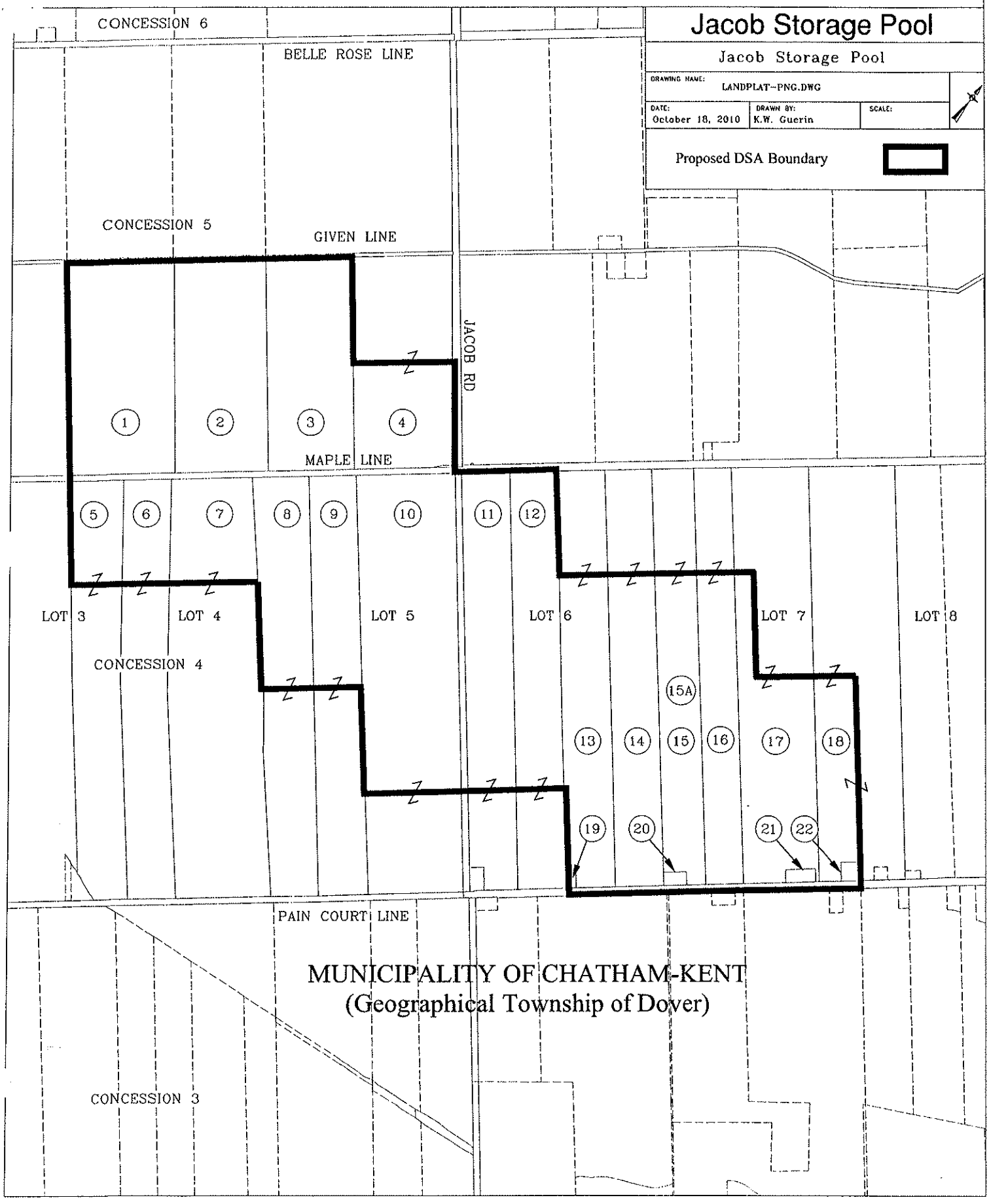
0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3

# Gas Storage Leases
# Land Plat Map

EB-2011-0013/0014/0015
Section 7 - Schedule 3



**Gas Storage Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER |
|---|---|---|---|
| 1 | [redacted] | Part of Lot 4, Concession 5, Geographic Township of Dover, now Municipality of Chatham-Kent, PIN 00777-0017 | R669457 |
| 2 | [redacted] | Part of Lot 4, Concession 5, Geographic Township of Dover, now Municipality of Chatham-Kent, PIN 00777-0018 | R669448 |
| 3 | [redacted] | Part of Lot 5, Concession 5 Geographic Township of Dover, now Municipality of Chatham-Kent PIN 00777-0021 | R669519 |
| 4 | [redacted] | Part of Lot 5, Concession 5 Geographic Township of Dover, Now Municipality of Chatham-Kent PIN 00777-0058 | R669516 |

**Gas Storage Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER |
|---|---|---|---|
| 5 | [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00783-0058 | 664479 |
| 6 | [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0059 | 664478 |
| 7 | [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0060 | R669457 |
| 8 | [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0061 | 664474 |

**Gas Storage Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER |
|---|---|---|---|
| 9 | [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0062 | 664477 |
| 10 | [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0063 | R669515 |
| 11 | [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0370 | 665986 |
| 12 | [redacted] | Part of Lot 6, Concession 4,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00784-0004 | R669514 |

**Gas Storage Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER |
|---|---|---|---|
| 13 | [redacted] | Part of Lot 6, Concession 4,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00784-0005 | R669452 |
| 14 | [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0007 | 664476 |
| 15 | [redacted] | Part of Lot 7, Concession 4 **SRO**<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00784-0337 | R667943 |
| 15A | [redacted] | Part of Lot 7, Concession 4 **MRO**<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00784-0338 | R667942 |

**Gas Storage Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER |
|---|---|---|---|
| 16 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0009 | R667610 |
| 17 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0311 | R669458 |
| 18 | [redacted] | Part of Lots 7 & 8, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0329 | R667609 |
| 19 | [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0006 | R668107 |

**Gas Storage Leases within Proposed DSA**
**Property Owner List**

| PROPERTY NUMBER | PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | REGISTRATION NUMBER |
|---|---|---|---|
| 20 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0336<br>designated as Part 1 on 24R-6649 | R667942 |
| 21 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0310<br>designated as part 1 on 24R-5892 | R667931 |
| 22 | [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0328<br>designated as part 1 on 24R-6087 | R667609 |

# Section 7 – Schedule 3 – Tab 1

20179/20124

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

FOR OFFICE USE ONLY

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

R669457

JUN 11 2010 11:04

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00783 | 0060 |
| 00777 | 0017 |

Additional: See Schedule ☐

(4) Nature of Document

Gas Storage Lease ~~Agreement~~

(5) Consideration

One Thousand, Eight Hundred ---------- 00/100 Dollars $1,800.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession and part of Lot 4, in the Fifth Concession, now known as P.I.N. 00783-0060 and P.I.N. 00777-0017, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

[redacted] — 2009 12 11

[redacted] — 2009 12 11

We are both at least eighteen years of age.
We are spouses of one another.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

ELEXCO LTD., Trustee — 2010 02 19

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service C/O 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No: 104005-11-6192

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 — |
| | 25 |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of SiyteUa Corporation, Toronto, Canada. LRRA Form 4 11/1992

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 11 day of December, 20 09

BETWEEN: [redacted] township of **Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession and part of Lot 4, in the Fifth Concession, now known as P.I.N. 00783-0060 and P.I.N. 00777-0017, more particularly described in Schedule "A" attached hereto.

containing in all **150.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 28th day of February, 1986, and registered on the 25th day of June, 1986, in the Registry Office for the County of Kent as No. 431857 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--ONE THOUSAND EIGHT HUNDRED--/00 Dollars ($1,800.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--TWELVE--/00 Dollars ($12.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10192

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: The Northeast half of Lot 4, in the Fourth Concession.

SUBJECT TO a Transfer of Easement in favour of Paragon Petroleum Corporation, as set out in Instrument No. 512544 over that part of Lot 4, in the Fourth Concession, now designated as Part 5 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent as Plan 24R-4605.

FURTHER SUBJECT TO a Grant of Easement in favour of 978889 Alberta Ltd., over that part of Lot 4, in the Fourth Concession, as set out in Instrument No. 527209 and Assignments No. 580731, No. 580739 and No. 620990, registered in the Registry Office for the Registry Division of Kent.

AND FURTHER SUBJECT TO a Surface Lease in favour of 978889 Alberta Ltd., over that part of Lot 4, in the Fourth Concession, a set out in Instrument No. 579016 and Assignments No. 580730, No. 580738 and No. 621008, registered in the Registry Office for the Registry Division of Kent.

Now known as P.I.N. 00783-0060.

SECONDLY: The Southwest quarter of Lot 4, in the Fifth Concession.

SAVE AND EXCEPT the forced road running through Lot 4, in the Fifth Concession.

Now known as P.I.N. 00777-0017.

FURTHER SUBJECT TO a Transfer Easement in favour of Liberty Oil & Gas Ltd., over that part of Lot 4, in the Fourth Concession, as set out in Instrument R607945, registered in the Registry office for the Registry Division of Kent, on the third day of February, 2010.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12½% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12½% of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted]

J[redacted]

Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **c/o A-One Business Services Ltd., 204-555 Southdale Road East, London ON N6E 1A2**

and to the Lessor a[redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

SCHEDULE " B"

Attached hereto and forming a part of this Petroleum and Natural Gas Lease and Grant dated the 11 day of December, 2009.

BETWEEN:

[redacted]

AND

ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee covenants and agrees with the Lessor that the existing wellsite access to the PPC #25 (Dover #25) well, located on the property in Concession 4, Lot 4, Geographic Township of Dover East, with the municipal address o[redacted] will be properly maintained and kept free of excess snow; specifically, that the driveway will be cleared whenever snow accumulation in excess of ten inches (10") is present. Further, should there be snow accumulation of less than ten inches (10") but the snow is drifted in such a manner as to impede passage, the access lane will be cleared at the request of the Lessor.

SIGNED, SEALED AND DELIVERED,
in the presence of :

Witness

Witness

LESSOR

[redacted]

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman, President
*"I have authority to bind the Corporation"*

24. We, [redacted] spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

27. See Schedule "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Phil Lunardi

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., TRUSTEE**

**Per: John L. Norman, President**

"I have authority to bind the Corporation."

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

8

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and
Tobacco Tax Branch
PO Box 626
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0060
00777-0017

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession and part of Lot 4, in the Fifth Concession, now known as P.I.N. 00783-0060 and P.I.N. 00777-0017.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 1,800.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 1,800.00 | $ 1,800.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 1,800.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**



*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 2

#20123

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 41 Wordprocessor Interface

**D**

FOR OFFICE USE ONLY

R669448

**CERTIFICATE OF REGISTRATION**
**CERTIFICAT D'ENREGISTREMENT**
**KENT (24) CHATHAM**

JUN 11 2010 10:27

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 9 pages 14

(3) Property Identifier(s) — Block 00777 — Property 0018 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease ~~Agreement~~

(5) Consideration: Four Thousand, Eight Hundred ---------- 00/100 Dollars $4,800.00

(6) Description:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fifth Concession, now known as P.I.N. 00777-0018, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)
Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2010 05 03

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)
Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman, President
*"I have the authority to bind the corporation"*

Date of Signature Y M D: 2010 05 13

Lessee

(13) Address for Service c/o 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property

UNKNOWN

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No. 104005-11-10209

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NT |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

2

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 3rd day of MAY, 2010.

BETWEEN: [redacted]

**Township of Dover East**, in the **Municipality of Chatham-Kent**, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township of Dover East**, in the **Municipality of Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fifth Concession, now known as P.I.N. 00777-0018, more particularly described in Schedule "A" attached hereto.

containing in all **50.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 17th ... day of ... January ..., 1989 ..., and registered on the ... 12th ... day of April ..., 1989 ..., in the Registry Office for the County of Kent ... as No. 473310 ... (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **FOUR THOUSAND EIGHT HUNDRED Dollars ($4,800.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Eight (8) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

~~Yielding and~~ paying ~~therefor a clear annual rental at the rate of NIL Dollars ($0) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof, together with~~ the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.



2 JP

104005-11-10209

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southeast quarter of Lot 4, in the Fifth Concession.

SUBJECT TO an Easement in favour of Paragon Petroleum Corporation and being over the Southeast quarter of Lot 4, in the Fifth Concession, as set out in Instrument No. 550598, registered in the Registry Office for the Registry Division of the County of Kent, on the 1st day of February, 1995.

SAVE AND EXCEPT the Forced Road running through Lot 4, in the Fifth Concession.

Now known as P.I.N. 00777-0018.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Eight (8) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Eight (8) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.



9 SP.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **Above Address**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **c/o A-One Business Services Ltd., 204-555 Southdale Road, London ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.



2 JP.

SCHEDULE "B" – Page 1 of 2

Attached hereto and forming a part of this Gas Storage Lease Agreement dated the 3rd day of MAY, 2010.

BETWEEN: [redacted]

AND ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee covenants and agrees with the Lessor that no well shall be drilled on the surface of the said lands and the Lessee shall not be permitted to enter upon the said lands at any time without Lessor's consent; provided, however, that the Lessee shall have all rights and privileges under this Agreement with respect to the subsurface of the said lands.

2. The Lessee covenants and agrees with the Lessor that the Lessee's operations on the said lands will not interfere with the construction or operation of any existing or proposed wind turbines on the said lands so far as may be reasonably practicable and subject to government regulations. It is further agreed that the Lessee will not have a surface location for a well within Five Hundred (500) feet of the Lessor's current residence on the said lands.

3. The Lessee and the Lessor covenant and agree that if the Lessor has not been notified in writing, prior to the expiry of the first Three (3) years of the initial Eight (8) year term of this Agreement, that all or part of the said lands are or shall be subject to an application or order for gas storage designation, then the Lessee shall surrender this Agreement; provided further that if all or part of the said lands are or shall be subject to an application or order for gas storage designation then the Lessee shall not be required to surrender this Agreement and all other terms and conditions hereto shall remain in full force and effect. It is further understood that if the Lessor has been notified of an application or order for gas storage designation and that if payments under paragraph 4 of this Schedule has not been commenced by the end of the fourth ($4^{th}$) year of the term of this lease then the Lessee shall pay the Lessor thirty ($30.00) dollars per acre as payment for the fourth year and will continue to pay the Lessor thirty ($30.00) dollars per acre at the end of each subsequent year that payments are not made to the Lessor in accordance with paragraph 4 of this Schedule. It is further understood that any rental/bonus payments paid to the Lessor under the terms of this lease are non-refundable by the Lessor.

4. The Lessee and the Lessor covenant and agree that in the event the said lands, or any portion thereof, are subject to an Ontario Energy Board Order for gas storage designation then a minimum of Fifty Percent (50%) of the lands included in this Agreement will be compensated for as Inside Acres and further that the Lessor will receive such annual compensation as more particularly set forth being at least the minimum annual payment being paid to the Lambton County landowners by Union Gas for gas storage designation properties presently at the following rate per acre:

INSIDE ACRES
Petroleum and Natural Gas Lease and Grant- $24.90
Gas Storage Lease- $89.63
COMBINED RATE - $114.53

OUTSIDE ACRES
Petroleum and Natural Gas Lease and Grant - $24.90
Gas Storage Lease - $9.49
COMBINED RATE - $34.39

WELLS - $1,300.37

ROADWAYS - $1,027.72

../2

5. The Lessee covenants and agrees with the Lessor that the Lessee shall test Lessor's domestic water supply prior to commencement of and following drilling operations on said lands in order to ensure that said water supply is not adversely affected by said operations. In the event it is determined that said operations have adversely affected said water supply, then Lessee, at its own expense, shall take steps necessary to return said water supply to pre-drilling conditions.

6. The Lessee covenants and agrees with the Lessor that one month prior to the first injection of gas into the demised lands under the provisions of this Agreement; the Lessee shall make a one time payment of the purchase price of the petroleum substances as provided in Clauses 16 and 17 of this Agreement.

7. The Lessee covenants and agrees with the Lessor that if the tile drainage system is not draining properly due to the operations of the Lessee, then the Lessee shall be responsible for the repair or replacement of the tile; provided that the tile drainage work shall be completed by a mutually acceptable contractor and the Lessee will also be responsible for any crop loss resulting from the same up to and including a period of Three (3) years after this Agreement is surrendered.

8. The Lessee covenants and agrees with the Lessor that prior to conducting operations upon the said lands the Lessee will supply Lessor with proof of liability insurance coverage with insurance companies authorized to do business in the Province of Ontario.

SIGNED, SEALED AND DELIVERED,
in the presence of:

LESSOR

[redacted]

Witness

Witness

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman, President
*"I have authority to bind the Corporation"*

24. We, N/A and N/A being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

27. See Schedule "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

John L. Norman

**John L. Norman, President**
*"I have the authority to bind the Corporation"*

SoftDocs® Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

7

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00777-0018

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fifth Concession, now known as P.I.N. 00777-0018.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 4,800.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 4,800.00 | $ 4,800.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 4,800.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June, 2010

Signature(s)
John L. Norman

A Commissioner for taking Affidavits, etc.

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

**For Land Registry Office Use Only**
Registration No.
Registration Date (Year/Month/Day)
Land Registry Office No.

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 3

#20122

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® Wordprocessor Interface

**D**

FOR OFFICE USE ONLY

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

R669519

JUN 16 2010 11:32

LAND REGISTRAR/REGISTRATEUR

New Property

Additional: See Schedule ☐

Executions

Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 13 pages

(3) Property Identifier(s) Block ~~00783~~ 00777 Property ~~0063~~ 0021 Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Southwest Half of the Southeast Half of Lot 5, in the Fifth Concession. Now known as P.I.N. 00777-0021, more particularly described in Schedule "C" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s) R669518

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 05 12 |
| [redacted] | [redacted] | 2010 05 04 |

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L Norman | 2010 06 01 |
| | John L. Norman, President. *"I have the authority to bind the corporation"* | |

Lessee

(13) Address for Service c/o 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11-10213

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NS |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRA Form 4 11/1992

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 11

Lessor [redacted] 2010 05 11

I am at least eighteen years of age.
I am not a spouse.

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

THE ESTATE OF ADELARD ST. PIERRE [redacted] 2010 05 12

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

Lessor [redacted] 2010 05 04

I am at least eighteen years of age.
I am not a spouse.

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

THE ESTATE OF ADELARD ST. PIERRE [redacted] 2010 05 04

[redacted] is not separated from me, as our family residence.

Lessor [redacted] 05 04

[redacted] is not

(11) Address for Service separated from me, as our family residence.

[redacted]

FOR OFFICE USE ONLY

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 04

[redacted] eighteen years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

Lessor [redacted] 2010 05 04

[redacted]

I am at least eighteen years of age.

(11) Address for Service The property is not ordinarily occupied by me and my spouse, who is not separated from me as our family residence.

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 21

[redacted] age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

Lessor

(11) Address for Service

FOR OFFICE USE ONLY

WHEREAS [redacted]

AND WHEREAS [redacted]

AND WHEREAS [redacted]

AND WHEREAS [redacted]

5

# GAS STORAGE LEASE

**This Agreement** made this 29th day of April, 2010.

BETWEEN: [redacted]

hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township of Dover East**, in the **Municipality of Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Southwest Half of the Southeast Half of Lot 5, in the Fifth Concession. Now known as P.I.N. 00777-0021, as more particularly described in Schedule "C" attached hereto.

containing in all **50.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 29th day of April, 2010, and registered on the 16th day of June, 2010, in the Registry Office for the County of Kent as No. R609518 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--Two Hundred Fifty--/00 Dollars ($250.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Five (5) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--Five--/00 Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--Five Hundred--/00 Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10213

SCHEDULE "C"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southwest half of the Southeast half of Lot 5, in the Fifth Concession.

SAVE AND EXCEPT the forced Road through Lot 5, in the Fifth Concession.

Now known as P.I.N. 00777-0021.

THE DESCRIPTION OF THE LAND IN THIS INSTRUMENT DOES NOT COMPLY WITH THE REGULATIONS UNDER THE REGISTRY ACT. A REVISED DESCRIPTION MAY BE REQUIRED IN SUBSEQUENT INSTRUMENTS.

R Pinsent
Asst. Deputy REGISTRAR

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. ~~That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal~~.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **c/o A-One Business Services Ltd., 204-555 Southdale Road East, London ON N6E 1A2**

and to the Lessor [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

SCHEDULE " A " – Page 1 of 2

Attached hereto and forming a part of this Gas Storage Lease dated the 29th day of April, 2010.

BETWEEN: T[redacted]

AND ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee covenants and agrees with the Lessor that no drilling operations shall be commenced on any part of the surface of the said lands,

2. The Lessee covenants and agrees with the Lessor that the Lessee will not locate any central facility, compressor station, processing plants or other structures on the surface of the said lands.

3. The Lessee hereby warrants that there is no holder of a valid Oil and Gas Lease for the subject property as established by Statutory Declaration of Dale Norman Attached hereto as Schedule " B " . The Lessee herein hereby agrees to indemnify and save harmless the Lessor with respect to any claims, actions, causes of actions or any liabilities whatsoever which may arise or result from the inaccuracy or breach of misrepresentation and warranty of the Lessee herein.

3. The Lessee and the Lessor covenant and agree that in the event the said lands, or any portion thereof, are subject to an Ontario Energy Board Order for gas storage designation then a minimum of Fifty Percent (50%) of the lands included in this Agreement will be compensated for as Inside Acres and further that the Lessor will receive such annual compensation as more particularly set forth being at least the minimum annual payment being paid to the Lambton County landowners by Union Gas for gas storage designation properties presently at the following rate per acre:

INSIDE ACRES
Petroleum and Natural Gas Lease and Grant- $24.90
Gas Storage Lease- $89.63
COMBINED RATE - $114.53

OUTSIDE ACRES
Petroleum and Natural Gas Lease and Grant - $24.90
Gas Storage Lease - $9.49
COMBINED RATE - $34.39

SIGNED, SEALED AND DELIVERED,
in the presence of :

Witness

LESSOR

[redacted]

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

LESSOR

[redacted]

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman
*"I have authority to bind the Corporation"*

SCHEDULE " B "

Declaration deposited as Instrument Number R609461.

24. We, N/A and N/A being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

27. See Schedules "A" and "B" attached hereto and forming a part hereof.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**
**THE ESTATE OF ADELARD ST. PIERRE**

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation"***

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

104005-11-10213

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00777-0021

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

13

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Southwest half of the Southeast half of Lot 5, in the Fifth Concession. Now known as P.I.N. 00777-0021.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*

☐ (a) the transferee named in the above-described conveyance;

☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);

☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));

☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.

☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

*All blanks must be filled in. Insert "Nil" where applicable.*

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

☐ does not contain a single family residence or contains more than two single family residences;

☐ contains at least one and not more than two single family residences; or

☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 11th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 4

#20121

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® Wordprocessor Interface

**D**

FOR OFFICE USE ONLY

R669516

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

JUN 16 2010 11:17

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

**Executions** — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ | (2) Page 1 of 8 pages 10

(3) Property Identifier(s) — Block: 00777 — Property: 0058 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Five Hundred ---------- 00/100 Dollars $500.00

(6) Description:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fifth Concession, now known as P.I.N. 00777-0058, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ | (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s): R669513

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 05 01 |
| [redacted] | [redacted] | 2010 05 01 |

Lessor

(11) Address for Service: [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman, President<br>*"I have the authority to bind the corporation"* | 2010 05 13 |

Lessee

(13) Address for Service: c/o 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2

(14) Municipal Address of Property: [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11-1099

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

# GAS STORAGE LEASE

**This Agreement** made this 1st day of March, 2010.

BETWEEN: J[redacted]LT and [redacted] of the [redacted] in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fifth Concession, now known as P.I.N. 00777-0058, more particularly described in Schedule "A" attached hereto.

containing in all **50.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 1st day of March, 2010, and registered on the 16th day of June, 2010, in the Registry Office for the County of Kent as No R66A513 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **FIVE HUNDRED Dollars ($500.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Five (5) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **TEN Dollars ($10.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **FIVE HUNDRED Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10199

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southeast quarter of Lot 5, in the Fifth Concession.

SAVE AND EXCEPT that part of Lot 5, in the Fifth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-5165.

FURTHER SAVE AND EXCEPT that part of Lot 5, in the Fifth Concession, expropriated by the Corporation of the County of Kent and shown as Part 1 on a Plan registered in the Registry Office for the Registry Division of the County of Kent, on the 8th day of December, 1966, as DP1158.

FURTHER SAVE AND EXCEPT the Forced Road running through Lot 5, in the Fifth Concession,

Now known as P.I.N. 00777-0058.

THE DESCRIPTION OF THE LAND IN THIS INSTRUMENT DOES NOT COMPLY WITH THE REGULATIONS UNDER THE REGISTRY ACT. A REVISED DESCRIPTION MAY BE REQUIRED IN SUBSEQUENT INSTRUMENTS.

R Pinsonneault
Asst. Dep Land REGISTRAR

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Five (5) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Five (5) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2** and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

SCHEDULE "B"

Attached hereto and forming a part of this Gas Storage Lease dated the 1st day of March, 2010.

BETWEEN: [redacted]

AND ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee agrees that prior to entry on the said lands for drilling purposes, the Lessee shall deposit, in trust, a surety bond in the amount of Ten Thousand Dollars ($10,000.00) for each acre required for the purpose of the drilling of the well with a solicitor mutually agreed upon between the Lessor and the Lessee to ensure adequate clean-up of the well site, within a six month period. It is hereby agreed that the minimum acreage required will be one acre.

2. The Lessee agrees with the Lessor that it shall not enter onto the said lands for any reason whatsoever without the express written consent of the Lessor, which consent shall not be unreasonably withheld.

3. The Lessee agrees that prior to entry for drilling, it shall notify the Lessor either orally or in writing of its intention to drill and the location on which it proposes to drill and it shall discuss with the Lessor the location of the well site and access thereto.

4. No drilling shall be commenced on any part of the said lands without the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

5. Notwithstanding anything contained in the original Gas Storage Lease, the Lessor covenants and agrees with the Lessee that in the event that the Lessee fails to pay the "delay rental" on the due date, then and in that event the said Gas Storage Lease shall forthwith terminate and no longer be binding upon the Lessor and the Lessee.

6. The Lessee agrees that prior to entry on the said lands to conduct seismic operations the Lessee or an agent to the Lessee shall mark all drainage tiles which may come in contact or lay beneath the seismic program involved. The Lessee also agrees that they will avoid all drainage tiles with Vibrator Shot Points at a distance of seven feet or greater.

7. The lessee covenants with the Lessor that it shall install metering facilities at its own expense for any production produced from the Lessor's lands.

8. The Lessee covenants and agrees with the Lessor that the Lessee will not surrender this Agreement during the primary term of this Agreement.

9. The Lessee and the Lessor covenant and agree that if the Lessor has not been notified in writing, prior to the expiry of the initial term of Five (5) years hereinbefore mentioned, that all or part of the said lands are or shall be subject to an application or order for gas storage designation, then the Lessee shall surrender this Agreement; provided further that if all or part of the said lands are or shall be subject to an application or order for gas storage designation then the Lessee shall not be required to surrender this Agreement and all other terms and conditions hereto shall remain in full force and effect.

M.P. K.P.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

27. See Schedule "B" attached hereto and forming a part hereof.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Roger J Lapierre

**LESSOR**

[redacted]

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

John L. Normand, President
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

104005-11-10199 8

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00777-0058

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fifth Concession, now known as P.I.N. 00777-0058.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s)).
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 500.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 500.00 | $ 500.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 500.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 5

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

20147

D

FOR OFFICE USE ONLY

0644179

CERTIFICATE OF REGISTRATION
CERTIFICATE D'ENREGISTREMENT

2009 APR 1 AM 10 17

(1) Registry ☐ Land Titles ☒ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block 00783 Property 0058 Additional See Schedule ☐

(4) Nature of Document: Gas Storage Lease XXXXXXXXXX XXXXXXXXXX

(5) Consideration: Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession, now known as P.I.N. 00783-0058, more particularly described in Schedule "A" attached hereto.

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)
Name(s)

[redacted]

Signature(s)

Donald Ouellette

Mary Ann Ouellette

Date of Signature Y M D: 2008 09 09

2008 09 09

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)
Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L Norman

John L. Norman, President
*"I have the authority to bind the corporation"*

Date of Signature Y M D: 2009 03 30

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property

[redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No. 104005-11-10096

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NT |
| | |
| | |
| Total | |

# GAS STORAGE LEASE AGREEMENT

2.

**This Agreement** made this 09 day of September, 2008.

BETWEEN:

[redacted], hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township of Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover, in the Municipality of Chatham-Kent, formerly the County of Kent, part of lot 4, in the Fourth Concession, now known as P.I.N. 00783-0058, more particularly described in Schedule "A" attached hereto.

containing in all **50.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the ...13th..... ...day of..December.....,...1985.., and registered on the .....17th..... day of..February..... ...,...1987.., in the Registry Office for the County of....Kent..... as No.441275..... ..... (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of --**TWO HUNDRED FIFTY**-- **Dollars ($250.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10)** years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --**FIVE**-- **Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --**FIVE HUNDRED**-- **Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10096

SCHEDULE "A"

3.

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of the Southwest half of the Southwest half of Lot 4, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at the most Westerly angle of Lot 4;
THENCE Northeasterly, along the Northwesterly limit of said Lot, to the dividing line between the Southwest and Northeast halves of the Southwest half of Lot 4;
THENCE Southeasterly, along said dividing line between the Southwest and Northeast halves of the Southwest half, to the Southeasterly limit of said Lot;
THENCE Southwesterly, along the Southeasterly limit of Lot 4, to the centre line of the McFarlane Relief Municipal Drain;
THENCE Westerly, along said centreline of the McFarland Relief Municipal Drain, to the Southwesterly limit of Lot 4;
THENCE Northwesterly, along the Southwesterly limit of said Lot, to the point of commencement.

SUBJECT TO a Transfer of Easement in favour of 978889 Alberta Ltd. over that part of Lot 4, in the Fourth Concession as set out in Instrument. No. 550971, assigned by Instrument No. 580731, Instrument No. 580739 and Instrument No. 620990, registered in the Registry Office for the Registry Division of Kent.

FURTHER SUBJECT TO a Grant of Easement in favour of 978889 Alberta Ltd., over that part of Lot 4, in the Fourth Concession, as set out in Instrument No. 527211, Declaration No. 548444, Partial Release and Abandonment, and assigned by Instrument No. 580731, Instrument No. 580739 and Instrument No. 620990, all registered for the Registry Division of Kent.

SUBJECT TO Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 4, in the Fourth Concession as set out in Instrument No. 657884, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00783-0058.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **201-555 SOUTHDALE ROAD EAST, LONDON, ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. [redacted] being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Phil Pinsky

_____

_____

**LESSOR**

[redacted]

_____

_____

**LESSEE**

ELEXCO LTD., Trustee

_____

John L. Norman

John L. Norman, President
"I have authority to bind the Corporation"

SoftDocs® Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104001-11-10096

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0058

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

7.

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession, now known as P.I.N. 00783-0058.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ (the transferee(s)); _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

**Note:** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 20th day of March, 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b)

# Section 7 – Schedule 3 – Tab 6

of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

20148

D

FOR OFFICE USE ONLY

0694478

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT

2009 APR 1 AM 10 15

New Property Identifiers

Additional See Schedule ☐

Executions

Additional See Schedule ☐

(1) Registry ☐ Land Titles ☒ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block 00783 Property 0059 Additional See Schedule ☐

(4) Nature of Document: Gas Storage Lease ~~Agreement~~

(5) Consideration: Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession, now known as P.I.N. 00783-0059, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2008 09 09

2008 09 09

[redacted]age.

W[redacted]ner.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s) John L Norman

Date of Signature Y M D: 2009 03 02

John L. Norman, President

*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No. 104005-11-0097

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60— |
| | NT |
| | |
| | |
| Total | |

# GAS STORAGE LEASE AGREEMENT

2.

**This Agreement** made this 09 day of September, 2008.

BETWEEN: [redacted]

[redacted] in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession, now known as P.I.N. 00783-0059, more particularly described in Schedule "A" attached hereto.

containing in all 50.0 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 13th day of December, 1986, and registered on the 17th day of February 1987, in the Registry Office for the County of Kent as No 441274 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of --TWO HUNDRED FIFTY-- Dollars ($250.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --FIVE-- Dollars ($5.00) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --FIVE HUNDRED-- Dollars ($500.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10097

SCHEDULE "A"

3.

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The East half of the West half of Lot 4, in the Fourth Concession.

SUBJECT TO a Grant of Easement in favour of 978889 Alberta Ltd., and being over that part of Lot 4, in the Fourth Concession as set out in Instrument No. 527207, Assigned by Instrument No. 580731, Instrument No. 580739 and Instrument No. 620990 registered in the Registry Office for the Registry Division of the County of Kent.

FURTHER SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC. as set out in Instrument No. 657888 and being over that part of Lot 4, in the Fourth Concession, registered in the Registry Office for the Registry Division of the County of Kent on the 16th day of October, 2007.

Now known as P.I.N. 00783-0059.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12½% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12½% of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted]E and [redacted] his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at 201-555 SOUTHDALE ROAD EAST, LONDON, ON N6E 1A2

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

6.

24. We [redacted] being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**

ELEXCO LTD., Trustee

John L. Norman, President
"I have authority to bind the Corporation"

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10097

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and
Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0059

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

7

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession, now known as P.I.N. 00783-0059.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (e) to (a))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 3rd day of February, 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

# Section 7 – Schedule 3 – Tab 7

20179/20124

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

FOR OFFICE USE ONLY

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

R669457

JUN 11 2010 11:04

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers

Additional: See Schedule ☐

Executions

Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages

(3) Property Identifier(s) | Block | Property
00783 | 0060
00777 | 0017

Additional: See Schedule ☐

(4) Nature of Document

Gas Storage Lease ~~Agreement~~

(5) Consideration

One Thousand, Eight Hundred ---------- 00/100 Dollars $1,800.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession and part of Lot 4, in the Fifth Concession, now known as P.I.N. 00783-0060 and P.I.N. 00777-0017, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 12 11

[redacted] 2009 12 11

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman, President

*"I have the authority to bind the corporation"*

Date of Signature Y M D: 2010 02 19

Lessee

(13) Address for Service C/O 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No: 104005-11-10192

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 — |
| | 05 |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 11 day of December, 20 09.

BETWEEN: [redacted] in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township of Dover East**, in the **Municipality of Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession and part of Lot 4, in the Fifth Concession, now known as P.I.N. 00783-0060 and P.I.N. 00777-0017, more particularly described in Schedule "A" attached hereto.

containing in all **150.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 28th day of February, 1986, and registered on the 25th day of June, 1986, in the Registry Office for the County of Kent as No. 431857 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--ONE THOUSAND EIGHT HUNDRED--/00 Dollars ($1,800.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--TWELVE--/00 Dollars ($12.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10192

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: The Northeast half of Lot 4, in the Fourth Concession.

SUBJECT TO a Transfer of Easement in favour of Paragon Petroleum Corporation, as set out in Instrument No. 512544 over that part of Lot 4, in the Fourth Concession, now designated as Part 5 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent as Plan 24R-4605.

FURTHER SUBJECT TO a Grant of Easement in favour of 978889 Alberta Ltd., over that part of Lot 4, in the Fourth Concession, as set out in Instrument No. 527209 and Assignments No. 580731, No. 580739 and No. 620990, registered in the Registry Office for the Registry Division of Kent.

AND FURTHER SUBJECT TO a Surface Lease in favour of 978889 Alberta Ltd., over that part of Lot 4, in the Fourth Concession, a set out in Instrument No. 579016 and Assignments No. 580730, No. 580738 and No. 621008, registered in the Registry Office for the Registry Division of Kent.

Now known as P.I.N. 00783-0060.

SECONDLY: The Southwest quarter of Lot 4, in the Fifth Concession.

SAVE AND EXCEPT the forced road running through Lot 4, in the Fifth Concession.

Now known as P.I.N. 00777-0017.

FURTHER SUBJECT TO a Transfer Easement in favour of Liberty Oil & Gas Ltd., over that part of Lot 4, in the Fourth Concession, as set out in Instrument R667945, registered in the Registry office for the Registry Division of Kent, on the third day of February, 2010.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at c/o **A-One Business Services Ltd., 204-555 Southdale Road East, London ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

6

SCHEDULE " B"

Attached hereto and forming a part of this Petroleum and Natural Gas Lease and Grant dated the 11 day of December, 2009.

BETWEEN:

[redacted]

AND

ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee covenants and agrees with the Lessor that the existing wellsite access to the PPC #25 (Dover #25) well, located on the property in Concession 4, Lot 4, Geographic Township of Dover East, with the municipal address of 6165 Pain Court Line will be properly maintained and kept free of excess snow; specifically, that the driveway will be cleared whenever snow accumulation in excess of ten inches (10") is present. Further, should there be snow accumulation of less than ten inches (10") but the snow is drifted in such a manner as to impede passage, the access lane will be cleared at the request of the Lessor.

SIGNED, SEALED AND DELIVERED,
in the presence of :

Witness

Witness

LESSOR

[redacted]

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman, President
*"I have authority to bind the Corporation"*

24. We, [redacted] being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

**27. See Schedule "B" attached hereto and made a part hereof.**

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Phil Lunardi

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., TRUSTEE**

John L. Norman

**Per: John L. Norman, President**

"I have authority to bind the Corporation"

SoftDocs® Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 626
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0060
00777-0017

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 4, in the Fourth Concession and part of Lot 4, in the Fifth Concession, now known as P.I.N. 00783-0060 and P.I.N. 00777-0017.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents)*:
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | | |
|---|---|---|---|
| (a) Monies paid or to be paid in cash | $ 1,800.00 | | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | | |
| (ii) Given back to vendor | $ Nil | | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 1,800.00 | $ 1,800.00 | |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil | |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil | |
| (i) Total Consideration | | $ 1,800.00 | |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | | Yes | No |
|---|---|---|---|
| (a) | Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) | If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) | Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) | If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 8

of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

20150 D

FOR OFFICE USE ONLY

0644474

CERTIFICATE OF REGISTRATION
CERTIFIED ELECTRONICALLY REGISTERED
YES

2009 APR 1 AM 8 53

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages

(3) Property Identifier(s) — Block: 00783 — Property: 0061 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease ~~Agreement~~

(5) Consideration: Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fourth Concession, now known as P.I.N. 00783-0061, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted] Signature(s) [redacted] Date of Signature Y M D: 2008 10 09

I am at least eighteen years of age.

I am a spouse.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s): ELEXCO LTD., Trustee

Signature(s): John L. Norman

Date of Signature Y M D: 2009 03 09

John L. Norman, President

*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service: 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No: 104005-11- 10102

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 NT |
| | |
| | |
| | |
| Total | |

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2008 10 08

Lessor

(11) Address for Service

RR 7, Station Main, Chatham, ON N7M 5J7

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2008 10 08

Lessor

(11) Address for Service

RR 7, Station Main, Chatham, ON N7M 5J7

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2008 10 08

age.

Lessor

(11) Address for Service

[redacted]

FOR OFFICE USE ONLY

# GAS STORAGE LEASE AGREEMENT

3.

**This Agreement** made this 09 day of October, 2008.

BETWEEN: [redacted] in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township of Dover East**, in the **Municipality of Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fourth Concession, now known as P.I.N. 00783-0061, more particularly described in Schedule "A" attached hereto.

containing in all **50.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the ..27th..... ...day of..May.....,..1983..., and registered on the...7th.....day of..June..... ...,..1983.., in the Registry Office for the County of.....Kent.....as No391809..... .....(hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--TWO HUNDRED FIFTY-- Dollars ($250.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--FIVE-- Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10102

SCHEDULE "A"

4.

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southwest half of the Southwest half of Lot 5, in the Fourth Concession.

SUBJECT TO an Easement in favour of Columbia Natural Resources Canada Ltd. and Kinetic Energy Inc., and being over that part of Lot 5, in the Fourth Concession, as set out in Instrument No. 527212, Assigned by Instrument No. 530731 and Instrument No. 580739 and Order No. 608010 registered in the Registry Office for the Registry Division of Kent.

Now known as P.I.N. 00783-0061.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **201-555 SOUTHDALE ROAD EAST, LONDON, ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, N/A and N/A being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Phil Lavack

Phil Lavack

Phil Lavack

Phil Lavack

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., TRUSTEE**

John L. Norman

**Per: John L. Norman, President**

*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10102

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and
Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0061

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

8.

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fourth Concession, now known as P.I.N. 00783-0061.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponent(s):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 3rd day of February, 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease Agreement

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

# Section 7 – Schedule 3 – Tab 9

Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 41 Wordprocessor Inte

20151 D

FOR OFFICE USE ONLY

0664477

CERTIFICATE OF REGISTRATION
CERTIFICATE D'ENREGISTREMENT
KENT

2009 APR 1 PM 10 13

New Property Identifiers

Additional: See Schedule ☐

Executions

Additional: See Schedule ☐

(1) Registry ☐ Land Titles ☐ X

(2) Page 1 of 7 pages

(3) Property Identifier(s) — Block 00783 — Property 0062 — Additional See Schedule ☐

(4) Nature of Document

Gas Storage Lease ~~XXXXXXXXX~~

(5) Consideration

Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Second Concession, now known as P.I.N. 00783-0062, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☐ Additional Parties ☐ Other ☐

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

[redacted] — 2008 09 16

[redacted] — 2008 09 16

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

ELEXCO LTD., Trustee

John L Norman

John L. Norman, President

*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property

[redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No. 104005-11- 10099

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NIL |
| | |
| | |
| Total | |

# GAS STORAGE LEASE AGREEMENT

2.

**This Agreement** made this 16 day of September, 2008.

BETWEEN: [redacted]

[redacted]ent, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Second Concession, now known as P.I.N. 00783-0062, more particularly described in Schedule "A" attached hereto.

containing in all 50.0 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 27th day of May 1983, and registered on the 7th day of June 1983, in the Registry Office for the County of Kent as No. 391810 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of --TWO HUNDRED FIFTY-- Dollars ($250.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --FIVE-- Dollars ($5.00) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --FIVE HUNDRED-- Dollars ($500.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10099

SCHEDULE "A"

3

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Northeast half of the Southwest half of Lot 5, in the Second Concession.

SUBJECT TO an Easement in favour of 978889 Alberta Ltd., and being over that part of Lot 5, in the Second Concession, as set out in Instrument No. 527210, Agreements Instrument No. 527748, Instrument No. 580731 and Instrument No. 620537 Assigned by Instrument No. 580731, Instrument No. 580739 and Instrument No. 620990 and Vesting Order 608010, registered in the Registry Office for the Registry Division of the County of Kent.

SUBJECT TO Notice of Option to Lease in favour of Invenergy Wind Canada LLC, as set out in Instrument No. 657887 over that part of Lot 5, in the Second Concession, registered in the Registry Office for the Registry Division of the County of Kent on the 16th day of October, 2007.

Now known as P.I.N. 00783-0062.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows: 5

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **201-555 SOUTHDALE ROAD EAST, LONDON, ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] eaning of Section 6.
1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Phil Lunak

**LESSOR**

[redacted]

**LESSEE**

ELEXCO LTD., Trustee

John L. Norman

John L. Norman, President
"I have authority to bind the Corporation"

SoftDocs® Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0062

104005-1-10099

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

7

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Second Concession, now known as P.I.N. 00783-0062.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ (the transferee(s));
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 3rd day of February, 2009

Signature(s)
John L. Norman

A Commissioner for taking Affidavits, etc.

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A
(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date *(Year/Month/Day)* |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) ...

Document prepared by Electra Ltd. ...

# Section 7 – Schedule 3 – Tab 10

20152

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs Wordprocessor Interface

13

D

FOR OFFICE USE ONLY

R 669575

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

JUN 16 2010 11:10

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 14 pages

(3) Property Identifier(s) — Block 00783 — Property 0063 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Five Hundred ---------- 00/100 Dollars $500.00

(6) Description: In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Northeast Half of Lot 5, in the Fourth Concession. Now known as P.I.N. 00783-0063, more particularly described in Schedule "C" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s)

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2010 05 12 |
| [redacted] | [redacted] | 2010 05 04 |

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman | 2010 06 01 |
| | John L. Norman, President<br>*"I have the authority to bind the corporation"* | |

Lessee

(13) Address for Service c/o 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 10211

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleTek Corporation, Toronto, Canada. LRRA Form 4 11/1998

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 13

Lessor [redacted] 2010 05 11

I am at least eighteen years of age.
I am not a spouse.

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 12

[redacted]

Lessor [redacted] 2010 05 04

I am at least eighteen years of age.
I am not a spouse.

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 04

I am at least eighteen years of age.
The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

[redacted] 2010 05 04

I am at least eighteen years of age.

(11) Address for Service The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

[redacted]

FOR OFFICE USE ONLY

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 07

I am at least eighteen years of age. The property is not ordinarily occupied by me and my spouse, who is not separated from me as our family residence.

Lessor [redacted] 2010 05 07

[redacted] eighteen years of age.

(11) Address for Service The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2010 05 07

[redacted] eighteen years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

Lessor

(11) Address for Service

FOR OFFICE USE ONLY

**WHEREAS** [redacted]

**AND WHEREAS** [redacted] the [redacted]

**AND WHEREAS** [redacted]

**AND WHEREAS** [redacted]

No 5

# GAS STORAGE LEASE

**This Agreement** made this 29th day of April, 2010.

BETWEEN: [redacted]

hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly in the County of Kent, the Northeast Half of Lot 5, in the Fourth Concession. Now known as P.I.N. 00783-0063, as more particularly described in Schedule "C" attached hereto.

containing in all **100.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 16th day of December, 1987, and registered on the 10th day of February, 1988, in the Registry Office for the County of Kent as No. 455531 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--Five Hundred--/00 Dollars ($500.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Five (5) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--Five--/00 Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--Five Hundred--/00 Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10211

SCHEDULE "C"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Northeast half of Lot 5, in the Fourth Concession.

SUBJECT TO an Easement in favour of PPC Oil & Gas Corp., over that part of Lot 5, in the Fourth Concession, as set out in Instrument No. 550599, Amending Agreement No. 550600 and Order No. 608010, registered in the Registry Office for the Registry Division of Kent.

FURTHER SUBJECT TO an Easement in favour of PPC Oil & Gas Corp. as set out in Registered Instrument No. 556070 and Order No. 608010, and being over that part of Lot 5, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-4606.

Now known as P.I.N. 00783-0063.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. ~~That at the expiration of the term of Ten (10) years hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of Ten (10) years at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.~~

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **c/o A-One Business Services Ltd., 204-555 Southdale Road East, London ON N6E 1A2**

and to the [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, N/A and N/A being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

SCHEDULE " A " – Page 1 of 2

Attached hereto and forming a part of this Gas Storage Lease dated the 29th day of April, 2010.

BETWEEN: [redacted]

AND ELEXCO LTD., TRUSTEE

and all provisions in this schedule shall be additional and shall be paramount in case of any conflict with any of the terms contained in the original agreement.

1. The Lessee covenants and agrees with the Lessor that the Lessee will not locate any central facility, compressor station, processing plants or any other structure on the surface of the said lands.

2. The Lessee hereby warrants that the holder of the existing Oil and Gas Rights as Lessee for the subject property is Torque Energy Inc. and Liberty Oil & Gas Ltd., as established by Statutory Declaration of Dale Norman attached hereto as Schedule " B ". The Lessee herein hereby agrees to indemnify and save harmless the Lessor with respect to any claims, actions, causes of actions or any liabilities whatsoever which may arise or result from the inaccuracy or breach of misrepresentation and warranty of the Lessee herein.

2. The Lessee and the Lessor covenant and agree that in the event the said lands, or any portion thereof, are subject to an Ontario Energy Board Order for gas storage designation then a minimum of Fifty Percent (50%) of the lands included in this Agreement will be compensated for as Inside Acres and further that the Lessor will receive such annual compensation as more particularly set forth being at least the minimum annual payment being paid to the Lambton County landowners by Union Gas for gas storage designation properties presently at the following rate per acre:

INSIDE ACRES
Petroleum and Natural Gas Lease and Grant- $24.90
Gas Storage Lease- $89.63
COMBINED RATE - $114.53

OUTSIDE ACRES
Petroleum and Natural Gas Lease and Grant - $24.90
Gas Storage Lease - $9.49
COMBINED RATE - $34.39

SIGNED, SEALED AND DELIVERED,
in the presence of :

Witness

) LESSOR
[redacted]
)
[redacted]
)

10

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

Witness

LESSOR

[redacted]

LESSEE
ELEXCO LTD., TRUSTEE

John L. Norman
*"I have authority to bind the Corporation"*

11
12

SCHEDULE " B "

Declaration deposited as Instrument Number R6694600.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

27. See Schedules "A" and "B" attached hereto and forming a part hereof.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation"***

SoftDocs Wordprocessor Interface LTTA 8/2004
*SoftDocs is a registered trade mark of StyleUs Corporation

104005-11-10211

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 626
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00783-0063

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

13 H

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, the Northeast half of Chatham-Kent, formerly the County of Kent, the Northeast half of Lot 5, in the Fourth Concession. Now known as P.I.N. 00783-0063.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents).*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 500.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 500.00 | $ 500.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 500.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 11th day of June 2010

Signature(s)
John L. Norman

A Commissioner for taking Affidavits, etc.

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 11

20154

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

FOR OFFICE USE ONLY

0665986

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (No. 60) CHATHAM

2008 AUG 11 AM 9 57

LAND REGISTRAR / REGISTRATEUR

(1) Registry [X] Land Titles [ ] (2) Page 1 of 9 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0368 |
| 00784 | 0370 |

Additional: See Schedule [ ]

(4) Nature of Document

Gas Storage Lease ~~Agreement~~

(5) Consideration

Two Hundred and Sixty ---------- 00/100 Dollars $260.00

(6) Description

In the Geographic Township of Dover, East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0368 and P.I.N. 00784-0370, more particularly described in Schedule "A" attached hereto.

New Property Identifiers — Additional: See Schedule [ ]

Executions — Additional: See Schedule [ ]

(7) This Document Contains: (a) Redescription [ ] New Easement Plan/Sketch [ ] (b) Schedule for: Description [X] Additional Parties [X] Other [X]

(8) This Document provides as follows:

Continued on Schedule [ ]

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)
Name(s) Signature(s) Date of Signature Y M D

[redacted] 2008 11 17

[redacted]
I am at least eighteen years of age.

Lessor

[redacted]

(12) Party(ies) (Set out Status or Interest)
Name(s) Signature(s) Date of Signature Y M D

ELEXCO LTD., Trustee — 2009 03 09

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property

[redacted]

(15) Document Prepared by:

**Elexco Ltd.**
**557 Southdale Road East**
**London ON N6E 1A2**

File No: 104005-11- 10103

| FOR OFFICE USE ONLY | Fees and Tax |
|---|---|
| Registration Fee | 60 |
| | 21 |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of Sidalis Corporation, Toronto, Canada

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2008 11 17 |
| I am a spouse. [redacted] | | |
| ~~is my spouse.~~ | | |
| I am at lease eighteen years of age. | | |
| Lessor | | |

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| | | |
| | | |
| Lessor | | |

(11) Address for Service

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| | | |
| | | |
| Lessor | | |

(11) Address for Service

FOR OFFICE USE ONLY

# GAS STORAGE LEASE AGREEMENT

3.

**This Agreement** made this 17 day of November, 2008.

BETWEEN: [redacted]

Chatham-kent, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the Township of Dover East, in the Municipality of Chatham-Kent, in the Province of Ontario, described as follows:

In the Geographic Township of Dover, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0368 and P.I.N. 00784-0370, more particularly described in Schedule "A" attached hereto.

containing in all 52 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 16th day of June 1983, and registered on the 30th day of June 1983, in the Registry Office for the County of Kent as No. 392530 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of --TWO HUNDRED SIXTY-- Dollars ($260.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of Ten (10) years from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --FIVE-- Dollars ($5.00) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --FIVE HUNDRED-- Dollars ($500.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

SCHEDULE "A" 4.

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: That part of Lot 6, in the Fourth Concession, now designated as Part 5 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-3967.

SUBJECT TO an Easement in favour of Paragon Petroleum Corporation, over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 497434, as amended by Instrument No. 528392, both registered in the Registry Office for the Registry Division of the County of Kent.

FURTHER SUBJECT TO and Easement in favour of 978889 Alberta Ltd., over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 550597 and Assignment No. 580731, No. 580739 and No. 620990, all registered in the Registry Office for the Registry Division of the County of Kent.

AND FURTHER SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC. and being over that part of Lot 6, in the Fourth Concession as set out in Instrument No. 657882, registered in the Registry Office for the Registry Division of the County of Kent on the 16th day of October, 2007.

AND FURTHER SUBJECT TO a Notice of Disposal Agreement in favour of 978889 Alberta Ltd. and being over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 481442, Notice of Option to Renew Disposal Agreement Instrument No. 481443 and Assignments No. 580738 and No. 621008, all registered in the Registry Office for the Registry Division of the County of Kent.

Now known as P.I.N. 00784-0368.

SECONDLY: That part of Lot 6, in the Fourth Concession, now designated as Part 1, Part 2 Part 3 and Part 4 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-3967.

.../2

5.

SAVE AND EXCEPT that part of Lot 6, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-7391.

SUBJECT TO an Easement in favour of Paragon Petroleum Corporation, over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 497434, as amended by Instrument No. 528392, both registered in the Registry Office for the Registry Division of the County of Kent.

FURTHER SUBJECT TO an Easement in favour of 978889 Alberta Ltd., over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 550597 and Assignments No. 580731, 580739 and 620990, all registered in the Registry Office for the Registry Division of the County of Kent.

AND FURTHER SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC. and being over that part of Lot 6, in the Fourth Concession as set out in Instrument No. 657882, registered in the Registry Office for the Registry Division of the County of Kent on the 16th day of October, 2007.

AND FURTHER SUBJECT TO a Notice of Disposal Agreement in favour of 978889 Alberta Ltd. and being over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 481442, Notice of Option to Renew Disposal Agreement Instrument No. 481443 and Assignments 580738 and 621008, all registered in the Registry Office for the Registry Division of the County of Kent.

Now known as P.I.N. 00784-0370.

6.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **above address**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **204-555 Southdale Road East, London Ontario N6E 1A2**

[redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. [redacted] g spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10103

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0370
00784-0368

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

9.

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0368 and P.I.N. 00784-0370.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 260.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 260.00 | $ 260.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 260.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Oil and Gas Lease is a conveyance of only the mineral rights to the land and exemption from Land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 12th day of June, 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Oil and Gas Lease

B. (i) Address of property being conveyed *(if available)* Not applicable
Not applicable

(ii) Assessment Roll No. *(if available)* _____

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No: |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

0449K (2004-04)

# Section 7 – Schedule 3 – Tab 12

20155

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

FOR OFFICE USE ONLY

R669514

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

JUN 16 2010 11:03

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 10 pages

(3) Property Identifier(s): Block 00784 Property 0004 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease ~~Agreement~~

(5) Consideration: Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0004, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

WHEREAS [redacted] ~~at the~~ [redacted], in the County of Kent and who at the time of her death [redacted]

AND WHEREAS [redacted] are the Executor(s) named in the Last Will and Testament of [redacted] registered as Instrument No. R669509 on the day of June, 2010 in the Registry Office for the Registry Division of the County of Kent.

AND WHEREAS [redacted], one of the Executors named in the Last Will and Testament of [redacted] died on or about the 13th day of December, 2008 at th[redacted] Certificate of appointment of Estate Trustee with a will in the Estate of [redacted] ~~was~~ named in the will as [redacted] as registered on the 20th day of March, 2009 in the Registry Office for the Registry Division of Kent, as Instrument No. 664362.

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 11 04

2009 11 04

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman

Date of Signature Y M D: 2010 05 13

John L. Norman, President

*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 10187

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 — |
| | NY |
| | |
| | |
| Total | |

*The Elexco Group, 555 Southdale Road East, London, Ontario*

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRR4 Form 4 11/1992

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 09 11 04

I am at least eighteen years of age. The property is not ordinarily occupied by me and my spouse who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s)

Signature(s)

Date of Signature Y M D

Lessor

(11) Address for Service

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 09 11 04

09 11 04

We are at least eighteen years of age. We are spouses of one another.

Lessor

(11) Address for Service

[redacted]

FOR OFFICE USE ONLY

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y 09 M 11 D 17

I am at least eighteen years of age. The property is not ordinarily occupied by me and my spouse. who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y 09 M 11 D 17

I am at least eighteen years of age. The property is not ordinarily occupied by me and my spouse. who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y 09 M 11 D 22

I am at least eighteen years of age. The property is not ordinarily occupied by me and my spouse. who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

FOR OFFICE USE ONLY

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) X [redacted]

Date of Signature Y M D: 09 11 26

I am at least eighteen years of age. I am not a spouse.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 09 12 04

I am at least eighteen years of age. The property is not ordinarily occupied by me and my spouse. who is not separated from me, as our family residence.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s)

Signature(s)

Date of Signature Y M D

Lessor

(11) Address for Service

FOR OFFICE USE ONLY

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 04 day of November, 20 09

BETWEEN: [redacted]

the **Township** of **Dover East**, in the **Municipality** of **Chatham-Kent** in the Province of Ontario hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated pursuant to the laws of th : Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township of Dover East** in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0004, more particularly described in Schedule "A" attached hereto.

containing in all **50.0** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 29th day of November 1983 and registered on the 16th day of January 1984, in the Registry Office for the County of Kent as No. 398814 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--TWO HUNDRED FIFTY--/00 Dollars ($250.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--FIVE--/00 Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED--/00 Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10187

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Northeast half of the Southwest half of Lot 6, in the Fourth Concession.

SAVE AND EXCEPT that part of Lot 6, in the Fourth Concession, now designated as Part 2 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

SUBJECT TO a Transfer of Easement in favour of 978889 Alberta Ltd., over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 524485 and Assignment No. 620990 and Order No. 608010, registered in the Registry Office for the Registry Division of Kent.

FURTHER SUBJECT TO a Notice of Option To Lease in favour of Invenergy Wind Canada LLC., being over that part of Lot 6, in the Fourth Concession, as set out in Instrument No. 657883, registered in the Registry Office for the Registry Division of the County of Kent on the 16th day of October, 2007.

Now known as P.I.N. 00784-0004.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 _ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 _ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] s his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **c/o A-One Business Services Ltd., 204-555 Southdale Road East, London ON N6E 1A2**

and to the Lessor a[redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] ng spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.



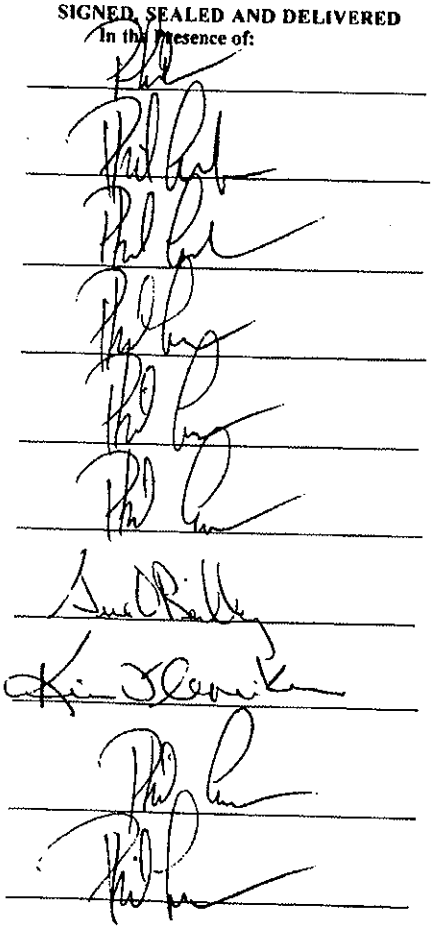
2 of 2

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**



**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., TRUSTEE**

**John L. Norman, President**
"I have authority to bind the Corporation."

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

104005-11-10187 10

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0004

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0004.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* [redacted]

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 535 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 13

20156

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

FOR OFFICE USE ONLY

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

R669452

JUN 11 2010 10:42

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 9 pages

(3) Property Identifier(s) — Block 00784 — Property 0005 — Additional: See Schedule ☐

(4) Nature of Document

~~Petroleum and Natural Gas Lease and Grant~~

Gas Storage Lease

(5) Consideration

Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0005, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 08 26

2010 03 22

We are at least eighteen years of age.

We are spouses of one another.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman, President

*"I have the authority to bind the corporation"*

Date of Signature Y M D: 2009 12 1.

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No. 104005-11- 10134

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NJ |
| | |
| | |
| Total | |

*The Elexco Group, 555 Southdale Road East, London, Ontario*

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada LRRA Form 4 11/1992

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2009 08 26 |
| I am at least eighteen years of age<br>The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence | | |
| Lessor | | |

(11) Address for Service

10379 Huron Wood Drive, Grand Bend ON N0M 1T0

(10) ADDITIONAL PARTY(IES)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| | | |
| | | |
| Lessor | | |

(11) Address for Service

FOR OFFICE USE ONLY

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 26 day of August, 2009.

BETWEEN: [redacted] the Province of Ontario and [redacted] of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Township of Dover East**, in the **County of Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0005, more particularly described in Schedule "A" attached hereto.

containing in all **50** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 26th day of May, and registered on the 10th day of June 1983, in the Registry Office for the County of ~~[illegible]~~ Kent as No. 391919 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **–TWO HUNDRED FIFTY– Dollars ($250.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **–FIVE– Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **–FIVE HUNDRED– Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10134

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of Lot 6, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at a point in the Northwesterly limit of the Road Allowance between the Third Concession and the Fourth Concession, distant 100.0 feet measured Northeasterly therealong from the dividing line between the Northeast and Southwest halves of Lot 6;
THENCE Northwesterly at right angles to the last mentioned Road Allowance, a distance of 200.0 feet to a point;
THENCE Southwesterly, parallel to the Road Allowance between the Third Concession and the Fourth Concession, a distance of 100.0 feet to a point in the dividing line between the Northeast and the Southwest halves of said Lot;
THENCE Northwesterly, along the last mentioned dividing line to a point in the Northwesterly limit of Lot 6;
THENCE Northeasterly, along said Northwesterly limit to the dividing line between the Northeast and the Southwest halves of the Northeast half of said Lot;
THENCE Southeasterly, along the last mentioned dividing line to a point in the Northwesterly limit of the Road Allowance between the Third Concession and the Fourth Concession;
THENCE Southwesterly, along said Northwesterly limit of the Road Allowance to the point of commencement.

SAVE AND EXCEPT that part of Lot 6, in the Fourth Concession, now designated as Part 4 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

FURTHER SUBJECT TO an Easement in favour of 978889 Alberta Ltd. as set out in Instrument 524487, Assignment No. 580731, Assignment No. 580739 and Assignment No. 620990 over that part of Lot 6, in the Fourth Concession, now designated as Part 3 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-4699.

Now known as P.I.N. 00784-0005.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoi[redacted] as his agent as aforesaid **with respect to all payments under this Agreement;** [redacted] **the** [redacted] T (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **c/o A-One Business Services Ltd., 204-555 SOUTHDALE ROAD EAST, LONDON, ON N6E 1A2**

and to the Lessor a[redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

**24. FAMILY LAW ACT**

We. [redacted]g spouses within the meaning of Section 1 (1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on the title to the lands hereinbefore described.

24. We, n/a and n/a being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

**LESSEE**
**ELEXCO LTD., Trustee**

John L. Norman, President
*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LYTA 8/2004
SoftDocs is a registered trade mark of StyleUp Corporation

9

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784–0005

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 5, in the Fourth Concession, now known as P.I.N. 00784-0005.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | | |
|---|---|---|---|
| (a) Monies paid or to be paid in cash | | $ | |
| (b) Mortgages (i) Assumed *(principal and interest)* | | $ | Nil |
| | (ii) Given back to vendor | $ | Nil |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | | $ | Nil |
| (d) Other consideration subject to tax *(detail below)* | | $ | Nil |
| (e) Fair market value of the lands *(see instruction 3)* | | $ | Nil |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | | $ | $ |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | | $ Nil |
| (i) Total Consideration | | | $ |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

0449K (2004-04)

# Section 7 – Schedule 3 – Tab 14

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 41 Wordprocessor Interface

D

FOR OFFICE USE ONLY

0694476

CERTIFICATE OF REGISTRATION
CERTIFICATE

2009 MAR 1 AM 10 05

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) — Block: 00784 — Property: 0007 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Two Hundred and Fifty ---------- 00/100 Dollars $250.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0007, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

[redacted] — 2009 02 26

[redacted] — 2009 02 26

We are spouses of one another.
We are at least eighteen years of age.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature Y M D

ELEXCO LTD., Trustee — John L. Norman — 2009 03 09

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File No: 104005-11-10101

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 NT |
| | |
| | |
| | |
| Total | |

# GAS STORAGE LEASE AGREEMENT

2.

**This Agreement** made this 7th day of October, 2008.

BETWEEN: [redacted]

[redacted] Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Township** of **Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0007, more particularly described in Schedule "A" attached hereto.

containing in all 50 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 26th day of May, 1984, and registered on the 18th day of June, 1984, in the Registry Office for the County of Kent as No. 403803 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of --**TWO HUNDRED FIFTY**-- **Dollars ($250.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --**FIVE**-- **Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --**FIVE HUNDRED**-- **Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10101

SCHEDULE "A"

3

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Northeast half of the Northeast half of Lot 6, in the Fourth Concession.

SUBJECT TO an Easement in favour of E.P. Rowe Oil Limited, and being over the Northeast half of the Northeast half of Lot 6, in the Fourth Concession as set out in Instrument No. 441331 registered in the Registry Office for the Registry Division of the County of Kent on the 19th day of February, 1987.

FURTHER SUBJECT TO an Easement in favour of 978889 Alberta Ltd., and being over the Northeast half of the Northeast half of Lot 6, in the Fourth Concession, as set out in Instrument No. 551735, assigned by Instrument No. 580731, Instrument No. 580739 and Instrument No. 6209909, registered in the Registry Office for the Registry Division of the County of Kent on the 29th day of March, 1995.

Now known as P.I.N. 00784-0007.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **above address**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **201-555 Southdale Road East, London, Ontario N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] and [redacted] being 6.
spouses within the meaning of Section 4(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

Phil Lauck

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., TRUSTEE**

John L. Norman

**Per: John L. Norman, President**

"I have authority to bind the Corporation"

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10101

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0007

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

7.

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0007.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 250.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 250.00 | $ 250.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 250.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease Agreement is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 3rd day of February, 2009

[signature]
A Commissioner for taking Affidavits, etc.

[signature]
Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease Agreement

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

# Section 7 – Schedule 3 – Tab 15

20159.

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs Wordprocessor Interface

D

FOR OFFICE USE ONLY

R667943

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

10:51

FEB 03 2010

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block 00784 Property 0337 Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Two Hundred + THIRTY ~~230~~ A.P. ---------- 00/100 Dollars $~~200~~.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or the Fourth Range, now known as P.I.N. 00784-0337, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s) 655992

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2009 10 19 |
| [redacted] | [redacted] | 2009 10 19 |

We are spouses of one another.
We are at least eighteen years of age.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman | 2010 02 01 |
| | John L. Norman, President *"I have the authority to bind the corporation"* | |

Lessee

(13) Address for Service C/O 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11-10169

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 — |
| | NT |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada.

# GAS STORAGE LEASE

**This Agreement** made this 19 day of October, 2009.

BETWEEN: [redacted], in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or the Fourth Range, now known as P.I.N. 00784-0337, more particularly described in Schedule "A" attached hereto.

ms. b.s.d

containing in all 46.0 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 1st day of December, 2006, and registered on the 30th day of May, 2007, in the Registry Office for the County of Kent as No. 655992 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the subsurface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

+THIRTY ms. b.s.d re 236. re M. G.S. 4

WITNESSETH that in consideration of the sum of --**TWO HUNDRED**-/00 **Dollars** (~~$200~~.00) now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --**FIVE**--/00 **Dollars** ($5.00) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --**FIVE HUNDRED**--/00 **Dollars** ($500.00) for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10169

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Southwesterly one-fifth of Lot 7, in the Second Concession or the Fourth Range.

SAVE AND EXCEPT that part of the Southwesterly one-fifth of Lot 7, in the Second Concession or the Fourth Range, now designated as Part 6 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

FURTHER SAVE AND EXCEPT that part of the Southwest one-fifth Lot 7, in the Second Concession or the Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

SAVE AND EXCEPT all mineral rights, including all petroleum, natural gas and related hydro-carbons, all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under the lands herein described provided that Warren Alfred Raspburg and Janet Blanche Ramona Raspburg and their successors and assigns shall be liable for any crop or soil damage resulting from the exercise of such rights and the Lessors and their successors and assigns shall be entitled to any compensation currently or hereafter paid by third parties for the use of the surface for access to wells or other drilling operations on the Lessors lands. Warren Alfred Raspburg and Janet Blanche Ramona Raspburg and their successors and assigns, and all other persons acting under their authority shall retain the exclusive right and privilege to enter and excavate upon the lands herein described in order to search for, work, take away and dispose of the mineral substances hereby enumerated and to do all things necessary or expedient for such purpose, subject to the proviso as to compensation to the Lessors for damages to surface lands and crops.

Now known as P.I.N. 00784-0337.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted]

[redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2**

and to the Lessor a[redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. W[redacted]ing spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***I have authority to bind the Corporation***

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10169-1

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H8

Property Identifier(s) No.
00784-0337

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

In the Matter of the Conveyance of *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or the Fourth Range, now known as P.I.N. 00784-0337.

BY *(print names of all transferors in full)* [redacted]

TO *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 230.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 7)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 230.00 | $ 230.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 230.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 22nd day of January 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 15A

20160

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs Wordprocessor Interface

D

FOR OFFICE USE ONLY

R667942

CERTIFICATE TO LAND REGISTRAR
CERTIFICAT À L'ENREGISTREMENT
KENT (24) CHATHAM

FEB 03 2010 10:47

(1) Registry [X] Land Titles [ ] (2) Page 1 of 7 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0336 |
| 00784 | 0338 |

Additional: See Schedule [ ]

(4) Nature of Document

Gas Storage Lease

(5) Consideration

One Hundred ---------- 00/100 Dollars $100.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338, more particularly described in Schedule "A" attached hereto.

New Property Identifiers

Additional: See Schedule [ ]

Executions

Additional: See Schedule [ ]

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch [ ] (b) Schedule for: Description [X] Additional Parties [ ] Other [X]

(8) This Document provides as follows:

Continued on Schedule [ ]

(9) This Document relates to Instrument number(s) 655992

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 10 27

[redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 10 27

We are spouses of one another.
We are at least eighteen years of age.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s) John L Norman

Date of Signature Y M D: 2010 02 01

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service C/O 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 1071 RODIN

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |

Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

# GAS STORAGE LEASE

**This Agreement** made this 27 day of October, 2009.

BETWEEN: [redacted], in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338, particularly described in Schedule "A" attached hereto.

containing in all 2.0 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 1st day of December, 2006, and registered on the 30th day of May, 2007, in the Registry Office for the County of Kent as No. 655992 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--ONE HUNDRED--/00 Dollars ($100.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

~~Yielding and~~ paying ~~therefor a clear annual rental at the rate of Dollars ($ ) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof, together with~~ the sum of **--FIVE HUNDRED--/00 Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10171

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

Including all mineral rights, including all petroleum, natural gas and related hydro-carbons, and all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under that part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

Now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12½% of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12½% of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted]

of [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2** and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation."***

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10171 7

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0336
00784-0338

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 100.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see Instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 100.00 | $ 100.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 100.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☒ Yes ☐ No
5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 22nd day of January, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

**For Land Registry Office Use Only**
Registration No.
Registration Date (Year/Month/Day)
Land Registry Office No.

## School Support (Voluntary Election) (See reverse for explanation)

| | | Yes | No |
|---|---|---|---|
| (a) | Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) | If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) | Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) | If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 16

20161

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 41 Wordprocessor Interface

D

FOR OFFICE USE ONLY

R667610

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

DEC 22 2009 16:03

KP

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages 10

(3) Property Identifier(s) — Block: 00784 — Property: 0009 — Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Two Hundred ---------- 00/100 Dollars $200.00

(6) Description:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0009, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted] — Signature(s) [redacted] — Date of Signature (Y M D): 2009 9 15

[redacted] I am at least eighteen years of age.

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s): ELEXCO LTD., Trustee

Signature(s): John L. Norman, President
*"I have the authority to bind the corporation"*

Date of Signature (Y M D): 2009 12 04

Lessee

(13) Address for Service: 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property: [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 10440

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT exempt |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleLis Corporation, Toronto, Canada. LRA Form 4 11/1992

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

[redacted] [redacted] 2009 10 27

I am at least eighteen years of age.
I am not a spouse.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

Lessor

(11) Address for Service

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

Lessor

(11) Address for Service

FOR OFFICE USE ONLY

# GAS STORAGE LEASE

**This Agreement** made this 15 day of September, 2009.

BETWEEN: [redacted] &

[redacted],

in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0009, more particularly described in Schedule "A" attached hereto.

containing in all 40 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 14th day of September, 2006, and registered on the 13th day of February, 2007, in the Registry Office for the County of Kent as No. 654686 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--TWO HUNDRED-- Dollars ($200.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--FIVE-- Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10140

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

The Northeast half of the Southwest two-fifths of Lot 7, in the Fourth Concession.

SAVE AND EXCEPT that part of Lot 7, in the Fourth Concession, now designated as Part 7 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC. Over that part of Lot 7, in the Fifth Concession, as set out in Instrument No. 657894, registered in the Registry Office for the Registry Division of Kent on the 16th day of October, 2007.

Now known as P.I.N. 00784-0009.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST LONDON ON N6E 1A2**

and to the [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, **N/A** and **N/A** being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation"***

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10140

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0009

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0009.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 200.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 200.00 | $ 200.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 200.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☒ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 23rd day of November, 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

**For Land Registry Office Use Only**
Registration No.
Registration Date (Year/Month/Day)
Land Registry Office No.

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

*Document prepared by Elexco Ltd., 355 Southdale Road East, London, Ontario*

0449K (2004-04)

# Section 7 – Schedule 3 – Tab 17

20163.

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

**D**

FOR OFFICE USE ONLY

R669458

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

JUN 11 2010 11:08

LAND REGISTRAR/REGISTRATEUR

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 13 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00783 | 0057 |
| 00784 | 0185 |

Additional: See Schedule ☒

(4) Nature of Document

Gas Storage Lease ~~Agreement~~

(5) Consideration

Three Thousand, Six Hundred ---------- 00/100 Dollars $3,600.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the First Concession, part of Lot 8, Lot 9, Lot 10 and Lot 11, in the Paincourt Block and part of Lot 2 and Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0390, P.I.N. 00784-0405, P.I.N. 00784-0404, P.I.N. 00784-0185, P.I.N. 00783-0057 and P.I.N. 00784-0311, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☒ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

"I have authority to bind the Corporation."

Date of Signature Y M D: 2009 09 11

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman, President

"I have the authority to bind the corporation."

Date of Signature Y M D: 2010 05 13

Lessee

(13) Address for Service ~~557~~ Southdale Road East, London, Ontario N6E 1A2 204 - 555 Mary B.

(14) Municipal Address of Property

[redacted]

(15) Document Prepared by:

Elexco Ltd.
555 Southdale Road East
London ON N6E 1A2

File: 104005-11- 10136

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NT |
| | |
| | |
| Total | |

The Elexco Group, 555 Southdale Road East, London, Ontario

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

Additional Property Identifier(s) and/or Other Information

Box 3 Additional Property Identifier(s) continued.

| Block | Property |
|---|---|
| 00784 | 0311 |
| 00784 | 0390 |
| 00784 | 0404 |
| 00784 | 0405 |

FOR OFFICE USE ONLY

Additional Property Identifier(s) and/or Other Information

(10) ADDITIONAL PARTY(IES)

Name(s) [redacted] Signature(s) [redacted] Date of Signature Y 2010 M 03 D 25

I am at least eighteen years of age.
I am not a spouse.

Lessor

(11) Address for Service

[redacted]

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

Lessor

(11) Address for Service

(10) ADDITIONAL PARTY(IES)

Name(s) Signature(s) Date of Signature Y M D

Lessor

(11) Address for Service

FOR OFFICE USE ONLY

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 11th day of September, 2009.

BETWEEN: [redacted] company incorporated under the laws of the Province of Ontario, of the Township of Dover East, in the Municipality of Chatham-Kent, in the Province of Ontario and [redacted] the Township of Dover East, in the Municipality of Chatham-Kent, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD., a company incorporated under the laws of the Province of Ontario, Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the First Concession, part of Lot 8, Lot 9, Lot 10 and Lot 11, in the Paincourt Block and part of Lot 2 and Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0390, P.I.N. 00784-0405, P.I.N. 00784-0404, P.I.N. 00784-0185, P.I.N. 00783-0057 and P.I.N. 00784-0311, more particularly described in Schedule "A" attached hereto.

containing in all 360.0 acres, more or less (hereinafter called the "said lands") subject of oil and gas leases dated the 13th day of November, 1985, and registered on the 25th day of June, 1986, in the Registry Office for the County of Kent as No. 431854, and dated the 18th day of November, 1988 , and registered on the 16th day of February, 1989, in the Registry Office for the County of Kent as No. 471208, and dated the 24th day of November, 2006, and registered on the 23rd day of May, 2007, in the Registry Office for the County of Kent as No. 655916, and dated the 10th day of August, 1916, and registered on the 12th day of May, 1917, in the Registry Office for the County of Kent as No. 16969, for the Township of Dover. (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of --**THREE THOUSAND SIX HUNDRED--/00 Dollars ($3,600.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of --**TEN--/00 Dollars ($10.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of --**FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

104005-11-10136

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: That part of Lot 7, in the First Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-2687.

SAVE AND EXCEPT that part of Lot 7, in the First Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-7607.

FURTHER SAVE AND EXCEPT that part of Lot 7, in the First Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-7645.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 7, in the First Concession, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0390.

SECONDLY: That part of Lot 7, in the First Concession and being a parcel of land lying Southeasterly of Lot 9, Lot 10 and Lot 11, Paincourt Block and Northwesterly of the centre line of the McFarlane Relief Drain, said parcel being more particularly described as follows:

COMMENCING at the Northerly angle of Lot 7, in the Front Concession;

THENCE Southwesterly, along the Northwesterly limit of said Lot, being also along the Southeasterly limit of the lands of Paincourt Block, a distance of 568.0 feet to a point;

THENCE Southeasterly, parallel to the Northeasterly limit of Lot 7, a distance of 729.0 feet to a point;

THENCE Southwesterly, in a straight line, a distance of 347.0 feet to a point, said point being distant 740.25 feet from said Northwesterly limit of said Lot, measured on a course parallel to the Northeasterly limit of Lot 7;

THENCE Northwesterly, parallel to the Northeasterly limit of said Lot, a distance of 406.0 feet to a point;

THENCE Southwesterly, in a straight line, a distance of 215.0 feet to a point in the centre line of the Paincourt Creek Drain, said point being distant Southeasterly, parallel to the Northeasterly limit of Lot 7, distant 331.25 feet from the Northwesterly limit of said Lot;

.../2

THENCE Southeasterly, along the centre line of the Paincourt Creek Drain, a distance of 740.0 feet to said centre line of the McFarlane Relief Drain;

THENCE Easterly and Northeasterly, along said centre line of the McFarlane Relief Drain, a distance of 1,231.0 feet to said Northeasterly limit of Lot 7;

THENCE Northwesterly, along the Northeasterly limit of said Lot, a distance of 1,239.0 feet to a point of commencement;

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 7, in the First Concession, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0405.

THIRDLY: That part of Lot 7, in the First Concession, lying Southwesterly of the centre line of Paincourt Creek Drain, which may be more particularly described as follows:

COMMENCING at a point in the centre of the municipal drain known as Paincourt Creek Drain, which said point is distant Southeasterly, parallel to the Northeasterly limit of Lot 7, distant 334.25 feet therealong from the Northwesterly limit of said Lot and distant Southwesterly, 1,130.0 feet therealong from the Northeasterly limit of Lot 7, measured parallel to the Northwesterly limit of said Lot;

THENCE Southwesterly, parallel to the Northwesterly limit of Lot 7, a distance of 360.0 feet to a point, said point being distant Northeasterly measured parallel to the Northwesterly limit of said Lot a distance of 575.0 feet therealong from the Southwesterly limit of Lot 7;

THENCE Southeasterly, in a straight line, a distance of 620.0 feet to a point in the centre line of the municipal drain known as the McFarlane Relief Drain, said point being distant Northeasterly, parallel to the Northwesterly limit of said Lot, distant 573.5 feet therealong from the Southwesterly limit of Lot 7;

THENCE Northeasterly, continuing along the centre line of said McFarlane Relief Drain, a distance of 330.0 feet to the centre line of the Paincourt Creek Drain;

THENCE Northwesterly, along said last mentioned centre line of Paincourt Creek Drain, a distance of 750.0 feet to the point of commencement.

SAVE AND EXCEPT that part of Lot 7, in the First Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-8632.

.../3

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 7, in the First Concession, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0405.

FOURTHLY: That part of Lot 7, in the First Concession, which may be more particularly described as follows:

COMMENCING at a point in the Southwesterly limit of Lot 7, said point being distant Southeasterly, along said Southwesterly limit of said Lot, in the Front Concession and Lot 13, Paincourt Block, distant 2,494.2 feet therealong from the existing Southeasterly limit of the Road Allowance between the Third Concession and the Fourth Concession;

THENCE Northeasterly, in a straight line, a distance of 575.0 feet to a point, which said point is distant Southeasterly, 2492.0 feet measured parallel to the Southwesterly limit of Lot 7 and Lot 13, Paincourt Block;

THENCE Southeasterly, in a straight line, a distance of 3,771.0 feet to a point in the existing Northwesterly limit of the public highway known as River Road, said point being distant Northeasterly, along the Northwesterly limit of said River Road, distant 565.5 feet therealong from the Southwesterly limit of said Lot 7 and Lot 13;

THENCE Southeasterly, continuing in said last mentioned straight line, a distance of 133.0 feet to the water's edge of the River Thames;

THENCE Southwesterly, along said last mentioned water's edge, a distance of 567.0 feet to the Southwesterly limit of Lot 7;

THENCE Northwesterly, along said last mentioned limit, a distance of 3,959.5 feet to the point of commencement.

SAVE AND EXCEPT that part of Lot 7, in the First Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-8632.

FURTHER SAVE AND EXCEPT thereout and therefrom that portion of the above described parcel being the public highway known as the River Road.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 7, in the First Concession, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0404 and P.I.N. 00784-0185.

.../4

FIFTHLY: All of Lot 9, Lot 10 and Lot 11, in the Paincourt Block.

SAVE AND EXCEPT that part of Lot 9, Lot 10 and Lot 11, in the thereof acquired Paincourt Block, now designated as Part 22 on a Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

FURTHER SAVE AND EXCEPT that part of Lot 9, in the Pain Court Block, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-7677.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 9, Lot 10 and Lot 11, in the Pain Court Block, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0405.

SIXTHLY: The West half of Lot 8, in the Paincourt Block.

SAVE AND EXCEPT that part of Lot 8, in the Paincourt Block, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-2338.

FURTHER SAVE AND EXCEPT that part of Lot 8, in the Paincourt Block, now designated as Part 21 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 8, in the Pain Court Block, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0405.

SEVENTHLY: The Northeast half of the Northeast half of Lot 2, in the Fourth Concession.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 2, in the Fourth Concession, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00783-0057.

EIGHTHLY: The East half of the West four fifths of Lot 7, in the Fourth Concession.

.../5

SAVE AND EXCEPT that part of Lot 7, in the Fourth Concession, now designated as Part 8 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

FURTHER SAVE AND EXCEPT that part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-5892.

SUBJECT TO a Notice of Option to Lease in favour of Invenergy Wind Canada LLC, over that part of Lot 7, in the Fourth Concession, as set out in Instrument No. 657890, registered in the Registry Office for the Registry Division of Kent, on the 16th day of October, 2007.

Now known as P.I.N. 00784-0311.

set out as 2nd lg, 3rd lg + 4th lg

THE DESCRIPTION OF THE LAND IN THIS INSTRUMENT DOES NOT COMPLY WITH THE REGULATIONS UNDER THE REGISTRY ACT. A REVISED DESCRIPTION MAY BE REQUIRED IN SUBSEQUENT INSTRUMENTS.

R. Pinsent

Asst. Dep. Land REGISTRAR

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204 - 555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, N/A and N/A being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

"I have authority to bind the Corporation"

[redacted]

**LESSEE**
**ELEXCO LTD., TRUSTEE**

**Per: John L. Norman, President**

"I have authority to bind the Corporation"

SoftDocs ● Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No. multiple

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

In the Matter of the Conveyance of *(insert brief description of land)* Geographic Township of Dover East, Municipality Chatham-Kent, formerly the Cty. of Kent, part of Lot 7, 1st Conc., part of Lot 8, Lot 9, Lot 10 & Lot 11, Fairmount Block A part of Lot 2 & Lot 7, 4th Conc., now P.I.N. 00784-0390, P.I.N. 00784-0405, P.I.N. 00784-0404, P.I.N. 00784-0185, P.I.N. 00785-0057 & P.I.N. 00784-0311.

BY *(print names of all transferors in full)* [redacted]

TO *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | | |
|---|---|---|---|
| (a) | Monies paid or to be paid in cash | $ 3,600.00 | |
| (b) | Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| | (ii) Given back to vendor | $ Nil | |
| (c) | Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) | Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) | Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) | Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 3,600.00 | $ 3,600.00 |
| (g) | Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) | Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) | Total Consideration | | $ 3,600.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 7th day of June, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | | Yes | No |
|---|---|---|---|
| (a) | Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) | If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) | Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) | If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).



*Document prepared by Elexco Ltd., 355 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 18

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

20164

D

FOR OFFICE USE ONLY

R667609

CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT
KENT (61) REGISTRY

DEC 22 2009 15:50

AP

New Property Identifiers

Additional: See Schedule ☐

Executions

Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages 10

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0328 |
| 00784 | 0329 |

Additional: See Schedule ☐

(4) Nature of Document

Gas Storage Lease

(5) Consideration

Four Hundred and Fifty ---------- 00/100 Dollars $450.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement PlanSketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

(9) This Document relates to instrument number(s) R667608 Continued on Schedule ☐

(10) Party(ies) (Set out Status or Interest)

Name(s) Signature(s) Date of Signature Y M D

[redacted] 2009 9 11

[redacted] 2009 9 11

[redacted]

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) Signature(s) Date of Signature Y M D

ELEXCO LTD., Trustee John L. Norman 2009 12 04

John L. Norman, President

*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 10141

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of Stylelis Corporation, Toronto, Canada. LRA Form 4 11/1992

# GAS STORAGE LEASE

**This Agreement** made this 17 day of September, 2009.

BETWEEN: [redacted] of the **Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.

containing in all 90 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 17th day of September 2009 and registered on the 22nd day of December 2009 in the Registry Office for the County of Kent as No. A667608 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--FOUR HUNDRED FIFTY-- Dollars ($450.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--FIVE-- Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104045-11-10141

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: That part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6087.

Now known as P.I.N. 00784-0328.

SECONDLY: That part of Lot 8, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at a point in the Southeasterly limit of Lot 8, in the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, said point being distant 1,604.1 feet from the Northeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 186.8 feet to a point;
THENCE Northwesterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to a point;
THENCE Southwesterly, parallel to the Southeasterly limit of said Lot, a distance of 150.0 feet to a point;
THENCE Southeasterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to the Southeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 183.87 feet to the dividing line between Lot 8 and Lot 7;
THENCE Southwesterly, along the Southeasterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between the Northeast one-fifth and the Southwest four-fifths of said Lot;
THENCE Northwesterly, along the dividing line between the Northeast one-fifth and the Southwest four-fifths of Lot 7, a distance of 4,389.0 feet to the Northwesterly limit of said Lot;
THENCE Northeasterly, along the said Northwesterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between Lot 7 and Lot 8;
THENCE Northeasterly, along the Northwesterly limit of Lot 8, a distance of 520.67 feet to a point in the dividing line between the Southwest quarter and the Northeast three-quarters of Lot 8;
THENCE Southeasterly, along the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, a distance of 4,389.0 feet to the point of commencement.

.../2

SAVE AND EXCEPT that part of Lot 7 and Lot 8, in the Fourth Concession, now designated as Part 9 and Part 11 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24r-1475.

FURTHER SUBJECT TO that part of Lot 7, in the Fourth concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-0329..

Now known as P.I.N. 00784-0329.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 _ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 _ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] and C[redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST LONDON ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] being spouses within the meaning of section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**

*"I have authority to bind the Corporation"*

SoftDocs Wordprocessor Interface LTTA 5/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

Ministry of Finance

Ontario

Refer to instructions on reverse side.

Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H8

Property Identifier(s) No.
00784-0328
00784-0329

104005-11-10141 8

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponent(s):*

- ☐ (a) the transferee named in the above-described conveyance;
- ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
- ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
- ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
- ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 450.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 3)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 450.00 | $ 450.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 450.00 |

*All blanks must be filled in. Insert "Nil" where applicable.*

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

- ☐ does not contain a single family residence or contains more than two single family residences;
- ☐ contains at least one and not more than two single family residences; or
- ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 23rd day of November 2009

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor: Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

0449K (2004-04)

# Section 7 – Schedule 3 – Tab 19

-20157

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.1 Wordprocessor Interface

D

FOR OFFICE USE ONLY

R668107

CERTIFICATE OF REGISTRATION
CERTIFICAT D'ENREGISTREMENT
KENT (24) CHATHAM

FEB 19 2010 10:03

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block 00784 Property 0006 Additional See Schedule ☐

(4) Nature of Document

Gas Storage Lease

(5) Consideration

Fifty ---------- 00/100 Dollars $50.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0006, more particularly described in Schedule "A" attached hereto.

New Property Identifiers Additional: See Schedule ☐

Executions Additional: See Schedule ☐

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s)

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted]

Signature(s) [redacted]

Date of Signature Y M D: 2009 11 09

I am at least eighteen years of age.
I am not a spouse.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s)

ELEXCO LTD., Trustee

Signature(s)

John L. Norman, President
*"I have the authority to bind the corporation"*

Date of Signature Y M D: 2010 02 13

Lessee

(13) Address for Service 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our file #104005-11- 10176

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada 

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 09 day of November, 2009.

BETWEEN: [redacted] of the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Township** of **Dover East**, in the **Municipality** of **Chatham-Kent**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0006, more particularly described in Schedule "A" attached hereto.

containing in all **1** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 14th day of June, 1984, and registered on the 5th day of July, 1984, in the Registry Office for the County of Kent as No. 404605 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--FIFTY-- Dollars ($50.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

~~Yielding and~~ paying ~~therefor a clear annual rental at the rate of Dollars ($ ) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with~~ the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10176

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of the Northeast half of Lot 6, in the Fourth Concession, which may be more particularly described as follows:

BEGINNING at the most Southerly angle of Lot 6;
THENCE Northeasterly, along the Southeasterly limit of said Lot, to the dividing line between the Northeast and Southwest halves of Lot 6; said point being the point of commencement of the herein described lands;
THENCE continuing Northeasterly, along the Southeasterly limit of said Lot, a distance of 100.0 feet to a point;
THENCE Northwesterly, at right angles to the Southeasterly limit of Lot 6, a distance of 200.0 feet to a point;
THENCE Southwesterly, parallel to said Southeasterly limit, a distance of 100.0 feet to the dividing line between the Northeast and Southwest halves of Lot 6;
THENCE Southeasterly, along said dividing line between the Northeast and Southwest halves of Lot 6, a distance of 200.0 feet to the point of commencement.

SAVE AND EXCEPT that part of Lot 6, in the Fourth Concession, now designated as Part 3 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-1475.

Now known as P.I.N. 00784-0006.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 201-555 SOUTHDALE ROAD EAST, LONDON, ON N6E 1A2** and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, **n/a** and **n/a** being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation"***

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10176 1

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0006

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 6, in the Fourth Concession, now known as P.I.N. 00784-0006.

**BY** *(print names of all transferors)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 50.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 50.00 | $ 50.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 50.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☒ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 25th day of January, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date *(Year/Month/Day)* |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 20

20160

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® Wordprocessor Interface

D

FOR OFFICE USE ONLY

R667942

CERTIFICATE OF REGISTRATION
KENT (24) CHATHAM

FEB 03 2010 10:47

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0336 |
| 00784 | 0338 |

Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: One Hundred ---------- 00/100 Dollars $100.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription ☐ New Easement ☐ Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to Instrument number(s) 655992

(10) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| [redacted] | [redacted] | 2009 10 27 |
| [redacted] ona | [redacted] | 2009 10 27 |
| [redacted] e. | | |

Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

| Name(s) | Signature(s) | Date of Signature Y M D |
|---|---|---|
| ELEXCO LTD., Trustee | John L. Norman | 2010 02 01 |
| | John L. Norman, President<br>*"I have the authority to bind the corporation"* | |

Lessee

(13) Address for Service C/O 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 1071 Robin

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | NT |
| | |
| | |
| Total | |

*Document licenced to Elexco Ltd., 557 Southdale Road East, London, Ontario*

SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada. LRRA Form 4 11/1992

# GAS STORAGE LEASE

**This Agreement** made this 27 day of October, 2009.

BETWEEN: V[redacted]T, in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338, particularly described in Schedule "A" attached hereto.

containing in all 2.0 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 1st day of December, 2006, and registered on the 30th day of May, 2007, in the Registry Office for the County of Kent as No. 655992 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--ONE HUNDRED--/00 Dollars ($100.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

~~Yielding and~~ paying ~~therefor a clear annual rental at the rate of ——— Dollars ($ ———) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with~~ the sum of **--FIVE HUNDRED--/00 Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10171

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

Including all mineral rights, including all petroleum, natural gas and related hydro-carbons, and all minerals, substances and other gases produced in association with the foregoing or found in any water contained in any oil and gas reservoirs, in or under that part of Lot 7, in the Second Concession, or Fourth Range, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6649.

Now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2** and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, [redacted] spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation."***

SoftDocs Wordprocessor Interface LYTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation

104005-11-10171 7

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0336
00784-0338

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Second Concession or Fourth Range, now known as P.I.N. 00784-0336 and part of P.I.N. 00784-0338.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

I John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 100.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 100.00 | $ 100.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 100.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

*Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☒ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 22nd day of January, 2010

A Commissioner for taking Affidavits, etc.

Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

**For Land Registry Office Use Only**
Registration No.
Registration Date (Year/Month/Day)
Land Registry Office No.

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 535 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 21

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 41 Wordprocessor Interface

D 20162

FOR OFFICE USE ONLY

R667931

CERTIFICATE OF AUTHENTICATION
KENT (24) CHATHAM

FEB 03 2010 9:47

New Property Identifiers

Additional: See Schedule ☐

Executions

Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 7 pages

(3) Property Identifier(s) Block 00784 Property 0310 Additional: See Schedule ☐

(4) Nature of Document: Gas Storage Lease

(5) Consideration: Fifty ---------- 00/100 Dollars $50.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0310, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s) R667930

(10) Party(ies) (Set out Status or Interest)

Name(s) [redacted] Signature(s) [redacted] Date of Signature Y M D: 2009 10 14

I am not a spouse.
I am at least eighteen years of age.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s): ELEXCO LTD., Trustee

Signature(s): John L Norman

Date of Signature Y M D: 2010 02 01

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service: 204-555 Southdale Road East, London ON N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 10166 ADB

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 - |
| | NT |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleUs Corporation, Toronto, Canada LRRA Form 4 11/1992

# GAS STORAGE LEASE AGREEMENT

**This Agreement** made this 14 day of OCTOBER, 2009.

BETWEEN: [redacted],

in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0310, more particularly described in Schedule "A" attached hereto.

containing in all 1 acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the ...14th..... day of ..October..... 2009..., and registered on the .....3rd..... day of February 2010..., in the Registry Office for the County of ..Kent..... as No. R667930 ..... (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--FIFTY-- Dollars ($50.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

~~Yielding and paying therefor a clear annual rental at the rate of ---- Dollars ($ ----) per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof;~~ together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

BOB DB. 2

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104005-11-10166

SCHEDULE "A"

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

That part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-5892.

Now known as P.I.N. 00784-0310.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 ½ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 ½ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.:

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST, LONDON ON N6E 1A2** and to the Lessor at [redacted] or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We, **n/a** and **n/a** being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee.**

**John L. Norman, President**
***"I have authority to bind the Corporation"***

SoftDocs Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104045-11-10166

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0310

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

**In the Matter of the Conveyance of** *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7, in the Fourth Concession, now known as P.I.N. 00784-0310.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*

- ☐ (a) the transferee named in the above-described conveyance;
- ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
- ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
- ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
- ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

*All blanks must be filled in. Insert "Nil" where applicable.*

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 50.00 | |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 50.00 | $ 50.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 50.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

- ☐ does not contain a single family residence or contains more than two single family residences;
- ☐ contains at least one and not more than two single family residences; or
- ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☒ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 22nd day of January, 2010

[signature]
A Commissioner for taking Affidavits, etc.

[signature]
Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No. |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).**

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 3 – Tab 22

Province of Ontario

# Document General

Form 4 — Land Registration Reform Act

SoftDocs® 4.3 Wordprocessor Interface

D

20165

FOR OFFICE USE ONLY

R667609

CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT KENT (61) SOUTH

DEC 22 2009 15:50

RP

New Property Identifiers — Additional: See Schedule ☐

Executions — Additional: See Schedule ☐

(1) Registry ☒ Land Titles ☐ (2) Page 1 of 8 pages

(3) Property Identifier(s)

| Block | Property |
|---|---|
| 00784 | 0328 |
| 00784 | 0329 |

Additional: See Schedule ☐

(4) Nature of Document

Gas Storage Lease

(5) Consideration

Four Hundred and Fifty ---------- 00/100 Dollars $450.00

(6) Description

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.

(7) This Document Contains: (a) Redescription New Easement Plan/Sketch ☐ (b) Schedule for: Description ☒ Additional Parties ☐ Other ☒

(8) This Document provides as follows:

Continued on Schedule ☐

(9) This Document relates to instrument number(s) R667608

(10) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature (Y M D)

[redacted] — 2009 9 17

[redacted] — 2009 9 17

We are spouses of one another.
We are at least eighteen years of age.
Lessor

(11) Address for Service [redacted]

(12) Party(ies) (Set out Status or Interest)

Name(s) — Signature(s) — Date of Signature (Y M D)

ELEXCO LTD., Trustee — John L. Norman — 2009 12 04

John L. Norman, President
*"I have the authority to bind the corporation"*

Lessee

(13) Address for Service 204-555 Southdale Road East, London, Ontario N6E 1A2

(14) Municipal Address of Property [redacted]

(15) Document Prepared by:

Elexco Ltd.
557 Southdale Road East
London ON N6E 1A2

Our File No. 104005-11- 10141

FOR OFFICE USE ONLY

| Fees and Tax | |
|---|---|
| Registration Fee | 60 |
| | N/T |
| | |
| | |
| Total | |



SoftDocs is a registered trade mark of StyleLis Corporation, Toronto, Canada. LRA Form 4 11/1992

# GAS STORAGE LEASE

**This Agreement** made this 17 day of September, 2009.

BETWEEN: [redacted] of [redacted] in the Province of Ontario, hereinafter called the "Lessor", of the First Part, and

**ELEXCO LTD.**, a company incorporated under the laws of the Province of Ontario, **Trustee.**

hereinafter called the "Lessee", of the Second Part.

WHEREAS the Lessor is the registered owner of or is entitled to become the registered owner of an estate in fee simple in that certain parcel or tract of land, situate, lying and being in the **Geographic Township** of **DOVER EAST**, in the **Municipality** of **CHATHAM-KENT**, in the Province of Ontario, described as follows:

In the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329, more particularly described in Schedule "A" attached hereto.

containing in all **90** acres, more or less (hereinafter called the "said lands") subject of an oil and gas lease dated the 17th day of September 2009, and registered on the 22nd day of December 2009 in the Registry Office for the County of Kent as No. R.667608 (hereinafter called "the oil and gas lease");

AND WHEREAS the Lessor has agreed to lease the sub-surface of the said lands to the Lessee for the purposes and on the term and conditions hereinafter set forth;

WITNESSETH that in consideration of the sum of **--FOUR HUNDRED FIFTY-- Dollars ($450.00)** now paid to the Lessor by the Lessee (the receipt of which is hereby acknowledged) and the further rents, covenants and agreements hereinafter reserved and contained:

The Lessor doth hereby demise and lease unto the Lessee, its successors and assigns all and singular the said lands save and except the surface rights thereto, save as hereinafter provided, (hereinafter called "the demised lands"), to be held by the Lessee, subject to the oil and gas lease, as tenant for a term of **Ten (10) years** from the date hereof, subject to renewal as hereinafter provided, for the purpose of injecting, storing and withdrawing gas, natural and/or artificial, (hereinafter collectively referred to as "gas") within or from the demised lands;

Yielding and paying therefor a clear annual rental at the rate of **--FIVE-- Dollars ($5.00)** per acre of the demised lands (the payment of the first annual rental is hereby acknowledged as received) payable in advance on the anniversary date hereof in each year during the term hereof; together with the sum of **--FIVE HUNDRED-- Dollars ($500.00)** for each acre (and/or fraction thereof) of the surface of the demised lands occupied by the Lessee at any time during any lease year for the purpose of the Lessee's operations hereunder, payable in arrears at the end of such lease year; provided that if the Lessor is already being compensated by the Lessee for its occupation of such surface under any other Agreement with the Lessee, the total rate of compensation for such occupation payable by the Lessee shall not exceed the aforesaid sum.

AND FOR THE CONSIDERATION, rentals and payments aforesaid, the Lessor doth also hereby give and grant unto the Lessee insofar as the Lessor has the right so to grant the same, the right, liberty and privilege in, upon, or across the surface lands, to lay down, construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipe lines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations of the Lessee hereinbefore described; together with the right of withdrawing from the demised lands and of selling or otherwise disposing of the same, all such waters, salts, minerals and other substances as may be necessary to allow the injection and storage of gas therein and with the right of entering upon, using and occupying so much of the surface of the demised lands as may be necessary or convenient to carry on such operations and to fence any portion of the surface of the demised lands used by the Lessee.

104045-11-10141

SCHEDULE "A"

ALL AND SINGULAR those certain parcels or tracts of land and premises, situate, lying and being in the Geographic Township of Dover East, in the Municipality of Chatham-Kent, formerly the County of Kent, and Province of Ontario, being composed of:

FIRSTLY: That part of Lot 7, in the Fourth Concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-6087.

Now known as P.I.N. 00784-0328.

SECONDLY: That part of Lot 8, in the Fourth Concession, which may be more particularly described as follows:

COMMENCING at a point in the Southeasterly limit of Lot 8, in the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, said point being distant 1,604.1 feet from the Northeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 186.8 feet to a point;
THENCE Northwesterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to a point;
THENCE Southwesterly, parallel to the Southeasterly limit of said Lot, a distance of 150.0 feet to a point;
THENCE Southeasterly, parallel to the Northeasterly limit of Lot 8, a distance of 150.0 feet to the Southeasterly limit of Lot 8;
THENCE Southwesterly, along the Southeasterly limit of said Lot, a distance of 183.87 feet to the dividing line between Lot 8 and Lot 7;
THENCE Southwesterly, along the Southeasterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between the Northeast one-fifth and the Southwest four-fifths of said Lot;
THENCE Northwesterly, along the dividing line between the Northeast one-fifth and the Southwest four-fifths of Lot 7, a distance of 4,389.0 feet to the Northwesterly limit of said Lot;
THENCE Northeasterly, along the said Northwesterly limit of Lot 7, a distance of 399.3 feet to a point in the dividing line between Lot 7 and Lot 8;
THENCE Northeasterly, along the Northwesterly limit of Lot 8, a distance of 520.67 feet to a point in the dividing line between the Southwest quarter and the Northeast three-quarters of Lot 8;
THENCE Southeasterly, along the dividing line between the Southwest quarter and the Northeast three-quarters of said Lot, a distance of 4,389.0 feet to the point of commencement.

.../2

SAVE AND EXCEPT that part of Lot 7 and Lot 8, in the Fourth Concession, now designated as Part 9 and Part 11 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24r-1475.

FURTHER SUBJECT TO that part of Lot 7, in the Fourth concession, now designated as Part 1 on a Reference Plan deposited in the Registry Office for the Registry Division of Kent, as Plan 24R-0329..

Now known as P.I.N. 00784-0329.

THE LESSOR COVENANTS AND AGREES TO AND WITH THE LESSEE:

1. Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Agreement.

2. That the Lessor has good title to the said lands as hereinbefore set forth, has good right and full power to lease the demised lands, rights and privileges in the manner aforesaid and that the Lessee upon performing and observing the covenants and conditions on the Lessee's part herein contained shall and may peacefully possess and enjoy the demised lands and the rights and privileges hereby granted during the said term and any renewal thereof without any interruption or disturbance from or by the Lessor or by any person whomsoever claiming under the Lessor.

3. That at the expiration of the term of **Ten (10) years** hereinbefore mentioned, unless the Lessee shall give written notice to the Lessor of its desire not to renew this Agreement, the same shall automatically be renewed as to that part of the demised lands then held by the Lessee, together with the rights and privileges hereunder, and the term extended for a further period of **Ten (10) years** at the annual rental then being paid as herein provided. Such extended term thereafter shall be subject to all the provisions hereof including this provision for renewal.

4. That if the Lessor owns an interest in the demised lands less than the entire fee simple estate, the rentals and payments to be paid hereunder shall be paid to the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

THE LESSEE HEREBY COVENANTS AND AGREES TO AND WITH THE LESSOR:

5. To pay the rentals hereinbefore reserved in each and every year in advance during the currency of this Agreement.

6. To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, compressors, equipment, tanks, structures and works placed by the Lessee in, on, or over the demised lands.

7. To conduct all its operations on the demised lands in a diligent, careful and workmanlike manner and in compliance with the provisions of law applicable to such operations and where such provisions of law conflict or are at variance with the provisions of this Agreement such provisions of law shall prevail.

8. Save as herein specifically provided with respect to the purchase by the Lessee of the Lessor's interest in such of the gas and oil and related hydrocarbons as are contained in the demised lands, there is hereby excepted and reserved to the Lessor in respect of all waters, salts, minerals and other substances withdrawn, saved and sold or otherwise disposed of from the demised lands hereunder, a gross royalty of five percent (5%) of the current market value of such substances at the wellhead.

9. Not to drill or operate a well within two hundred feet of any residence or barn on the said lands without the Lessor's consent, and when required by the Lessor to bury pipe lines below ordinary plough depth.

10. To pay and be responsible for all damages and injuries sustained by the Lessor caused by or attributable to the operations of the Lessee and upon the abandonment of any well and the cessation of operations by the Lessee to restore the surface thereof to the same condition, so far as may be practicable, as existed before the entry thereon and use thereof by the Lessee.

11. That upon surrendering any of its interest in the demised lands to the Lessor, it shall at its own expense register such surrender in the Registry Office in which the said lands are situated.

THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

12. The Lessee shall have the right at any time and from time to time to surrender this Agreement as to any or all portions of the demised lands, whereupon this Agreement and all payments hereunder shall be terminated as to the demised lands so surrendered and the surface thereof; provided that the Lessee shall have no right to surrender this Agreement in respect of any portion of the demised lands lying within a storage area so designated by law, unless such surrender be for the whole of the demised lands and its entire interest under this Agreement.

13. The Lessee shall at all times during the currency of this Agreement and for a period of six months following the termination thereof or following a surrender either in whole or in part have the right to remove or cause to be removed from the said lands all tanks, stations, structures, fixtures, pipe lines, compressors, material and equipment of whatsoever nature or kind which it may have placed in or on the said lands or on any area surrendered and to pull casing in wells drilled and/or operated on the demised lands pursuant to the terms of this Agreement.

14. The Lessee may delegate, assign or convey to other corporations or persons, partnerships, associations and other unincorporated bodies, all or any of the powers, privileges, rights or interests demised, granted, leased or conferred upon the Lessee herein and may enter into all agreements, contracts and writings to do all things necessary to give effect to this clause.

15. In case there is or shall be any tax, mortgage, encumbrance, lien, balance of purchase money or other charge upon the said lands which has priority to this Agreement other than the oil and gas lease, the Lessor hereby authorizes the Lessee to pay at its option any or all compensation and/or rents which shall become payable hereunder in or towards the discharge of such tax, mortgage, encumbrance, lien, balance of purchase money, or other charge upon the said lands and thereupon the Lessee shall at its option become subrogated to the rights of the holder thereof.

16. Subject to its rights, if any, under the oil and gas lease, the Lessee shall not inject gas into the demised lands under the provisions hereof until it has offered to the Lessor the additional acreage rental to be paid to the Lessor in respect of its storage operations to be conducted hereunder in the manner hereinafter provided and until it has offered to purchase from the Lessor, as hereinafter provided, the Lessor's interest in such of the gas and oil and related hydrocarbons (hereinafter called "the petroleum substances") contained in the demised lands as are liable on the withdrawal of the gas so injected to be co-mingled indistinguishably therewith as to their respective volumes, or as are liable to be rendered commercially unrecoverable by reason of such injection or the storage operations to be conducted by the Lessee hereunder. Nothing herein shall prevent the Lessee from and it is hereby given the right at any time and from time to time to purchase the Lessor's interest in any or all the other petroleum substances contained in the demised lands.

17. The purchase price of any of the petroleum substances to be purchased by the Lessee under Clause 16 hereof shall be computed as follows:

(a) (i) 12 _ % of the current market value at the wellhead of all petroleum substances commercially recoverable from the demised lands in liquid forms; and

(ii) 12 _ % of the current market value at the wellhead or pithead of all other petroleum substances commercially recoverable from the demised lands down to a reservoir pressure of 50 pounds p.s.i.a.;

- or -

(b) in the manner hereinafter provided.

18. In the event that the Lessee desires to purchase any of the petroleum substances as provided in Clauses 16 and 17 hereof, it shall give written notice to the Lessor of the quantity thereof to be purchased, the price therefor computed as provided in Clause 17(a) and the effective date of such purchase. The Lessee shall in addition state the additional acreage rental to be paid by the Lessee in respect of its storage operations to be conducted hereunder. The Lessor shall within Thirty (30) days from the receipt of the aforesaid notice advise the Lessee that it disputes either the purchase price or the additional acreage rental or both of them and in default of such notice of dispute the Lessor shall be deemed to have agreed thereto and the same shall become final and binding upon the Lessor and the Lessee. In the event that the Lessor gives such notice of dispute, such purchase price and additional acreage rental and any other compensation payable to the Lessor in respect of the Lessee's storage rights hereunder shall be determined by an board of arbitration in the manner provided under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor.

19. Subject to the terms of any order made by the board or arbitration aforesaid, payment of the purchase price shall be made to the Lessor in five equal annual installments. The first payment of the purchase price shall be made and payment of the additional storage rental shall commence effective the date on which the Lessee first commences to inject gas into the demised lands or into any other lands within a gas storage area so designated by law with which the demised lands form a common storage pool or reservoir; and subsequent payments of such purchase price and storage rental shall be made on the anniversary dates thereof.

20. (a) If the Lessor considers that the Lessee has not complied with any provision or obligation of this Agreement, including but not limited to a failure to pay any rental or any part thereof, a failure to give notice or to pay in the manner specified any rental or other sums for which specific provision is made in this Agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have Thirty (30) days after receipt of such notice to:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter diligently continue to remedy the same; or

(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

(b) The performance of any act by the Lessee intended to remedy all or any of the alleged breaches shall not be deemed an admission by the Lessee that it has failed to perform its obligations hereunder. If the Lessee fails to remedy or commence to remedy a breach or breaches within the Thirty (30) day period, or if having so commenced to remedy a breach or breaches thereafter fails to continue diligently to remedy the same, and if proceedings have not been commenced for a judicial determination as aforesaid, this Agreement, except for the Lessee's right with respect to the removal of equipment and its obligation to remove any registered document in relation to this Agreement, shall thereupon terminate and it shall be lawful for the Lessor to re-enter the said lands and to repossess them. If proceedings for a judicial determination are commenced within the aforesaid period of time, this Agreement shall not terminate until the existence of such breach has been finally judicially determined; nor shall it terminate if the Lessee within Thirty (30) days of such final determination has remedied or commenced to remedy the breach or breaches, and having so commenced to remedy the breach or breaches, thereafter diligently continues to remedy the same.

(c) Notwithstanding anything contained in this Agreement, this Agreement shall not terminate nor be subject to forfeiture or cancellation if any portion of the said lands are located within a gas storage area so designated by law or subject to an application filed for such designation under the Energy Board Act of Ontario and the regulations thereunder or under any act or regulations in amendment or substitution therefor; and, in that event, the Lessor's remedy for any default under this Agreement shall be for damages only.

21. All payments to the Lessor provided for in this Agreement shall at the Lessee's option be paid or tendered either to the Lessor or to the Lessor's "agent" named in and pursuant to this Clause or to the "depository" herein named. All such payments or tenders may be made by cheque or draft of the Lessee payable to the order of the Lessor or his agent, or in cash, either mailed or delivered to the Lessor or his agent, as the case may be, or to the depository, as the Lessee may elect. Payments or tenders made by mail as herein provided shall be deemed conclusively to have been received by the addressee Forty-Eight (48) hours after such mailing.

The Lessor does hereby appoint [redacted] as his agent as aforesaid and **PAY DIRECT** (Bank or Trust Company), at **ABOVE ADDRESS**, and its successors, as his depository as aforesaid.

All payments to the depository shall be for the credit of the Lessor or his agent, as the case may be. The agent and the depository shall be deemed to acting on behalf of the Lessor and shall continue as the agent and depository, respectively, of the Lessor for receipt of any and all sums payable hereunder regardless of any change or division in ownership (whether by sale, surrender, assignment, sublease or otherwise) of the demised lands or any part thereof or the rentals and other payments hereunder unless and until the Lessor gives the notice mentioned herein. All payments made to the agent or depository as herein provided shall fully discharge the Lessee from all further obligations and liability in respect thereof. No change in agent or depository shall be binding upon the Lessee unless and until the Lessor shall have given Thirty (30) days notice in writing to the Lessee to make such payments to another agent or a depository at a given address which changes will be specified in such notice; provided however, that only one such agent and one such depository, both of whom shall be resident in Canada, shall have authority to act on behalf of the Lessor at any one time.

22. This Agreement expresses and constitutes the entire agreement between the Parties, and no implied covenant or liability of any kind is created or shall arise by reason of these presents or anything herein contained.

23. All notices to be given hereunder may be given by letter delivered or mailed, postage prepaid, registered and addressed to the Lessee at **C/O A-ONE BUSINESS SERVICES LTD., 204-555 SOUTHDALE ROAD EAST LONDON ON N6E 1A2**

and to the Lessor at [redacted]

or such other address as either from time to time may appoint in writing, and every such notice so mailed shall be deemed to be given to and received by the addressee Forty-Eight (48) hours after such mailing.

24. We [redacted] being spouses within the meaning of Section 1(1) of the Family Law Act, R.S.O. 1990, c. F.3., together with any amendments thereto, do hereby consent to the transaction evidenced by this instrument and the registration of same on title to the lands hereinbefore described.

25. If the standard of measurement applicable to the transaction contemplated herein is changed by law to the International System of Units (SI) or any other system, all measurements provided for herein shall be interpreted as referring to the International System of Units (SI) or other applicable equivalents.

26. Subject as hereinbefore provided, this Agreement shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered these presents as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**
**In the Presence of:**

**LESSOR**

[redacted]

**LESSEE**
**ELEXCO LTD., Trustee**

**John L. Norman, President**
***"I have authority to bind the Corporation"***

SoftDocs ● Wordprocessor Interface LTTA 8/2004
SoftDocs is a registered trade mark of StyleUs Corporation.

104005-11-10141 8

Ontario

Refer to instructions on reverse side.

Ministry of Finance
Motor Fuels and
Tobacco Tax Branch
PO Box 625
33 King Street West
Oshawa ON L1H 8H9

Property Identifier(s) No.
00784-0328
00784-0329

# Land Transfer Tax Affidavit

*Land Transfer Tax Act*

In the **Matter of the Conveyance** of *(insert brief description of land)* In the Geographic Township of Dover East, in the Municipalitiy of Chatham-Kent, formerly the County of Kent,part of Lot 7 and Lot 8, in the Fourth Concession, now known as P.I.N. 00784-0328 and P.I.N. 00784-0329.

**BY** *(print names of all transferors in full)* [redacted]

**TO** *(print names of all transferees in full)* ELEXCO LTD., Trustee

/ John L. Norman

***have personal knowledge of the facts herein deposed to and Make Oath and Say that:***

1. I am *(place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):*
   - ☐ (a) the transferee named in the above-described conveyance;
   - ☐ (b) the authorized agent or solicitor acting in this transaction for the transferee(s);
   - ☒ (c) the President, [redacted] authorized to act for ELEXCO LTD., Trustee (the transferee(s));
   - ☐ (d) a transferee and am making this affidavit on my own behalf and on behalf of *(insert name of spouse or same-sex partner)* _____ who is my spouse or same-sex partner.
   - ☐ (e) the transferor or an officer authorized to act on behalf of the transferor company and ☐ I am tendering this document for registration and ☐ no tax is payable on registration of this document.

2. **THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:**

| | | |
|---|---|---|
| (a) Monies paid or to be paid in cash | $ 450.00 | *All blanks must be filled in. Insert "Nil" where applicable.* |
| (b) Mortgages (i) Assumed *(principal and interest)* | $ Nil | |
| (ii) Given back to vendor | $ Nil | |
| (c) Property transferred in exchange *(detail below in paragraph 5)* | $ Nil | |
| (d) Other consideration subject to tax *(detail below)* | $ Nil | |
| (e) Fair market value of the lands *(see instruction 2)* | $ Nil | |
| (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax *(Total of (a) to (e))* | $ 450.00 | $ 450.00 |
| (g) Value of all chattels – items of tangible personal property which are taxable under the provisions of the *Retail Sales Tax Act* | | $ Nil |
| (h) Other consideration for transaction not included in (f) or (g) above | | $ Nil |
| (i) Total Consideration | | $ 450.00 |

3. *To be completed where the value of the consideration for the conveyance exceeds $400,000.00*
   I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:
   - ☐ does not contain a single family residence or contains more than two single family residences;
   - ☐ contains at least one and not more than two single family residences; or
   - ☐ contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is $_____ and the remainder of the lands are used for _____ purposes.

> ***Note:*** *Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of consideration in excess of $400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.*

4. If the consideration is nominal, is the land subject to any encumbrance? ☐ Yes ☐ No

5. Other remarks and explanations, if necessary. The attached Gas Storage Lease is a conveyance of only the mineral rights to the land and exemption from land Transfer Tax is claimed as provided under Section 2 of Regulation 703, R.R.O., 1990.

Sworn/affirmed before me in the City of London
County of Middlesex
this 23rd day of November, 2009

[signature]
A Commissioner for taking Affidavits, etc.

[signature]
Signature(s)
John L. Norman

## Property Information Record

A. Describe nature of instrument: Gas Storage Lease

B. (i) Address of property being conveyed *(if available)* Not applicable

(ii) Assessment Roll No. *(if available)* Not applicable

C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed
Not applicable

D. (i) Registration number for last conveyance of property being conveyed *(if available)* N/A

(ii) Legal description of property conveyed: Same as in D.(i) above. ☐ Yes ☐ No ☒ Not Known

E. Name(s) and address(es) of each transferee's solicitor:
Not applicable

| For Land Registry Office Use Only |
|---|
| Registration No. |
| Registration Date (Year/Month/Day) |
| Land Registry Office No: |

## School Support (Voluntary Election) (See reverse for explanation)

| | Yes | No |
|---|---|---|
| (a) Are all individual transferees Roman Catholic? | ☐ | ☐ |
| (b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? | ☐ | ☐ |
| (c) Do all individual transferees have French Language Education Rights? | ☐ | ☐ |
| (d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? | ☐ | ☐ |

**Note:** As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

0449K (2004-04)

*Document prepared by Elexco Ltd., 555 Southdale Road East, London, Ontario*

# Section 7 – Schedule 4

| PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION |
|---|---|
| [redacted] | Part of Lot 4, Concession 5,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00777-0017 |
| [redacted] | Part of Lot 4, Concession 5,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00777-0018 |
| [redacted] | Part of Lot 5, Concession 5<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00777-0021 |
| [redacted] | Part of Lot 5, Concession 5<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00777-0058 |
| [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00783-0058 |
| [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0059 |
| [redacted] | Part of Lot 4, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0060 |
| [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0061 |

| PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION |
|---|---|
| [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0062 |
| [redacted] | Part of Lot 5, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00783-0063 |
| [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0370 |
| [redacted] | Part of Lot 6, Concession 4,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00784-0004 |
| [redacted] | Part of Lot 6, Concession 4,<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent,<br>PIN 00784-0005 |
| [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0007 |
| [redacted] | Part of Lot 7, Concession 4 **SRO**<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00784-0337 |
| [redacted] | Part of Lot 7, Concession 4 **MRO**<br>Geographic Township of Dover,<br>Now Municipality of Chatham-Kent<br>PIN 00784-0338 |

| PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION |
|---|---|
| [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0009 |
| [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0311 |
| [redacted] | Part of Lots 7 & 8, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0329 |
| [redacted] | Part of Lot 6, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0006 |
| [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0336<br>designated as Part 1 on 24R-6649 |
| [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0310<br>designated as part 1 on 24R-5892 |
| [redacted] | Part of Lot 7, Concession 4<br>Geographic Township of Dover,<br>now Municipality of Chatham-Kent<br>PIN 00784-0328<br>designated as part 1 on 24R-6087 |

# Section 7 – Schedule 5

Landowners affected by the Transmission Pipeline

| PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | PERMANENT EASEMENT Estimated Dimensions & Area | TEMPORARY LAND USE Estimated Dimensions & Area |
|---|---|---|---|
| [redacted] | Part of Lot 5, Concession 5 Geographic Township of Dover, Now Municipality of Chatham-Kent PIN 00777-0058 | 597.6m x 10m | 10m x 25m<br>597.6m x 5m |
| | | 0.598 ha<br>1.478 Ac | 0.32 ha<br>0.80 Ac |
| [redacted] | Part of Lot 5, Concession 5 Geographic Township of Dover, now Municipality of Chatham-Kent PIN 00777-0023 | 684.7m x 10m | 10m x 25m<br>684.7m x 5m<br>10m x 25m |
| | | 0.685 ha<br>1.693 Ac | 0.39 ha<br>0.97 Ac |
| [redacted] | Part of Lot 1, Concession 5 Geographic Township of Dover, now Municipality of Chatham-Kent PIN 00777-0007 | | 25m x 5m |
| | | | 0.013 ha<br>0.032 Ac |
| [redacted] | Part of Lot 1, Concession 6, Geographic Township of Dover, now Municipality of Chatham-Kent, PIN 00777-0068 | 190.78m x 10m | 10m x 25m<br>190.78m x 5m<br>10m x 25m |
| | | 0.191 ha<br>0.471 Ac | 0.145 ha<br>0.36 Ac |

# Section 7 – Schedule 6

uniongas
A Spectra Energy Company

| |
|---|
| Lands File No.: |
| Cheque No.: |
| Project: |
| Acct No.: |

# PIPELINE EASEMENT

(the "Easement")

Between

(herein called the "Transferor")

and

**UNION GAS LIMITED**
(herein called the "Transferee")

This Easement is an easement in Gross

WHEREAS the Transferor is the owner in fee simple of those lands and premises more particularly described as: PIN: Insert Legal (hereinafter called the "Transferor's Lands").

The Transferor does hereby GRANT, CONVEY, TRANSFER AND CONFIRM unto the Transferee, its successors and assigns, to be used and enjoyed as appurtenant to all or any part of the lands of the Transferee's lands the right, liberty, privilege and easement on, over, in, under and/or through a strip of the Transferor's Lands more particularly described as being PIN: Insert Legal Being Part of the PIN (hereinafter referred to as the "Lands") to survey, lay, construct, maintain, inspect, patrol, alter, remove, replace, reconstruct, repair, move, keep, use and/or operate one Pipe line for the transmission of pipeline quality natural gas as defined in The Ontario Energy Board Act S.O. 1998 (hereinafter referred to as the "Pipeline") including therewith all such buried attachments, equipment and appliances for cathodic protection which the Transferee may deem necessary or convenient thereto, together with the right of ingress and egress at any and all times over and upon the Lands for its servants, agents, employees, those engaged in its business, contractors and subcontractors on foot and/or with vehicles, supplies, machinery and equipment for all purposes necessary or incidental to the exercise and enjoyment of the rights, liberty, privileges and easement hereby granted. The Parties hereto mutually covenant and agree each with the other as follows:

1. In consideration of the sum of DOLLARS ($ ) of lawful money of Canada (hereinafter called the "Consideration"), which sum is payment in full for the rights and interest hereby granted and for the rights and interest, if any, acquired by the Transferee by expropriation, including in either or both cases payment in full for all such matters as injurious affection to remaining lands and the effect, if any, of registration on title of this document and where applicable, of the expropriation documents, subject to Clause 12 hereof to be paid by the Transferee to the Transferor within 90 days from the date of these presents or prior to the exercise by the Transferee of any of its rights hereunder other than the right to survey (whichever may be the earlier date), the rights, privileges and easement hereby granted shall continue in perpetuity or until the Transferee, with the express written consent of the Transferor, shall execute and deliver a surrender thereof . Prior to such surrender Transferee shall remove all debris as may have resulted from the Transferee's use of the Lands from the Lands and in all respects restore the Lands to it's previous productivity and fertility so far as is reasonably possible , save and except for items in respect of which compensation is due under Clause 2. hereof. Transferor and Transferee hereby agree that nothing herein shall oblige Transferee to remove the Pipeline from the Lands as part of Transferee's obligation to restore the Lands.

2. The Transferee shall make to the Transferor (or the person or persons entitled thereto) due compensation for any damages to the Lands resulting from the exercise of any of the rights herein granted, and if the compensation is not agreed upon by the Transferee and the Transferor, it shall be determined by arbitration in the manner prescribed by the Expropriations Act, R.S.O. 1990, Chapter E-26 or any Act passed in amendment thereof or substitution therefore. Any gates, fences and tile drains curbs, gutters, asphalt paving, lockstone, patio tiles interfered with by the Transferee shall be restored by the Transferee at its expense as closely as reasonably possible to the condition and function in which they existed immediately prior to such interference by the Transferee and in the case of tile drains, such restoration shall be performed in accordance with good drainage practice and applicable government regulations.

3. The Pipeline (including attachments, equipment and appliances for cathodic protection but excluding valves, take-offs and fencing installed under Clause 9 hereof) shall be laid to such a depth that upon completion of installation it will not obstruct the natural surface run-off from the Lands nor ordinary cultivation of the Lands nor

any tile drainage system existing in the Lands at the time of installation of the Pipeline nor any planned tile drainage system to be laid in the Lands in accordance with standard drainage practice, if the Transferee is given at least thirty (30) days notice of such planned system prior to the installation of the pipeline; provided that the Transferee may leave the Pipeline exposed in crossing a ditch, stream, gorge or similar object where approval has been obtained from the Ontario Energy Board or other Provincial Board or authority having jurisdiction in the premises. The Transferee agrees to make reasonable efforts to accommodate the planning and installation of future tile drainage systems following installation of the pipeline so as not to obstruct or interfere with such tile installation.

4. As soon as reasonably possible after the construction of the Pipeline, the Transferee shall level the Lands and unless otherwise agreed to by the Transferor, shall remove all debris as may have resulted from the Transferee's use of the Lands therefrom and in all respects restore the Lands to its previous productivity and fertility so far as is reasonably possible, save and except for items in respect of which compensation is due under Clause 2 hereof.

5. The Transferee shall indemnify the Transferor for any and all liabilities, damages, costs, claims, suits and actions which are directly attributable to the exercise of the rights hereby granted, except to the extent of those resulting from the gross negligence or wilful misconduct of the Transferor.

6. In the event that the Transferee fails to comply with any of the requirements set out in Clause 2, 3, or 4 hereof within a reasonable time of the receipt of notice in writing from the Transferor setting forth the failure complained of, the Transferee shall compensate the Transferor (or the person or persons entitled thereto) for any damage, if any, necessarily resulting from such failure and the reasonable costs if any, incurred in the recovery of those damages.

7. Except in case of emergency, the Transferee shall not enter upon any of the Transferor's Lands, other than the Lands, without the consent of the Transferor. In case of emergency the right of entry upon the Transferor's Lands for ingress and egress to and from the Lands is hereby granted. The determination of what circumstances constitute an emergency, for purposes of this paragraph is within the absolute discretion of the Transferee, but is a situation in which the Transferee has a need to access the pipeline in the public interest without notice to the Transferor, subject to the provisions of paragraph 2 herein. The Transferee will, within 72 hours of entry upon such lands, advise the Transferor of the said emergency circumstances and thereafter provide a written report to Transferor with respect to the resolution of the emergency situation. The Transferee shall restore the lands of the Transferor at its expense as closely as reasonably practicable to the condition in which they existed immediately prior to such interference by the Transferee and in the case of tile drains, such restoration shall be performed in accordance with good drainage practice.

8. The Transferor shall have the right to fully use and enjoy the Lands except for planting trees over the lesser of the Lands or a six (6) metre strip centered over the Pipeline, and except as may be necessary for any of the purposes hereby granted to the Transferee, provided that without the prior written consent of the Transferee, the Transferor shall not excavate, drill, install, erect or permit to be excavated, drilled, installed or erected in, on, over or through the Lands any pit, well, foundation, pavement, building, mobile homes or other structure or installation. Notwithstanding the foregoing the Transferee upon request shall consent to the Transferor erecting or repairing fences, hedges, pavement, lockstone constructing or repairing tile drains and domestic sewer pipes, water pipes, and utility pipes and constructing or repairing lanes, roads, driveways, pathways, and walks across, on and in the Lands or any portion or portions thereof, provided that before commencing any of the work referred to in this sentence the Transferor shall (a) give the Transferee at least (30) clear days notice in writing describing the work desired so as to enable the Transferee to evaluate and comment on the work proposed and to have a representative inspect the site and/or be present at any time or times during the performance of the work, (b) shall follow the instructions of such representative as to the performance of such work without damage to the Pipeline, (c) shall exercise a high degree of care in carrying out any such work and, (d) shall perform any such work in such a manner as not to endanger or damage the Pipeline as may be required by the Transferee.

9. The rights, privileges and easement herein granted shall include the right to install, keep, use, operate, service, maintain, repair, remove and/or replace in, on and above the Lands any valves and/or take-offs subject to additional agreements and to fence in such valves and/or take-offs and to keep same fenced in, but for this right the Transferee shall pay to the Transferor (or the person or persons entitled thereto) such additional compensation as may be agreed upon and in default of agreement as may be settled by arbitration under the provisions of The Ontario Energy Board Act, S.O. 1998, or any Act passed in amendment thereof or substitution therefore. The Transferee shall keep down weeds on any lands removed from cultivation by reason of locating any valves and/or take-offs in the Lands.

10. Notwithstanding any rule of law or equity and even though the Pipeline and its appurtenances may become annexed or affixed to the realty, title thereto shall nevertheless remain in the Transferee.

11. Neither this Agreement nor anything herein contained nor anything done hereunder shall affect or prejudice the Transferee's rights to acquire the Lands or any other portion or portions of the Transferor's lands under the provisions of The Ontario Energy Board Act, S.O. 1998, or any other laws, which rights the Transferee may exercise at its discretion in the event of the Transferor being unable or unwilling for any reason to perform this Agreement or give to the Transferee a clear and unencumbered title to the easement herein granted.

12. The Transferor covenants that he has the right to convey this easement notwithstanding any act on his part, that he will execute such further assurances of this easement as may be requisite and which the Transferee may at its expense prepare and that the Transferee, performing and observing the covenants and conditions on its part

to be performed, shall have quiet possession and enjoyment of the rights, privileges and easement hereby granted. If it shall appear that at the date hereof the Transferor is not the sole owner of the Lands, this Indenture shall nevertheless bind the Transferor to the full extent of his interest therein and shall also extend to any after-acquired interest, but all moneys payable hereunder shall be paid to the Transferor only in the proportion that his interest in the Lands bears to the entire interest therein.

13. In the event that the Transferee fails to pay the consideration as hereinbefore provided, the Transferor shall have the right to declare this easement cancelled after the expiration of 15 days from personal service upon the Secretary, Assistant Secretary or Manager, Lands Department of the Transferee at its Executive Head Office in Chatham, Ontario, (or at such other point in Ontario as the Transferee may from time to time specify by notice in writing to the Transferor) of notice in writing of such default, unless during such 15 day period the Transferee shall pay the said consideration; upon failing to pay as aforesaid, the Transferee shall forthwith after the expiration of 15 days from the service of such notice execute and deliver to the Transferor at the expense of the Transferee, a valid and registerable release and discharge of this easement.

14. All payments under these presents may be made either in cash or by cheque of the Transferee and may be made to the Transferor (or person or persons entitled thereto) either personally or by mail. All notices and mail sent pursuant to these presents shall be addressed to the Transferor at and to the Transferee at Union Gas Limited, P.O.Box 2001, 50 Keil Drive North, Chatham, Ontario N7M 5M1. Attention: Manager, Lands or to such other address in either case as the Transferor or the Transferee respectively may from time to time appoint in writing.

15 The rights, privileges and easement hereby granted are and shall be of the same force and effect as a covenant running with the land and this Indenture, including all the covenants and conditions herein contained, shall extend to, be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto respectively; and, wherever the singular or masculine is used it shall, where necessary, be construed as if the plural, or feminine or neuter had been used, as the case may be.

16. The Transferor hereby acknowledges that this transfer will be registered electronically and the Transferor hereby authorizes the Transferee to complete the registration of this transfer.

DATED this day of January 2010

_____

**Name & Title:**

I have authority to bind the corporation

_____

**Name & Title:**

I have authority to bind the corporation

Address:

**UNION GAS LIMITED**

_____

**Name: Mervyn R. Weishar**
**Senior Lands Agent**

I have authority to bind the Corporation

Additional Information: (if applicable)

Solicitor:

Telephone:

Municipality of Chatham-Kent

Province of Ontario

DECLARATION REQUIRED UNDER
SECTION 50 OF THE PLANNING
ACT, R.S.O. 1990, as amended

I, Mervyn R. Weishar, of the City of Municipality of Chatham-Kent , in the Province of Ontario.

DO SOLEMNLY DECLARE THAT

1. I am, Senior Lands Agent Lands Department of Union Gas Limited, the Transferee in the attached Grant of Easement and as such have knowledge of the matters herein deposed to.

2. The use of or right in the land described in the said Grant of Easement is being acquired by Union Gas Limited for the purpose of a hydrocarbon transmission line within the meaning of part VI of the Ontario Energy Board Act , 1998.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act.

DECLARED before me at the
Municipality of Chatham-Kent,
in the Province of Ontario

this day of January ,2010

A Commissioner, etc.

# Section 7 – Schedule 7

Landowners affected by Gathering line pipeline, Roadways and Well pads

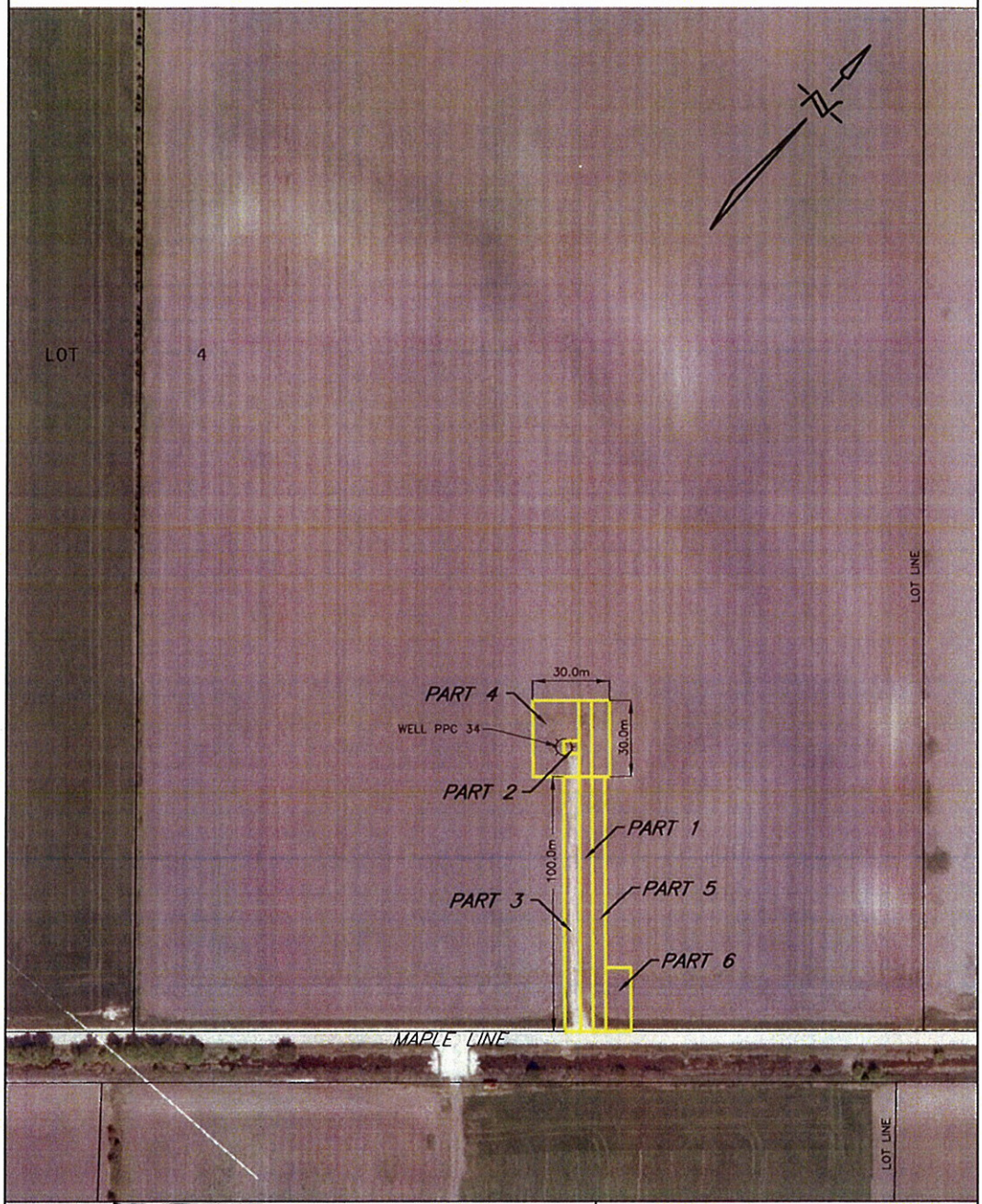
| PROPERTY OWNER AND ADDRESS | PROPERTY DESCRIPTION | PERMANENT EASEMENT Estimated Dimensions & Area | TEMPORARY LAND USE Estimated Dimensions & Area | PERMANENT ROAD/WELL PAD Estimated Dimensions & Area |
|---|---|---|---|---|
| [redacted] | Part of Lot 4, Concession 5, Geographic Township of Dover, now Municipality of Chatham-Kent. PIN 00777-0018 | 160m x 5m | 10m x 25m pipeline<br>100m x 5m pipeline<br>30m x 30m well pad | 100m x 6m road<br>12m x 12m well pad |
| | | 0.08 ha<br>0.20 Ac | 0.17 ha<br>0.48 Ac | 0.07 ha<br>0.18 Ac |
| [redacted] | Part of Lot 5, Concession 4 Geographic Township of Dover, now Municipality of Chatham-Kent PIN 00783-0063 | 514.2m x 5m | 20m x 80m pipeline<br>524.1m x 5m pipeline<br>30m x 30m well pad | 268.5m x 6m road<br>12m x 12m well pad |
| | | 0.257 ha<br>0.635 Ac | 0.43 ha<br>1.07 Ac | 0.18 ha<br>0.44 Ac |
| [redacted] | Part of Lot 6, Concession 4 Geographic Township of Dover, now Municipality of Chatham-Kent PIN 00784-0370 designated as parts 1,2,3 & 4 on 24R-4699 | 154.4m x 5m | 154.4m x 5m pipeline | |
| | | 0.077 ha<br>0.19 Ac | 0.077 ha<br>0.19 Ac | |
| [redacted] | Part of Lot 6, Concession 4, Geographic Township of Dover, now Municipality of Chatham-Kent. PIN 00784-0004 | 211.3m x 5m | 200m x 80m well pad | 717.5m x 6m road<br>80m x 40m well pad |
| | | 0.11 ha<br>0.263 Ac | 1.60 ha<br>3.954 Ac | 0.74 ha<br>1.84 Ac |
| [redacted] | Part of Lot 7, Concession 4, **SRO** Geographic Township of Dover, Now Municipality of Chatham-Kent PIN 00784-0337 | | 30m x 30m well pad | 450m x 6m road<br>12m x 12m well pad |
| | | | 0.09 ha<br>0.22 Ac | 0.36 ha<br>0.88 Ac |

# Section 7 – Schedule 8

# UNION GAS LIMITED

EB-2011-0013\0014\0015
Section 7 - Schedule 8

Property Sketch
Showing Approximate Location of
Proposed Permanent Pipeline Easement and Proposed Temporary Land Use Rights
within
LOT 4, CONCESSION 5,
MUNICIPALITY OF CHATHAM-KENT
(GEOGRAPHIC TOWNSHIP OF DOVER EAST)




OWNER: [redacted]

0 25.0 50.0 100.0
metres
SCALE 1:2000

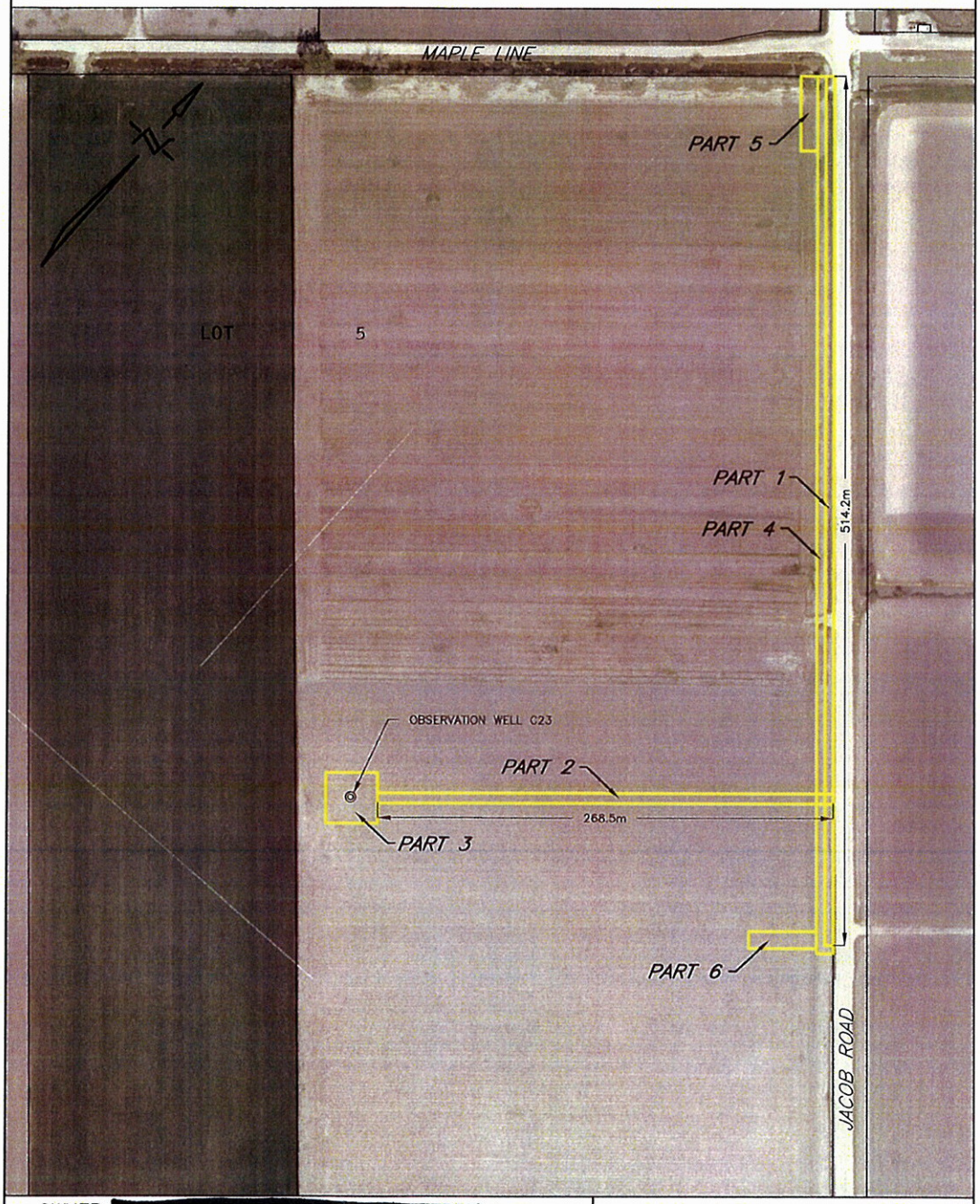
| PART | APPROX. SIZE (metres) | | APPROX. AREA | | PART | APPROX. SIZE (metres) | | APPROX. AREA | |
|---|---|---|---|---|---|---|---|---|---|
| | (width) | (length) | (hectares) | (acres) | | (width) | (length) | (hectares) | (acres) |
| 1 (PERM) | 5.0 | 130.0 | 0.065 | 0.161 | 6 (TEMP) | 10.0 | 25.0 | 0.025 | 0.062 |
| 2 (PERM) | 5.0 | 30.0 | 0.015 | 0.037 | | | | | |
| 3 (ACCESS) | 6.0 | 100.0 | 0.060 | 0.148 | | | | | |
| 4 (PAD) | 30.0 | 30.0 | 0.090 | 0.222 | | | | | |
| 5 (TEMP) | 5.0 | 100.0 | 0.050 | 0.124 | | | | | |

PIN: 00777-0018 | SCALE: 1:2000 | *ALL DISTANCES ARE APPROXIMATE. | DATE: DEC. 15, 2010

# UNION GAS LIMITED

EB-2011-0013\0014\0015
Section 7 - Schedule 8

Property Sketch
Showing Approximate Location of
Proposed Permanent Pipeline Easement and Proposed Temporary Land Use Rights
within
LOT 5, CONCESSION 4,
MUNICIPALITY OF CHATHAM-KENT
(GEOGRAPHIC TOWNSHIP OF DOVER EAST)




OWNER: [redacted]

0 25 50 100
metres
SCALE 1:3000

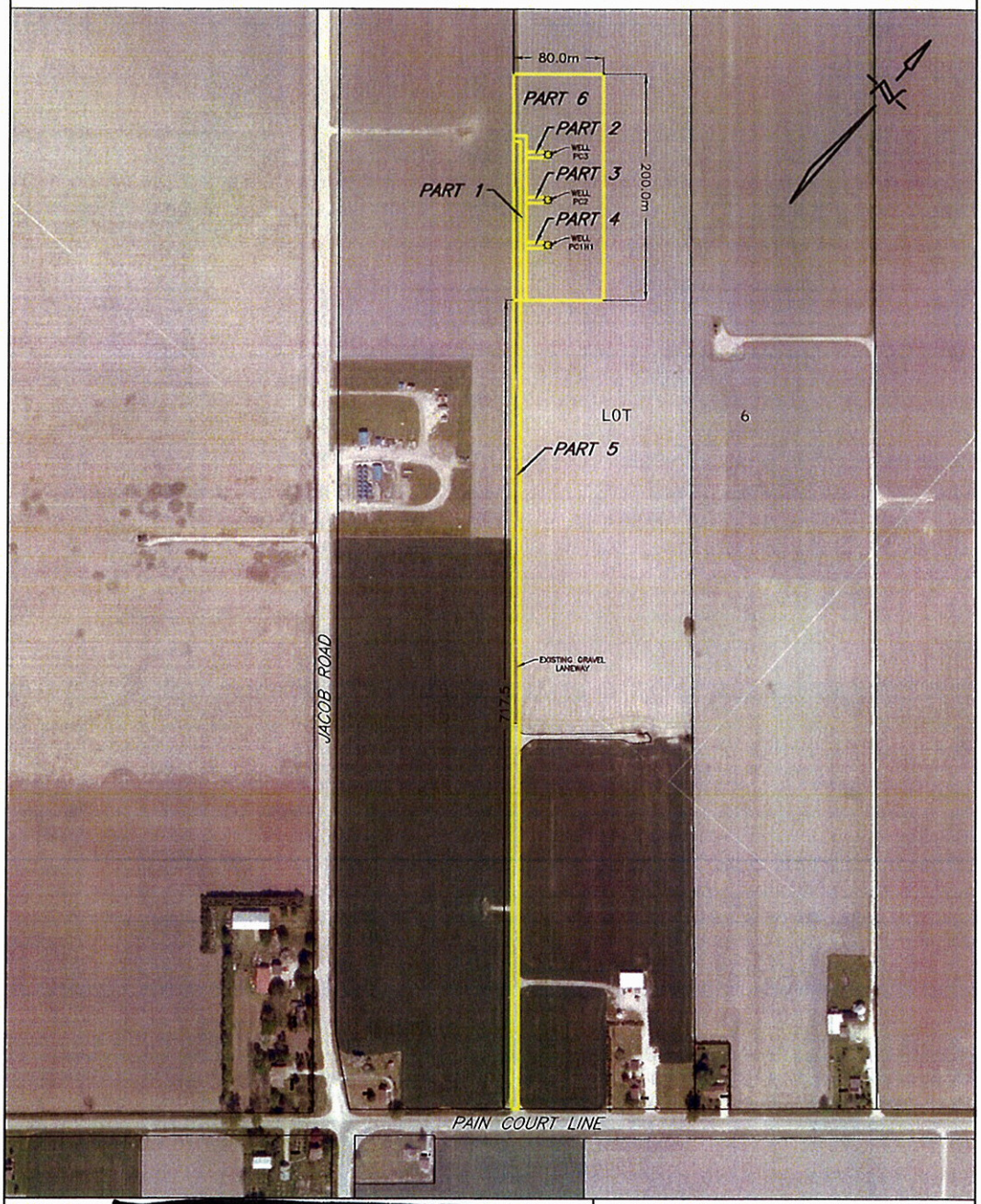
| PART | APPROX. SIZE (metres) | | APPROX. AREA | | PART | APPROX. SIZE (metres) | | APPROX. AREA | |
|---|---|---|---|---|---|---|---|---|---|
| | (width) | (length) | (hectares) | (acres) | | (width) | (length) | (hectares) | (acres) |
| 1 (PERM) | 5.0 | 514.2 | 0.257 | 0.635 | 6 (TEMP) | 10.0 | 40.0 | 0.040 | 0.099 |
| 2 (ACCESS) | 6.0 | 268.5 | 0.161 | 0.398 | | | | | |
| 3 (PAD) | 30.0 | 30.0 | 0.090 | 0.222 | | | | | |
| 4 (TEMP) | 5.0 | 524.1 | 0.262 | 0.544 | | | | | |
| 5 (TEMP) | 10.0 | 40.0 | 0.040 | 0.099 | | | | | |

| PIN: 00783-0063 | SCALE: 1:3000 | *ALL DISTANCES ARE APPROXIMATE. | DATE: DEC. 14, 2010 |
|---|---|---|---|

# UNION GAS LIMITED



Property Sketch
Showing Approximate Location of
Proposed Permanent Pipeline Easement and Proposed Temporary Land Use Rights
within
LOT 6, CONCESSION 4,
MUNICIPALITY OF CHATHAM-KENT
(GEOGRAPHIC TOWNSHIP OF DOVER EAST)




OWNER: [redacted]

0 25 50 100
metres
SCALE 1:4500

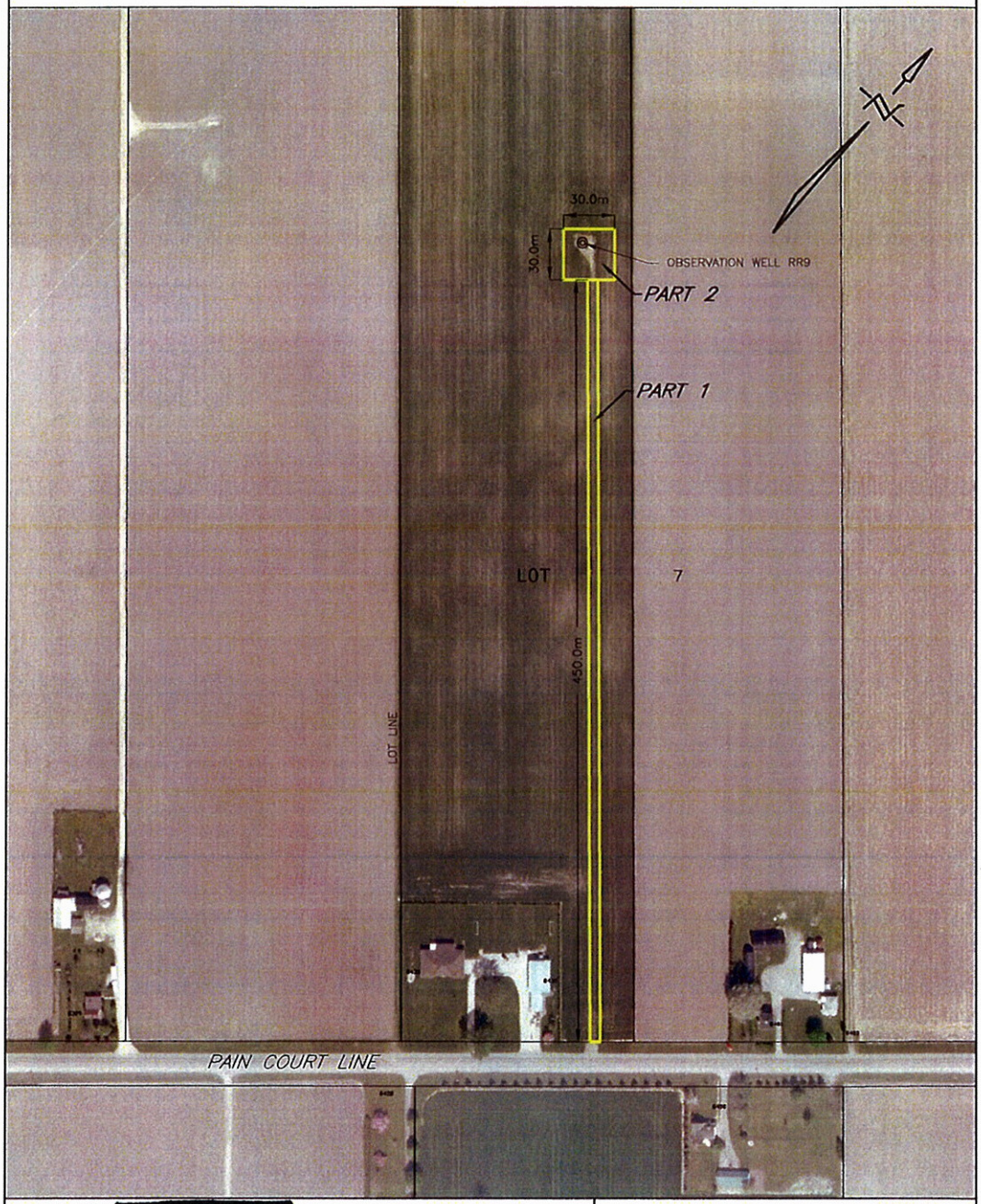
| PART | APPROX. SIZE (metres) | | APPROX. AREA | | PART | APPROX. SIZE (metres) | | APPROX. AREA | |
|---|---|---|---|---|---|---|---|---|---|
| | (width) | (length) | (hectares) | (acres) | | (width) | (length) | (hectares) | (acres) |
| 1 (PERM) | 5.0 | 151.6 | 0.076 | 0.188 | 6 (PAD) | 80.0 | 200.0 | 1.600 | 3.954 |
| 2 (PERM) | 5.0 | 19.9 | 0.010 | 0.025 | | | | | |
| 3 (PERM) | 5.0 | 19.9 | 0.010 | 0.025 | | | | | |
| 4 (PERM) | 5.0 | 19.9 | 0.010 | 0.025 | | | | | |
| 5 (ACCESS) | 6.0 | 717.5 | 0.431 | 1.065 | | | | | |

PIN: 00784–0004 | SCALE: 1:4500 | *ALL DISTANCES ARE APPROXIMATE. | DATE: DEC. 14, 2010

# UNION GAS LIMITED

EB-2011-0013\0014\0015
Section 7 - Schedule 8

Property Sketch
Showing Approximate Location of
Proposed Permanent Pipeline Easement and Proposed Temporary Land Use Rights
within
LOT 7, CONCESSION 4,
MUNICIPALITY OF CHATHAM-KENT
(GEOGRAPHIC TOWNSHIP OF DOVER EAST)




OWNER: [redacted]

0 25 50 100
metres
SCALE 1:3000

| PART | APPROX. SIZE (metres) | | APPROX. AREA | | PART | APPROX. SIZE (metres) | | APPROX. AREA | |
|---|---|---|---|---|---|---|---|---|---|
| | (width) | (length) | (hectares) | (acres) | | (width) | (length) | (hectares) | (acres) |
| 1 (ACCESS) | 6.0 | 450.0 | 0.270 | 0.667 | | | | | |
| 2 (PAD) | 30.0 | 30.0 | 0.090 | 0.222 | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

PIN: 00784-0337 | SCALE: 1:3000 | *ALL DISTANCES ARE APPROXIMATE. | DATE: DEC. 15, 2010

# Section 7 – Schedule 9

## LETTER OF ACKNOWLEDGEMENT

We, [redacted]wners of PIN 00784-0370 being part of Lot 6, Concession 4, Geographic Township of Dover, Municipality of Chatham-Kent, have been informed of the following Union Gas proposal as referenced on the drawing attached as Schedule "A".

1. Establish a five (5) metre wide easement for the construction of a proposed NPS 8 inch gathering line

2. If any field tiles exist within the lands to be occupied by the Proposed Union Gas Facilities. A qualified tile contractor will repair all field tiles to the satisfaction of the Landowner. If necessary, Union Gas will engage the services of a drainage consultant to recommend changes to any systematic tile to ensure proper drainage of the land following the installation of the above facilities. This may be done by having pre-construction tiling completed or waiting until after all construction is done.

4. Union Gas will have an Ontario lands surveyor, complete all surveys necessary for the completion of this work.

We have reviewed the above proposal with a Union Gas representative. We have no objections to the construction of the NPS 8 gathering line in a Permanent 5m wide easement. In exchange for these rights and privileges Union Gas will compensate us in the amount of $500.00 now tendered. Further payments with be made in accordance with Schedule "B" attached.

Our land is farmed by us and is not leased to any tenants who require notice of this development. If notification of a tenant is required please provide their contact information in the lines below.

Tenant _____ Phone # _____

Date Jan 3 /2011

[redacted]

Cheryl Chauvin-Fryscok, Lands Agent
Union Gas Limited

**LETTER OF ACKNOWLEDGEMENT-**

I, [redacted] as owner of Pin 00784-0337 being part of Lot 7, Concession 4, Geographic Township of Dover, Municipality of Chatham-Kent, have been informed of the following Union Gas proposal as referenced on the drawing attached as Schedule "A".

1. Convert Jacob Well No. RR9 to an observation well as shown on Schedule "A"

   **Note:** The well location referenced above will be staked and acknowledged by the landowner prior to drilling.

2. Construction of a maximum six (6) meter wide Permanent All Weather Access Road to Jacob well number RR9 being approximately 450 meters in length and terminating at a minimum twelve (12) meter by twelve (12) meter permanent well pad.

   **Note:** The road referenced in item 2 will be built according to the roadway agreement a sample which is attached in Schedule "C".

3. Construct a temporary well pad, approximately thirty (30) meters by thirty (30) meters in dimension.

4. If any field tiles exist within the lands to be occupied by the Proposed Union Gas Facilities. A qualified tile contractor will repair all field tiles to the satisfaction of the Landowner. If necessary, Union Gas will engage the services of a drainage consultant to recommend changes to any systematic tile to ensure proper drainage of the land following the installation of the above facilities. This may be done by having pre-construction tiling completed or waiting until after all construction is done.

5. Union Gas will have an Ontario lands surveyor, complete all surveys necessary for the completion of this work.

We have reviewed the above proposal with a Union Gas representative. We have no objections to the drilling of the well as referenced above and the construction of a Permanent All Weather Access Road. In exchange for these rights and privileges Union Gas will compensate us in the amount of $500.00 now tendered. Further payments with be made in accordance with Schedule "B" attached.

Our land is farmed by us and is not leased to any tenants who require notice of this development. If notification of a tenant is required please provide their contact information in the lines below.

[redacted]

Tenant

Date Dec 8, 2010

[redacted]

Union Gas Limited

# LETTER OF ACKNOWLEDGEMENT

I, [redacted] is owner of Pin: 00784-0004 being part of Lot 6, Concession 4, Geographic Township of Dover, Municipality of Chatham-Kent, have been informed of the following Union Gas proposal as referenced on the drawing attached as Schedule "A".

1. Drill Jacob Well No. PC1H1, PC2 & PC3 as shown on Schedule "A"

   **Note:** The well location referenced above will be staked and acknowledged by the landowner prior to drilling.

2. Construction of a maximum six (6) meter wide Permanent All Weather Access Road to Freedom well number PC1H1, PC2 & PC3 being approximately 717.4 meters in length and terminating at a minimum eighty (80) meter by forty (40) meter permanent well pad.

   **Note:** The road referenced in item 2 will be built according to the roadway agreement a sample which is attached in Schedule "C".

3. Construct a temporary well pad, approximately eighty (80) meters by two hundred (200) meters in dimension.

3. Establish a five (5) meter wide easement for the construction of a proposed NPS 6 & 8 inch gathering line

4. If any field tiles exist within the lands to be occupied by the Proposed Union Gas Facilities. A qualified tile contractor will repair all field tiles to the satisfaction of the Landowner. If necessary, Union Gas will engage the services of a drainage consultant to recommend changes to any systematic tile to ensure proper drainage of the land following the installation of the above facilities. This may be done by having pre-construction tiling completed or waiting until after all construction is done.

5. Union Gas will have an Ontario lands surveyor, complete all surveys necessary for the completion of this work.

We have reviewed the above proposal with a Union Gas representative. We have no objections to the drilling of the well as referenced above and the construction of a Permanent All Weather Access Road. In exchange for these rights and privileges Union Gas will compensate us in the amount of $500.00 now tendered. Further payments with be made in accordance with Schedule "B" attached.

Our land is farmed by us and is not leased to any tenants who require notice of this development. If notification of a tenant is required please provide their contact information in the lines below.

Tenant

Phone#

Date Jan 21/2011

[redacted]

Union Gas Limited