

May 7, 2015

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2014-0261– Union Gas Limited (“Union”) – Dawn Parkway 2016
Expansion Project – Form of Easement Agreement and LOU**

As per the Board Decision and Order dated April 30, 2015 in the above noted proceeding, Union Gas Limited (“Union”) has revised the Form of Easement to be offered to affected landowners to reflect the OEB’s findings concerning abandonment. Union has also revised the Letter of Understanding (“LOU”) for the Hamilton-Milton pipeline which reflects the construction and land restoration practices agreed to between Union and GAPLO prior to and at the hearing, plus those ordered by the OEB in the Decision and Order.

The following documents are attached:

1. Form of Easement – tracked changes version
2. Form of Easement – clean version
3. Hamilton Milton LOU – tracked changes version
4. Hamilton Milton LOU – clean version

In addition to offering these agreements to affected landowners Union will be approaching GAPLO representatives to identify who will participate from GAPLO on the committee to select the independent construction monitor for construction on agricultural lands for the Hamilton-Milton pipeline, as agreed to in the Settlement Agreement.

If you have any questions with respect to this submissions please contact me at (519) 436-5473.

Yours truly,

[Original signed by]

Karen Hockin
Manager, Regulatory Initiatives

c.c.: Crawford Smith, Torys
Myriam Seers, Torys
Mark Kitchen, Union Gas
All Intervenors (EB-2014-0261)



PIPELINE EASEMENT

(the "Easement")

Between

(hereinafter called the "Transferor")

and

UNION GAS LIMITED

(hereinafter 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: Legal Description: (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, the right, liberty, privilege and easement on, over, in, under and/or through a strip of the Transferor's Lands more particularly described as: Choose an item. PIN: Legal Description: (hereinafter called the "Lands") to survey, lay, construct, maintain, brush, clear trees and vegetation, inspect, patrol, alter, remove, replace, reconstruct, repair, move, keep, use and/or operate one pipeline for the transmission of Pipeline quality natural gas as defined in The Ontario Energy Board Act S.O. 1998 (hereinafter called 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 TWO Dollars (\$2.00) 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, the 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 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. ~~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.~~ As part of the Transferee's obligation to restore the lands upon surrender of its easement, the Transferee agrees at the option of the Transferor to remove the Pipeline from the Lands. The Transferee and the Transferor shall surrender the easement and the Transferee shall remove the Pipeline at the Transferor's option where the Pipeline has been abandoned. The Pipeline shall be deemed to be abandoned where: a) corrosion protection is no longer applied to the Pipeline, or, b) the Pipeline becomes unfit for service in accordance with Ontario standards. The Transferee shall, within 60 days of either of these events occurring, provide the Transferor with notice of the event. Upon removal of the Pipeline and restoration of the Lands as required by this agreement, the Transferor shall release the Transferee from further obligations in respect of restoration.

1.

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 thereof. 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. In the event there is a change in the use of all, or a portion of, the Transferor Lands adjacent to the Lands which results in the pipeline no longer being in compliance with the pipeline design class location requirements, then the Transferee shall be responsible for any costs associated with any changes to the Pipeline required to ensure compliance with the class location requirements.
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. It is further agreed that the Transferee shall assume all liability and obligations for any and all loss, damage or injury, (including death) to persons or property that would not have happened but for this Easement or anything done or maintained by the Transferee hereunder or intended so to be and the Transferee shall at all times indemnify and save harmless the Transferor from and against all such loss, damage or injury and all actions, suits, proceedings, costs, charges, damages, expenses, claims or demands arising therefrom or connected therewith provided that the Transferee shall not be liable under the clause to the extent to which such loss, damage or injury is caused or contributed to by 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 Clauses 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 Clause 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 Easement 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 Manager, Land Services 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 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 registrable 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, Land Services

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 Transferor’s Land and this Easement, including all the covenants and conditions herein contained, shall extend to, be binding upon and inure 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. (a) The Transferee represents that it is registered for the purposes of the Harmonized Goods and Services Tax (hereinafter called “HST”) in accordance with the applicable provisions in that regard and pursuant to the Excise Tax Act, (R.S.C., 1985, c. E-15), (hereinafter called “Excise Tax Act”), as amended.
- (b) The Transferee covenants to deliver a Statutory Declaration, Undertaking and Indemnity confirming its HST registration number, which shall be conclusive evidence of such HST registration, and shall preclude the Transferor from collection of HST from the Transferee.
- (c) The Transferee shall undertake to self-assess the HST payable in respect of this transaction pursuant to subparagraphs 221(2) and 228(4) of the Excise Tax Act, and to remit and file a return in respect of HST owing as required under the said Act for the reporting period in which the HST in this transaction became payable.
- (d) The Transferee shall indemnify and save harmless the Transferor from and against any and all claims, liabilities, penalties, interest, costs and other legal expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated by this Easement. The Transferee’s obligations under this Clause shall survive this Easement.
17. The Transferor hereby acknowledges that this Easement will be registered electronically.

DATED this day of Choose an item. 2014

Signature (Transferor)

Insert name here

Print Name(s) (and position held if applicable)

Choose an item.

Enter Text here

Address (Transferor)

Signature (Transferor)

Insert name here

Print Name(s) (and position held if applicable)

Choose an item.

Enter Text here

Address (Transferor)

UNION GAS LIMITED

Signature (Transferee)

Mervyn Weishar, Senior Land Agent

Name & Title (Union Gas Limited)

I have authority to bind the Corporation.

Telephone Number (Union Gas Limited)

Additional Information: (if applicable):

Property Address: Click here to enter text.

HST Registration Number: [Click here to enter text.](#)

Municipality of Chatham-Kent

Province of Ontario

DECLARATION REQUIRED UNDER
SECTION 50 (3) OF THE PLANNING
ACT, R.S.O. 1990, as amended

I, Mervyn Weishar , of the Municipality of Chatham-Kent, in the Province of Ontario.

DO SOLEMNLY DECLARE THAT

- 1. I am a Senior Land Agent, Lands Department of Union Gas Limited, the Transferee in the attached Grant of Easement and as such have knowledge of the matters herein deposited 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 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 Choose an item. 2014

A Commissioner, etc.



PIPELINE EASEMENT

(the "Easement")

Between

(hereinafter called the "Transferor")

and

UNION GAS LIMITED

(hereinafter 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: Legal Description: (hereinafter called the "Transferor's Lands").

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1. In Consideration of the sum of TWO Dollars (\$2.00) 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, the 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 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.. As part of the Transferee's obligation to restore the lands upon surrender of its easement, the Transferee agrees at the option of the Transferor to remove the Pipeline from the Lands. The Transferee and the Transferor shall surrender the easement and the Transferee shall remove the Pipeline at the Transferor's option where the Pipeline has been abandoned. The Pipeline shall be deemed to be abandoned where: a) corrosion protection is no longer applied to the Pipeline, or, b) the Pipeline becomes unfit for service in accordance with Ontario standards. The Transferee shall, within 60 days of either of these events occurring, provide the Transferor with notice of the event. Upon removal of the Pipeline and restoration of the Lands as required by this agreement, the Transferor shall release the Transferee from further obligations in respect of restoration.
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. 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. **In the event there is a change in the use of all, or a portion of ,the Transferor Lands adjacent to the Lands which results in the pipeline no longer being in compliance with the pipeline design class location requirements, then the Transferee shall be responsible for any costs associated with any changes to the Pipeline required to ensure compliance with the class location requirements.**
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. It is further agreed that the Transferee shall assume all liability and obligations for any and all loss, damage or injury, (including death) to persons or property that would not have happened but for this Easement or anything done or maintained by the Transferee hereunder or intended so to be and the Transferee shall at all times indemnify and save harmless the Transferor from and against all such loss, damage or injury and all actions, suits, proceedings, costs, charges, damages, expenses, claims or demands arising therefrom or connected therewith provided that the Transferee shall not be liable under the clause to the extent to which such loss, damage or injury is caused or contributed to by 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 Clauses 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 Clause 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 Easement 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 Manager, Land Services 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 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 registrable 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, Land Services

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 Transferor's Land and this Easement, including all the covenants and conditions herein contained, shall extend to, be binding upon and inure 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. (a) The Transferee represents that it is registered for the purposes of the Harmonized Goods and Services Tax (hereinafter called "HST") in accordance with the applicable provisions in that regard and pursuant to the Excise Tax Act, (R.S.C., 1985, c. E-15), (hereinafter called "Excise Tax Act"), as amended.
- (b) The Transferee covenants to deliver a Statutory Declaration, Undertaking and Indemnity confirming its HST registration number, which shall be conclusive evidence of such HST registration, and shall preclude the Transferor from collection of HST from the Transferee.
- (c) The Transferee shall undertake to self-assess the HST payable in respect of this transaction pursuant to subparagraphs 221(2) and 228(4) of the Excise Tax Act, and to remit and file a return in respect of HST owing as required under the said Act for the reporting period in which the HST in this transaction became payable.
- (d) The Transferee shall indemnify and save harmless the Transferor from and against any and all claims, liabilities, penalties, interest, costs and other legal expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated by this Easement. The Transferee's obligations under this Clause shall survive this Easement.
17. The Transferor hereby acknowledges that this Easement will be registered electronically.

DATED this day of Choose an item. 2014

Signature (Transferor)

Insert name here

Print Name(s) (and position held if applicable)

Choose an item.

Enter Text here

Address (Transferor)

Signature (Transferor)

Insert name here

Print Name(s) (and position held if applicable)

Choose an item.

Enter Text here

Address (Transferor)

UNION GAS LIMITED

Signature (Transferee)

Mervyn Weishar, Senior Land Agent

Name & Title (Union Gas Limited)

I have authority to bind the Corporation.

Telephone Number (Union Gas Limited)

Additional Information: (if applicable):

Property Address: Click here to enter text.

HST Registration Number: Click here to enter text.

Municipality of Chatham-Kent

Province of Ontario

DECLARATION REQUIRED UNDER
SECTION 50 (3) OF THE PLANNING
ACT, R.S.O. 1990, as amended

I, Mervyn Weishar , of the Municipality of Chatham-Kent, in the Province of Ontario.

DO SOLEMNLY DECLARE THAT

- 1. I am a Senior Land Agent, Lands Department of Union Gas Limited, the Transferee in the attached Grant of Easement and as such have knowledge of the matters herein deposited 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 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 Choose an item. 2014

A Commissioner, etc.

LETTER OF UNDERSTANDING

Between:

hereinafter referred to as the “**Landowner**”

and

Union Gas Limited

hereinafter referred to as the “**Company**”

INTRODUCTION

The Company has applied to the Ontario Energy Board to construct a 48 inch diameter pipeline which will run approximately 20 kilometres starting at the existing Union Gas Hamilton Valve Site, approximately 400 metres east of Highway 6, and travelling parallel to an existing 48 inch Union Gas natural gas pipeline easement, and terminating at the existing Union Gas Milton Valve Site located 150 metres west of Philbrook Drive, south of Derry Road (the “Project”). As a result it will be necessary for the Company to enter onto the Landowner’s property for the purpose of constructing and installing the pipeline.

The Company recognizes that the construction of the pipeline may result in damage to the Landowner’s property and a disruption to the Landowner’s daily activities for which the Company is obligated to compensate the Landowner and observe various construction techniques to minimize such damages.

It is the policy of the Company that Landowners affected by its pipeline projects be dealt with on a consistent basis that is fair to both parties. This Letter of Understanding represents the results of negotiations between the Company and the Landowner and outlines the obligations of each party with respect to:

- i) The construction of the pipeline;
- ii) Remediation of the Landowner’s property; and,
- iii) Compensation to the Landowner for various damages as a result of the construction of the pipeline.

The parties acknowledge that the Company is required to adhere to all of the conditions set out in the Leave to Construct Order of the Ontario Energy Board and that the foregoing are additional undertakings that the Company has agreed upon with the Landowner on the Project. A copy of the Conditions of Approval will be mailed to the Landowner upon request.

1. Pre-Construction Meeting

Prior to construction, the Company’s representatives shall visit with the Landowner to conduct a preconstruction interview. During this interview the parties will review the timing of construction and discuss site specific issues and implementation of mitigation and rehabilitation measures in accordance with the provisions of this Letter of Understanding. For

greater certainty, and to help ensure Landowner requests are implemented, the Company will document the results of such meetings and provide a copy to the Landowner.

2. Testing For Soybean Cyst Nematode

In consultation with the Landowner, the Company agrees to sample all agricultural easements along the pipeline route of this Project, before construction, and any soils imported to the easement lands for the presence of soybean cyst nematode (SCN) and provide a report of test results to the Landowner. In the event the report indicates the presence of SCN, the Company will work with OMAFRA to develop [a best practices protocol to handle SCN when detected and will employ](#) the most current best practice at the time of construction. The Company will also test for SCN whenever it is conducting post-construction soil tests.

3. Continued Supply of Services

Where private water or utility lines are planned to be interrupted, the Company will supply temporary service to the affected Landowners prior to service interruption. In the case of unplanned interruption, temporary services will be provided by the Company at the earliest possible opportunity.

4. Water Wells

To ensure that the quality and quantity (i.e. static water levels) of well water and/or the well itself is maintained, a monitoring program will be implemented for all dug or drilled wells within 100 metres of the proposed pipeline and for any other wells recommended by the Company's hydrogeology Consultant. All samples will be taken by the Company's environmental personnel and analyzed by an independent laboratory. Results of testing will be summarized in a letter and will be provided to the Landowner. [Lab testing results will be made available to the Landowner on request.](#)

Should well water (quantity and/or quality) or the well itself, be damaged from pipeline installation/operations, a potable water supply will be provided and the water well shall be restored or replaced as may be required.

5. Staking of Work Space

The Company agrees to stake the outside boundary of the workspace necessary for the construction of this Project which may include an easement and temporary land use area. The stakes will be located at 30 metre (98.4 foot) intervals prior to construction. The intervals or distance between stakes may decrease as deemed necessary in order to maintain sight-lines and easement boundaries in areas of sight obstructions, rolling terrain or stream and road crossings.

6. Topsoil Stripping

Prior to installing the pipeline in agricultural areas, the Company will strip topsoil from over the pipeline trench and adjacent subsoil storage area. All topsoil stripped will be piled adjacent to the easement and temporary land use areas in an area approximately 10 metres (33') in width. The topsoil and subsoil will be piled separately and the Company will exercise due diligence to ensure that topsoil and subsoil are not mixed. If requested by the Landowner, topsoil will be ploughed before being stripped to a depth as specified by the Landowner.

The Company will strip topsoil across the entire width of the easement (at the request of the Landowner), provided also that a temporary right to use any necessary land for topsoil storage outside the easement is granted by the Landowner.

If requested by the Landowner the Company will not strip topsoil. The topsoil/subsoil mix will be placed on the easement on top of the existing topsoil.

At the recommendation of the Company's Soils Consultant, and/or at the request of the landowner topsoil will be over-wintered and replaced the following year. In these circumstances the Company will replace the topsoil such that the easement lands are returned to surrounding grade.

7. **Depth of Cover**

The Company will install the pipeline with a minimum of 1.2 metres of cover, except where bedrock is encountered at a depth less than 1.2 metres, in which case the pipe will be installed with the same cover as the bedrock, but not less than 1.0 metre below grade.

If the Company, acting reasonably, determines in consultation with the Landowner that it is necessary to increase the depth of the Pipeline to accommodate current processes such as deep tillage, heavy farm equipment or land use changes, the Company will provide for additional depth of cover.

8. **Levelling of Pipe Trench**

During trench backfilling the Company will remove any excess material after provision is made for normal trench subsidence. The Landowner shall have the right of first refusal on any such excess material. The Company's representative will consult with the Landowner prior to the removal of any excess material.

If topsoil is replaced in the year of construction and trench subsidence occurs the year following construction, the following guidelines will be observed:

- i) 0 to 4 inches - no additional work or compensation.
- ii) Greater than 4 inches - the Company will either:
 - (a) Strip topsoil, fill the depression with subsoil and replace topsoil, or
 - (b) Repair the settlement by filling it with additional topsoil.

If topsoil is replaced during the year of construction and mounding over the trench persists the year following construction, the following guidelines will be observed by the Company:

- i) 0 to 4 inches - no additional work or compensation;
- ii) Greater than 4 inches the Company will strip topsoil, remove the excess subsoil and replace the stripped topsoil;
- iii) Should adequate topsoil depth be available, the mound can be levelled with the approval of the Landowner.

If following over-wintering of the topsoil, return to grade and the establishment of a cover crop, there is identifiable subsidence in excess of two (2) inches upon the request of the landowner the Company will restore the affected area to grade with the importation of topsoil.

~~If the topsoil is over-wintered and subsidence occurs in the year following top soil replacement the following guidelines will be observed:~~

- ~~i) 0 to 4 inches - no additional work or compensation.~~
- ~~ii) Greater than 4 inches - the Company will repair the settlement by filling it with additional topsoil.~~

If the construction of the pipeline causes a restriction of the natural surface flow of water, due to too much or not enough subsidence, irrespective of the 4 inches level stated above, the Company will remove the restriction by one of the methods described above.

9. **Topsoil Replacement, Compaction Removal and Stone Picking**

The subsoil will be worked with a subsoiling implement, as agreed by the Company and Landowner.

Unless there is an agreement to the contrary, the Company will remediate any residual compaction in the subsoil prior to return of topsoil.

The Company will pick stones prior to topsoil replacement.

Stone picking will be completed, by hand or by mechanical stone picker to a size and quantity consistent with the adjacent field, but not less than stones 100 mm (4 inches) in diameter.

After topsoil replacement, the topsoil will be tilled with an implement(s) as agreed by the Company and Landowners.

After cultivation, the Company will pick stones again.

The Company will perform compaction testing on and off the easement before and after topsoil replacement and provide the results to the Landowner, upon request.

If agreed to by the parties, the Company will return in the year following construction and will cultivate the easement area. When necessary, to accommodate planting schedules, the Landowner should perform cultivation themselves, at the Company's expense (see Schedule of Rates attached as Schedule 3).

The Company shall, at a time satisfactory to the Landowner, return to pick stones ~~100~~ 50 mm (~~4~~ 2 inches) or larger in diameter by hand/or with a mechanical stone picker in each of in the first two years following two years after construction. The Company shall, at a time satisfactory to the landowner, return to pick stones 50 mm (2 inches) or larger in the years following where there is a demonstrable need.

10. **Drainage Tiling**

The Company will repair and restore all field drainage systems and municipal drains impacted by construction to their original performance. The Company will be responsible for the remedy, in consultation with the Landowner, of any drainage problem created by the existence of the pipeline present and future. The Company will be responsible for any defects in the integrity and performance of tile installed or repaired in conjunction with construction, operation or repair, provided the defects are caused by the Company's activities, faulty materials or workmanship. The Company guarantees and will be responsible forever for the integrity and performance of such tile as well as any other drain tile or municipal drain compromised by the Company's activities, including future maintenance operations and problems caused by the Company's contractors, agents or assigns. Where the Landowner, acting reasonably, believes that there may be a drainage problem arising from the Company's operations, the Company will perform an integrity check on any tile construction/repair crossing the pipeline, and repair any deficiencies to the Landowner's satisfaction.

The Company will retain the services of a qualified independent drainage Consultant. The Consultant will work with each Landowner prior too, during and after construction. The Consultant will be responsible to gather as much background information from each

Landowner prior to construction as available, and with this information in conjunction with the Landowner they will determine whether there is pre-construction, post construction and/or temporary tile construction required on their land. The Consultant will provide where requested each Landowner with a tile plan for their review and approval prior to any installation of tile. The installation of tile will only be performed by a licensed drainage contractor to ensure that all drainage best practices are used. The Company will consult with the Landowner and mutually develop a list of five licensed tile drainage contractors from the area to bid on the work. All installations may be inspected by the Landowner or his/her designate prior to backfilling where practicable. The Company will provide the Landowner or his/her designate advance notice of the tile repair schedule. The Consultant will incorporate any professionally designed drainage plans obtained by the Landowner for future installation. If the Landowner intends to install or modify a drainage system but has not yet obtained professionally designed plans, the Consultant will work with the Landowner accordingly.

Once the Consultant has reviewed all the drainage background provided to them they will proceed in developing pre-construction tiling plans where required. The purpose of pre-construction work is to ensure that the pipeline work does not interfere or cut off any adjacent subsurface drainage. In conjunction with the Landowner the Consultant will design an appropriately sized header tile (interceptor drain) which will be installed 1m outside the easement limits by trench method in order to minimize the number of tiles crossing the pipeline easement. All intercepted tiles will be connected or end plugged accordingly. By installing the main outside the easement limits the Company can guarantee the integrity of the existing drainage system during the construction period. The Consultant/Landowner will be responsible for identifying to the pipeline contractor as reasonably possible any existing tiles 150mm or greater crossing the easement. The Company will ensure that any such crossings will be temporarily repaired across the trench line and maintained during the complete construction period until post construction work can repair them permanently. The Company where possible will expose any such tile crossings prior to pipeline trenching operations to obtain an exact invert depth and ensure that the pipeline is not going to conflict with them.

During construction the Consultant will be following the trenching operations collecting / monitoring and ensuring that the drainage is maintained accordingly. Once the Consultant has collected and reviewed all the survey information they will develop a post-construction tile plan and profile for each affected owner. These post construction tile plans will show the Landowner exactly how many tiles are to be installed on easement and by what method the contractor is to use plow/trench.

During construction, the Consultant will be following the trenching operations to ensure that the drainage is maintained.

The Consultant will also provide the Landowner with the most recent specifications concerning tile support systems for repairing and installing new tile across the pipeline trench. Once the Consultant has reviewed the drawing with the Landowner for their approval and received signature on the plan, the Consultant will provide the Landowner with a copy along with a specification for installation so they can monitor the work to be completed.

Also the Company will review other areas of drainage recommended by the drainage Consultant/Landowner such as:

- i) In areas where water may accumulate on or off easement as a result of the construction, the drainage Consultant, in conjunction with the Landowner, will develop a temporary tile plan to mitigate these impacts where the water cannot be pumped into an open drain or ditch. The Company could then pump into the temporary tile, but not into any existing tiles unless otherwise discussed and agreed upon by the Landowner.
- ii) In areas where the pipeline construction program clears lands adjacent to existing pipelines and adjacent drained land and as a result creates a newly cleared area large enough to farm, the Company will, at the request of the Landowner, develop a tile plan to drain the cleared area. The Company will install the tile in the newly cleared area, and install a drainage outlet that will enable the implementation of the tile plan, provided the cost of such work does not exceed the net present value of the crop revenue from the cleared area. The net present value shall be calculated using the same crop value and discount rate used in the one time crop loss compensation calculation. The net crop revenue shall be derived by reducing the crop value by a negotiated input cost. The Company will accept drainage design solutions that include the use of a motorized pump, if the Landowner releases the Company from all future operation and maintenance responsibilities for the pump. The Company will accept drainage design solutions that include outlet drains crossing adjacent properties, if the Landowner obtains necessary easements or releases fully authorizing such crossings.

The Company will do its best weather permitting to complete the post construction tiling work in the year of pipeline construction after the topsoil has been pulled, unless otherwise agreed upon with the Landowner. If it is not possible for the Company to complete the post construction tiling in the year of construction, the Company will undertake all measures possible to mitigate any off easement damages to the best of its ability.

In situations where topsoil is to be over wintered, the tiling plan will address the timing of tile installation.

Once the tiling is complete the Consultant will adjust all tile plans to reflect the as-constructed information and a copy will be provided to the Landowner for their records.

11. Water Accumulation during Construction

The Company will, unless otherwise agreed to with the Landowner, ensure any water which may accumulate on the easement during construction will be released into an open drain or ditch, but not in a tile drain. This may, however, be accomplished through the installation of temporary tile. The Company will provide the Landowner with a proposed temporary tiling plan for review and approval. If the Company pumps into an existing tile with the Landowner's permission, the water will be filtered.

12. Access Across the Trench

Where requested by the Landowner, the Company will leave plugs for access across the trench to the remainder of the Landowner's property during construction. Following installation of the pipe and backfill, if soft ground conditions persist that prevent the Landowner from crossing the trench line with farm equipment, the Company will improve crossing conditions

either by further replacement and/or compaction of subsoil at the previous plug locations. Should conditions still prevent Landowner crossing, the Company will create a gravel base on filter fabric across the trench line at the previous plug locations and remove same at the further request of the Landowner.

Following construction, the Company shall ensure that the landowner shall have access across the former trench area and easement.

13. Restoration of Woodlots

If requested by the Landowner prior to the start of construction, all stumps and brush will be removed from the easement. If the Landowner does not convert the land to agricultural use, Union will maintain a minimum 6 metre strip over the pipeline which will be kept clear by cutting the brush or spraying. The remainder of the easement will be allowed to reforest naturally or can be reforested by the Landowner.

14. Tree Replacement

The Company has established a policy to replant twice the area of trees that are cleared for the Project. Landowners whose woodlots are to be cleared may apply in writing to the Company should they wish to participate in this program. Tree seedlings will be replanted on the right-of-way or within the Landowner's property using species determined in consultation with the Landowner. Although replanting on easement is not encouraged by the Company, when planting on easement occurs, it must be done in accordance with the easement and the Company's policies.

For windbreaks/hedgerows the Company will implement the following practice:

- i) If a deciduous (hardwood) tree in excess of six (6) feet is removed, a six (6) foot replacement tree will be planted; if a tree less than six (6) feet in height is removed, a similar sized tree will be planted.
- ii) If a coniferous (evergreen) tree in excess of four (4) feet is removed, a four (4) foot replacement tree will be planted; if a tree less than four (4) feet in height is removed, a similar sized tree will be planted.

The Company will warrant such trees for a period of one year following planting, provided the Landowner waters the trees as appropriate after planting.

15. Covenants

Company covenants as follows:

- i) On present and proposed agricultural lands, the Company will undertake appropriate survey techniques to establish pre-construction and post-construction grades with the view to restoring soils to pre-construction grade as reasonably practicable.
- ii) All construction practices and appropriate environmental mitigation measures will be followed to ensure a proper clean up.
- iii) Whenever possible, all vehicles and equipment will travel on the trench line.
- iv) All subsoil from road bores will be removed.

- v) To replace or repair any fences which are damaged by pipeline construction in a good and workmanlike manner.
- vi) Any survey monuments which are removed or damaged during pipeline construction will be reset.
- vii) Its employees, agents, contractors and sub-contractors, will not use any off-easement culverts incorporated into municipal drains to provide access to the easement.
- viii) It will not use any laneway or culvert of the Landowner without the Landowner's prior written consent. In the event of such use, the Company will, at its own expense, repair any damage and compensate the Landowner accordingly.
- ix) To monitor and maintain private driveways that cross the easement for a period of 18 months after construction.
- x) That construction activities will not occur outside of agreed to areas without the written permission of the Landowner. In the event that such activities occur, the Company will pay for damages.
- xi) To implement its Landowner Complaint Tracking system which will be available to Landowners for the proposed construction.
- xii) To provide a copy of this Letter of Understanding and all environmental reports to the construction contractor.
- xiii) To ensure suitable passage and land access for agricultural equipment during construction.
- xiv) If there is greater than 50% crop loss after five years, at the request of the Landowner, the Company will retain an independent soils Consultant satisfactory to both parties to develop a prescription to rectify the problem.
- xv) To permit the planting of the 6 metre strip with permission for the re-establishment of windbreaks and that trees may be planted as a crop (nursery stock), provided that no tree is permitted to grow higher than 2 metres in height, and the species are of a shallow rooting variety. The use of hydraulic spades within the 6 metre strip is prohibited.
- xvi) In consultation with the Landowner, the Company agrees to retain an independent Consultant to carry out tests along the pipeline to monitor soils and crop productivity. As part of this testing, a soil specialist will conduct comparative compaction testing of the subsoil and NPK (nitrogen, phosphorus, potassium) testing and testing of PH levels on and off easement after construction. Global Positioning System (GPS) equipment may be used to identify all test locations. The Company further agrees to implement all commercially reasonable measures, where recommended by the soil specialist to remediate the soil.
- xvii) To work with the Landowner to ensure that weeds are controlled along the pipeline. Weeds will be sprayed or cut after discussion with the Landowner. The Landowner will be provided with a contact name in the event that concerns are experienced with weeds.
- xviii) To implement the Company's Integrity Dig Agreement for all integrity and maintenance operations on the pipeline.

- xix) At the request of the Landowner, the Company shall undertake a depth of cover survey of the pipeline and shall provide its findings to the Landowner. In agricultural areas, where it is determined that cover over the pipeline is less than 0.9 metres the Company shall restore depth of cover to a minimum of 0.9 metres with the importation of topsoil or by lowering the pipe. In areas where the top of the pipe is at or below bedrock, the Company will ensure a minimum of 0.6 metres of cover over the pipeline.
- xx) Any imported topsoil shall be natural, free of SCN and shall have attributes consistent with the topsoil of adjacent lands as determined by the Company's Consultant and be from a source approved by the landowner-
- xxi) To implement Union's wet soil shut down practice as described in Schedule 4.

Landowner covenants as follows:

- i) To execute a Clean-up Acknowledgment when he/she is satisfied with the clean-up operations described in this Letter of Understanding. It is suggested that any tenant(s) who are affected by construction acCompany the Landowner to inspect the clean-up prior to execution of the Clean-up Acknowledgment.
- ii) To be responsible to ensure his/her tenant is aware of the terms of the easement or temporary land use agreement and this Letter of Understanding.
- iii) To be responsible for making any compensation to his/her tenant for any matters included in the damage payment from the Company, as damages payments are made directly to the registered Landowner.

16. Dispute Resolution

In the event the parties are unable to reach resolution with respect to the following matters, the Company shall pay the costs of independent Consultants satisfactory to both the Landowner and the Company to resolve site specific disputes involving affected lands on a binding basis concerning the following:

- i) The need for topsoil importation as in Article 8 hereof, respecting the existence of identifiable subsidence,
- ii) The establishment of levels of compensation for specialty crops as in Article 21.
- iii) The resolution of future crop loss claims for Additional Productivity Loss under Article 21 hereof.

Where Construction Damages and Disturbance Damage settlements cannot be negotiated, the Company or the Landowner may apply to Ontario Municipal Board to settle unresolved claims. It is further understood and agreed that the Landowner's executing the easement, is without prejudice to his/her position in negotiation of damages following construction of the pipeline.

17. Land Rights - Easements

Land rights required for the Project include permanent interests such as pipeline easements (i.e. a limited interest in the affected lands) and may also include temporary land use agreements. The Company agrees that it will not surrender or be released from any of its obligations under an easement for this Project without the consent of the Landowner.

Consideration for these rights will be paid at the rate of 100% of the appraised market value of the affected lands. If agreement on the consideration for land rights cannot be reached, the Company will pay for a second report by a qualified appraiser who is chosen by the Landowner provided the appraiser and the terms of reference for the appraisal report are mutually acceptable to the Landowner and the Company. If consideration for land rights still cannot be agreed upon, the matter would be determined at a Ontario Municipal Board Compensation Hearing and the Company's offers would not prejudice either party's presentation at the Hearing.

18. Land Rights – Temporary Land Use Agreements and Top Soil Storage

These rights will be required for at least a two year period, being the year of construction and the following year to allow for clean-up and restoration activities. Consideration for these rights will be paid at the rate of 50% of the appraised market value of the affected land. Should activities extend beyond the two year period, payment will be negotiated on an annual basis. Although every effort will be made by the Company to identify these rights in certain instances either before or during construction, additional temporary land use may be identified and compensation will be as outlined above.

19. Damage Payments

Compensation for damages can be grouped under two headings namely: Disturbance Damages, which are paid at the time easements and temporary land use agreements are executed, and Construction Damages, which are paid either before or after construction is completed. Top soil storage damages will be paid after construction is completed. Disturbance and Construction damage payments will apply to easement, temporary land use and top soil storage and will be based upon the areas of the proposed pipeline easement and temporary land use as set out in Schedule 1.

20. Disturbance Damages

Disturbance Damages are intended to recognize that pipeline construction will result in some unavoidable interference with active agricultural operations and certain other uses of affected lands. This may include lost time due to negotiations and construction, inconvenience to the farming operations, restricted headlands, interrupted access and extra applications of fertilizer. Other land uses may qualify for Disturbance Damages which are site-specific in nature and recognize the particular circumstances of the use being interfered with. Union will negotiate with the affected Landowner to address these site-specific issues.

21. Construction Damages – Crop Loss

The Company will offer the Landowner a one-time settlement for crop loss damages incurred on the easement and temporary land use areas resulting from the Project, which settlement will include the following:

- i) year of construction and future crop loss;
- ii) stone picking beyond the second year following construction;
- iii) crop losses associated with establishment of a cover crop.

Notwithstanding that the Landowner will have executed a Full and Final Release for crop damages either before or after construction, should productivity loss exceed the percentages paid through the "One Time" Program as in any year following construction and the Landowner has not been (or is not being) compensated for crop loss under the terms of an

existing crop loss compensation program with the Company, the Company will reimburse the Landowner for the difference calculated by applying the percentage loss to the Landowner's actual gross return in the year and deducting the compensation received for that year under the "One Time" program ("Additional Productivity Loss"). It will be incumbent upon any Landowner making this type of claim to advise the Company in sufficient time to allow for investigation of the matter and completion of the required samplings.

Alternatively, at the option of the Landowner, upon provision of advance notice to the Company to permit opportunity for inspection, GPS data may be utilized to establish yield reductions for the purpose of any applicable Additional Productivity Loss provided that the Company is not responsible for installing GPS units or survey equipment if necessary ("GPS" option). In the event that the Landowner selects the GPS option, the Landowner must provide all necessary GPS documentation related to the entire farm field in question, including, but not limited to, maps, computer print-outs and formula to determine field averages. For greater clarity the following is an example of the calculation of Additional Productivity Loss:

- i) Third year crop loss under "One Time" Program = 50%.
- ii) Actual crop loss following investigation and sampling = 60%.
- iii) Difference payable to Landowner = 10%.

Crop Loss for topsoil storage Areas

Compensation for crop loss on topsoil storage areas will be as follows:

- In year of construction - 100% crop loss;
- In years after construction - measured crop loss;
- Payments will be based upon actual area used for topsoil storage;
- Compensation will not be prepaid;
- Compensation will be paid on an as incurred basis.

Speciality Crops

The one time payment does not apply to specialty crops. Specialty crops include tobacco, produce and registered seeds. Compensation will be negotiated on a site specific basis.

Post construction cover crop program

In addition to the one time payment, the Landowner may request a cover crop rehabilitation program for cultivated lands. Under this program the Landowner will plant alfalfa/sweet clover or other restoration crops approved by the Company on the easement and his/her normal crop in the remainder of the field for up to three years. The initial cost of tillage and planting will be paid by the Company as determined by "Economics Information", published by the Ministry of Agriculture and Food. The cost of seed planted over the easement will be compensated upon presentation of an invoice for same. This cover crop program does not apply for tobacco or other specialty crops.

22. Woodlots and Windbreak/Hedgerow Trees

With respect to compensation for damage to woodlots, the Landowner will have the following two options:

Option 1:

Woodlots and hedgerow trees will be cut and appraised by a qualified forester retained by the Company. Evaluation of trees in woodlots will be based on the practice as outlined on Schedule 3.

Option 2:

The Landowner may accept the One Time Crop Loss and Disturbance Damage Payment in lieu of the woodlot evaluation.

With respect to compensation for damage to other wooded areas:

Tree plantations (Christmas trees and nursery stock) will be appraised separately. Compensation for trees evaluated in this manner shall be set out in Schedule 4 to this document.

Evaluation of aesthetic trees will be based on the practice outlined in Schedule 4.

The forester will contact the Landowner before entry on their property. Copies of appraisal reports will be made available to affected Landowners and payment will be made in accordance with the reports.

The Company reserves the right to use trees for which it has paid compensation. At the Landowner's request, any remaining logs will be cut into 10 foot (3.05 metre) lengths, lifted and piled adjacent to the easement.

23. Gored Land

The Company agrees to pay the Landowner 100 % crop loss on the gored land. Gored land is defined as land rendered inaccessible or unusable for agricultural purposes during the Project.

24. Insurance

Upon request of the Landowner, the Company will provide insurance certificates evidencing at least five million dollars in liability insurance coverage.

25. Abandonment

Upon the abandonment of the pipeline in accordance with the terms and conditions of the easement, the affected lands shall be returned as close as possible to its prior use and condition with no ascertainable changes in appearance or productivity as determined by a comparison of the crop yields with adjacent land where no pipeline has been installed. Without prejudice to any continuing right of the Landowner to Additional Productivity Loss, there shall be no additional compensation for crop loss to the Landowner

26. Liability

The Company will be responsible for damages to property, and equipment, resulting from construction operations, and will pay for repairs or replacement costs. The Company will be responsible, and indemnify the Landowner from any and all liabilities, damages, costs, claims, suits and actions except those resulting from the gross negligence or wilful misconduct of the Landowner.

27. Assignment

All rights and obligations contained in this agreement 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. The Company shall not assign this agreement without prior written notice to the Landowner and, despite such assignment; the Company shall remain liable to the Landowner for the performance of its responsibilities and obligations in this agreement.

28. Site Specific Issues

Schedule 2 is to be used to identify any site specific issues which require special mitigation and compensation.

29. Compensation Levels

The levels of compensation applicable to your property are set out in Schedule 1 and are based upon the criteria set out above. Kindly sign the second copy of this Letter of Understanding and initial all Appendices to indicate your acceptance of our arrangements.

Dated at _____, Ontario this ____ day of _____,2015.

UNION GAS LIMITED

Name & Title:

Dated at _____, Ontario this ____ day of _____,2015.

Witness:

Landowner:

Landowner:

Landowner:

Landowner:

SCHEDULE 1: SETTLEMENT

Property No.: H.M., Landowner(s): _____

The parties to this Letter of Understanding dated the ____ day of _____, 2015, in consideration of making this settlement have summarized below all the obligations, claims, damages and compensation arising from and for the required land rights and the pipeline construction across the Landowner(s)' property, name: _____
(Check all applicable items of compensation)

NOTE: Refer to APPENDIX “C” within Option Agreements for site specific details

Yes No

LAND RIGHTS

<input type="checkbox"/>	<input type="checkbox"/>	(a)	Easement @	\$	per acre.
<input type="checkbox"/>	<input type="checkbox"/>	(b)	Temporary Land Use @	\$	per acre.
<input type="checkbox"/>	<input type="checkbox"/>	(c)	Topsoil Storage Land Use @	\$	per acre

DAMAGES

<input type="checkbox"/>	<input type="checkbox"/>	(a)	Disturbance @	\$	per acre of easement.
<input type="checkbox"/>	<input type="checkbox"/>	(b)	Disturbance @	\$	per acre of Temporary Land Use
<input type="checkbox"/>	<input type="checkbox"/>	(c)	Disturbance @	\$	per acre of Top Soil Storage area

CROP LOSS

<input type="checkbox"/>	<input type="checkbox"/>	One Time Payment @	\$	per acre of easement.
<input type="checkbox"/>	<input type="checkbox"/>	One Time Payment @	\$	per acre of Temporary Land Use
<input type="checkbox"/>	<input type="checkbox"/>	One Time Payment @	\$	per acre of Top Soil Storage area

NON-AGRICULTURAL DAMAGE PAYMENTS

<input type="checkbox"/>	<input type="checkbox"/>	Non-agricultural Lands @	\$	per acre
<input type="checkbox"/>	<input type="checkbox"/>	Woodlots @	\$	per acre

OBLIGATIONS

<input type="checkbox"/>		a) This Letter of Understanding.
<input type="checkbox"/>	<input type="checkbox"/>	b) Attached as Schedule 2 any other special requirements or compensation issues.

Initialled for identification by owner(s): _____.

Approval (Union Gas Limited): _____.

SCHEDULE 2: SETTLEMENT

Property No.:H.M., Landowner(s): _____

SCHEDULE 3

WOODLOT EVALUATION

At the time of signing of the Letter of Understanding the Landowners with woodlots will be given 3 options.

1. take a one time full and final for the total easement.
2. take a one time full and final for that portion of the easement in agricultural land, and have the woodlot evaluated separately.
3. take the crop monitoring program and have the woodlot evaluated separately.

Woodlots will be assessed in the following manner:

A forestry Consultant will cruise the woodlot to determine the amount of volume which could be harvested on a periodic basis from the woodlot under sustained yield management.

This volume will then be determined on an annual basis.

Current sale prices will then be given to this volume to determine an annual amount which could be harvested from the woodlot.

This value will then be present valued using the same formula as the one time payment option.

SCHEDULE 4

AESTHETIC TREE EVALUATION

The following procedure would be followed where a Landowner wishes to have trees on his property evaluated for aesthetic values.

During discussions for the Letter of Understanding, the Landowners would identify the trees he wishes to have evaluated for aesthetic purposes.

Union would contract a qualified person to complete an evaluation of the trees.

The Landowners would be paid the evaluated price for the trees in addition to other payments.

If trees are less than 5 inches in diameter replacement of the trees may be considered in lieu of a payment.

If the Landowner disagrees with Unions evaluation a second evaluation may be completed using the same criteria as the original evaluation.

EVALUATION CRITERIA

A four part evaluation criteria will be completed for aesthetic trees:

Tree Value = Basic Value X Species Rating X Condition Rating X Location Rating

Basic value is estimated without consideration of condition, species or location. It is calculated by multiplying the cross-sectional area of the tree trunk by an assigned value per square inch of trunk area.

Species rating is a percentage rating based on the relative qualities of the tree species.

Condition rating is a percentage rating based on the health of the tree.

Location rating is a percentage rating based on the location of the tree.

SCHEDULE 5

Schedule of Rates for Work
Performed by Landowners

Typically all work will be done by the Company. If the parties agree that the Landowner will perform work on behalf of the Company, the Company will remunerate the Landowner in accordance with the following;

- | | | | |
|----|-----------------|------|---------------------------------------|
| 1. | Stonepicking | - \$ | per hour/per person picking by hand |
| | | - \$ | per hour for use of tractor and wagon |
| 2. | Chisel Plowing | - \$ | per hour |
| 3. | Cultivation | - \$ | per hour |
| 4. | Tile Inspection | - \$ | per hour * |

* Payment for Tile Inspection is for those hours spent inspecting tile at the request of the contractor.

SCHEDULE 6

Wet Soils Shutdown

The following sets out the Wet Soils Shutdown practice of Union Gas Limited for pipeline construction, repair and maintenance on agricultural lands.

While constructing the Company's pipeline the Company's senior inspectors inspect right-of-way conditions each day before construction activities commence for that day. If, in the judgment of these inspectors, the right-of-way conditions on agricultural lands are such that construction would have an adverse affect on the soils due to wet soils conditions, the contractor is prohibited from starting construction activities. The inspectors shall consider the extent of surface ponding, extent and depth of rutting, surface extent and location of potential rutting and compaction (i.e., can traffic be re-routed within the easement lands around wet area(s) and the type of equipment and nature of construction proposed for that day. The wet soil shutdown restriction would be in effect until, in the judgment of the Company representatives, the soils would have sufficiently dried to the extent that commencing construction activities would have no adverse affects on the soils.

Wet soils shutdown is a routine part of Union's normal management process for pipeline construction activities. In recognition of this, Union budgets for and includes in contract documents, provisions for payment to the pipeline contractors for wet soils shutdown thereby removing any potential incentive for the contractor to work in wet conditions.

In addition, Union's inspection staff is responsible for ensuring that construction activities do not occur during wet soils shutdown. This would include shutting down construction activities if soils became wet during the day.

It should, however, be recognized that there may be situations when construction activities cannot be carried out during the normal construction period due to delays in project timing and it may become necessary to work in wet conditions in the spring or fall of the year. Where construction activities are undertaken by the Company in wet soil conditions, additional mitigation measures may be put in place to minimize resulting damages. Mitigation measures may, where appropriate, be developed by Union on a site specific basis and may include avoiding certain areas, full easement stripping, geotextile roads, the use of swamp mats, or the use of other specialized equipment where deemed appropriate by Union. Union will authorize work in wet soils conditions only when all other reasonable alternatives have been exhausted.

LETTER OF UNDERSTANDING

Between:

hereinafter referred to as the “**Landowner**”

and

Union Gas Limited

hereinafter referred to as the “**Company**”

INTRODUCTION

The Company has applied to the Ontario Energy Board to construct a 48 inch diameter pipeline which will run approximately 20 kilometres starting at the existing Union Gas Hamilton Valve Site, approximately 400 metres east of Highway 6, and travelling parallel to an existing 48 inch Union Gas natural gas pipeline easement, and terminating at the existing Union Gas Milton Valve Site located 150 metres west of Philbrook Drive, south of Derry Road (the “Project”). As a result it will be necessary for the Company to enter onto the Landowner’s property for the purpose of constructing and installing the pipeline.

The Company recognizes that the construction of the pipeline may result in damage to the Landowner’s property and a disruption to the Landowner’s daily activities for which the Company is obligated to compensate the Landowner and observe various construction techniques to minimize such damages.

It is the policy of the Company that Landowners affected by its pipeline projects be dealt with on a consistent basis that is fair to both parties. This Letter of Understanding represents the results of negotiations between the Company and the Landowner and outlines the obligations of each party with respect to:

- i) The construction of the pipeline;
- ii) Remediation of the Landowner’s property; and,
- iii) Compensation to the Landowner for various damages as a result of the construction of the pipeline.

The parties acknowledge that the Company is required to adhere to all of the conditions set out in the Leave to Construct Order of the Ontario Energy Board and that the foregoing are additional undertakings that the Company has agreed upon with the Landowner on the Project. A copy of the Conditions of Approval will be mailed to the Landowner upon request.

1. Pre-Construction Meeting

Prior to construction, the Company’s representatives shall visit with the Landowner to conduct a preconstruction interview. During this interview the parties will review the timing of construction and discuss site specific issues and implementation of mitigation and rehabilitation measures in accordance with the provisions of this Letter of Understanding. For

greater certainty, and to help ensure Landowner requests are implemented, the Company will document the results of such meetings and provide a copy to the Landowner.

2. Testing For Soybean Cyst Nematode

In consultation with the Landowner, the Company agrees to sample all agricultural easements along the pipeline route of this Project, before construction, and any soils imported to the easement lands for the presence of soybean cyst nematode (SCN) and provide a report of test results to the Landowner. In the event the report indicates the presence of SCN, the Company will work with OMAFRA to develop a best practices protocol to handle SCN when detected and will employ the most current best practice at the time of construction. The Company will also test for SCN whenever it is conducting post-construction soil tests.

3. Continued Supply of Services

Where private water or utility lines are planned to be interrupted, the Company will supply temporary service to the affected Landowners prior to service interruption. In the case of unplanned interruption, temporary services will be provided by the Company at the earliest possible opportunity.

4. Water Wells

To ensure that the quality and quantity (i.e. static water levels) of well water and/or the well itself is maintained, a monitoring program will be implemented for all dug or drilled wells within 100 metres of the proposed pipeline and for any other wells recommended by the Company's hydrogeology Consultant. All samples will be taken by the Company's environmental personnel and analyzed by an independent laboratory. Results of testing will be summarized in a letter and will be provided to the Landowner. Lab testing results will be made available to the Landowner on request.

Should well water (quantity and/or quality) or the well itself, be damaged from pipeline installation/operations, a potable water supply will be provided and the water well shall be restored or replaced as may be required.

5. Staking of Work Space

The Company agrees to stake the outside boundary of the workspace necessary for the construction of this Project which may include an easement and temporary land use area. The stakes will be located at 30 metre (98.4 foot) intervals prior to construction. The intervals or distance between stakes may decrease as deemed necessary in order to maintain sight-lines and easement boundaries in areas of sight obstructions, rolling terrain or stream and road crossings.

6. Topsoil Stripping

Prior to installing the pipeline in agricultural areas, the Company will strip topsoil from over the pipeline trench and adjacent subsoil storage area. All topsoil stripped will be piled adjacent to the easement and temporary land use areas in an area approximately 10 metres (33') in width. The topsoil and subsoil will be piled separately and the Company will exercise due diligence to ensure that topsoil and subsoil are not mixed. If requested by the Landowner, topsoil will be ploughed before being stripped to a depth as specified by the Landowner.

The Company will strip topsoil across the entire width of the easement (at the request of the Landowner), provided also that a temporary right to use any necessary land for topsoil storage outside the easement is granted by the Landowner.

If requested by the Landowner the Company will not strip topsoil. The topsoil/subsoil mix will be placed on the easement on top of the existing topsoil.

At the recommendation of the Company's Soils Consultant and/or at the request of the landowner topsoil will be over-wintered and replaced the following year. In these circumstances the Company will replace the topsoil such that the easement lands are returned to surrounding grade.

7. Depth of Cover

The Company will install the pipeline with a minimum of 1.2 metres of cover, except where bedrock is encountered at a depth less than 1.2 metres, in which case the pipe will be installed with the same cover as the bedrock, but not less than 1.0 metre below grade.

If the Company, acting reasonably, determines in consultation with the Landowner that it is necessary to increase the depth of the Pipeline to accommodate current processes such as deep tillage, heavy farm equipment or land use changes, the Company will provide for additional depth of cover.

8. Levelling of Pipe Trench

During trench backfilling the Company will remove any excess material after provision is made for normal trench subsidence. The Landowner shall have the right of first refusal on any such excess material. The Company's representative will consult with the Landowner prior to the removal of any excess material.

If topsoil is replaced in the year of construction and trench subsidence occurs the year following construction, the following guidelines will be observed:

- i) 0 to 4 inches - no additional work or compensation.
- ii) Greater than 4 inches - the Company will either:
 - (a) Strip topsoil, fill the depression with subsoil and replace topsoil, or
 - (b) Repair the settlement by filling it with additional topsoil.

If topsoil is replaced during the year of construction and mounding over the trench persists the year following construction, the following guidelines will be observed by the Company:

- i) 0 to 4 inches - no additional work or compensation;
- ii) Greater than 4 inches the Company will strip topsoil, remove the excess subsoil and replace the stripped topsoil;
- iii) Should adequate topsoil depth be available, the mound can be levelled with the approval of the Landowner.

If following over-wintering of the topsoil, return to grade and the establishment of a cover crop, there is identifiable subsidence in excess of two (2) inches upon the request of the landowner the Company will restore the affected area to grade with the importation of topsoil.

If the construction of the pipeline causes a restriction of the natural surface flow of water, due to too much or not enough subsidence, irrespective of the 4 inches level stated above, the Company will remove the restriction by one of the methods described above.

9. Topsoil Replacement, Compaction Removal and Stone Picking

The subsoil will be worked with a subsoiling implement, as agreed by the Company and Landowner.

Unless there is an agreement to the contrary, the Company will remediate any residual compaction in the subsoil prior to return of topsoil.

The Company will pick stones prior to topsoil replacement.

Stone picking will be completed, by hand or by mechanical stone picker to a size and quantity consistent with the adjacent field, but not less than stones 100 mm (4 inches) in diameter.

After topsoil replacement, the topsoil will be tilled with an implement(s) as agreed by the Company and Landowners.

After cultivation, the Company will pick stones again.

The Company will perform compaction testing on and off the easement before and after topsoil replacement and provide the results to the Landowner, upon request.

If agreed to by the parties, the Company will return in the year following construction and will cultivate the easement area. When necessary, to accommodate planting schedules, the Landowner should perform cultivation themselves, at the Company's expense (see Schedule of Rates attached as Schedule 3).

The Company shall, at a time satisfactory to the Landowner, return to pick stones 50 mm (2 inches) or larger in diameter by hand/or with a mechanical stone picker in each of the first two years following construction. The Company shall, at a time satisfactory to the landowner, return to pick stones 50 mm (2 inches) or larger in the years following where there is a demonstrable need.

10. Drainage Tiling

The Company will repair and restore all field drainage systems and municipal drains impacted by construction to their original performance. The Company will be responsible for the remedy, in consultation with the Landowner, of any drainage problem created by the existence of the pipeline present and future. The Company will be responsible for any defects in the integrity and performance of tile installed or repaired in conjunction with construction, operation or repair, provided the defects are caused by the Company's activities, faulty materials or workmanship. The Company guarantees and will be responsible forever for the integrity and performance of such tile as well as any other drain tile or municipal drain compromised by the Company's activities, including future maintenance operations and problems caused by the Company's contractors, agents or assigns. Where the Landowner, acting reasonably, believes that there may be a drainage problem arising from the Company's operations, the Company will perform an integrity check on any tile construction/repair crossing the pipeline, and repair any deficiencies to the Landowner's satisfaction.

The Company will retain the services of a qualified independent drainage Consultant. The Consultant will work with each Landowner prior too, during and after construction. The Consultant will be responsible to gather as much background information from each

Landowner prior to construction as available, and with this information in conjunction with the Landowner they will determine whether there is pre-construction, post construction and/or temporary tile construction required on their land. The Consultant will provide where requested each Landowner with a tile plan for their review and approval prior to any installation of tile. The installation of tile will only be performed by a licensed drainage contractor to ensure that all drainage best practices are used. The Company will consult with the Landowner and mutually develop a list of five licensed tile drainage contractors from the area to bid on the work. All installations may be inspected by the Landowner or his/her designate prior to backfilling where practicable. The Company will provide the Landowner or his/her designate advance notice of the tile repair schedule. The Consultant will incorporate any professionally designed drainage plans obtained by the Landowner for future installation. If the Landowner intends to install or modify a drainage system but has not yet obtained professionally designed plans, the Consultant will work with the Landowner accordingly.

Once the Consultant has reviewed all the drainage background provided to them they will proceed in developing pre-construction tiling plans where required. The purpose of pre-construction work is to ensure that the pipeline work does not interfere or cut off any adjacent subsurface drainage. In conjunction with the Landowner the Consultant will design an appropriately sized header tile (interceptor drain) which will be installed 1m outside the easement limits by trench method in order to minimize the number of tiles crossing the pipeline easement. All intercepted tiles will be connected or end plugged accordingly. By installing the main outside the easement limits the Company can guarantee the integrity of the existing drainage system during the construction period. The Consultant/Landowner will be responsible for identifying to the pipeline contractor as reasonably possible any existing tiles 150mm or greater crossing the easement. The Company will ensure that any such crossings will be temporarily repaired across the trench line and maintained during the complete construction period until post construction work can repair them permanently. The Company where possible will expose any such tile crossings prior to pipeline trenching operations to obtain an exact invert depth and ensure that the pipeline is not going to conflict with them.

During construction the Consultant will be following the trenching operations collecting / monitoring and ensuring that the drainage is maintained accordingly. Once the Consultant has collected and reviewed all the survey information they will develop a post-construction tile plan and profile for each affected owner. These post construction tile plans will show the Landowner exactly how many tiles are to be installed on easement and by what method the contractor is to use plow/trench.

During construction, the Consultant will be following the trenching operations to ensure that the drainage is maintained.

The Consultant will also provide the Landowner with the most recent specifications concerning tile support systems for repairing and installing new tile across the pipeline trench. Once the Consultant has reviewed the drawing with the Landowner for their approval and received signature on the plan, the Consultant will provide the Landowner with a copy along with a specification for installation so they can monitor the work to be completed.

Also the Company will review other areas of drainage recommended by the drainage Consultant/Landowner such as:

- i) In areas where water may accumulate on or off easement as a result of the construction, the drainage Consultant, in conjunction with the Landowner, will develop a temporary tile plan to mitigate these impacts where the water cannot be pumped into an open drain or ditch. The Company could then pump into the temporary tile, but not into any existing tiles unless otherwise discussed and agreed upon by the Landowner.
- ii) In areas where the pipeline construction program clears lands adjacent to existing pipelines and adjacent drained land and as a result creates a newly cleared area large enough to farm, the Company will, at the request of the Landowner, develop a tile plan to drain the cleared area. The Company will install the tile in the newly cleared area, and install a drainage outlet that will enable the implementation of the tile plan, provided the cost of such work does not exceed the net present value of the crop revenue from the cleared area. The net present value shall be calculated using the same crop value and discount rate used in the one time crop loss compensation calculation. The net crop revenue shall be derived by reducing the crop value by a negotiated input cost. The Company will accept drainage design solutions that include the use of a motorized pump, if the Landowner releases the Company from all future operation and maintenance responsibilities for the pump. The Company will accept drainage design solutions that include outlet drains crossing adjacent properties, if the Landowner obtains necessary easements or releases fully authorizing such crossings.

The Company will do its best weather permitting to complete the post construction tiling work in the year of pipeline construction after the topsoil has been pulled, unless otherwise agreed upon with the Landowner. If it is not possible for the Company to complete the post construction tiling in the year of construction, the Company will undertake all measures possible to mitigate any off easement damages to the best of its ability.

In situations where topsoil is to be over wintered, the tiling plan will address the timing of tile installation.

Once the tiling is complete the Consultant will adjust all tile plans to reflect the as-constructed information and a copy will be provided to the Landowner for their records.

11. Water Accumulation during Construction

The Company will, unless otherwise agreed to with the Landowner, ensure any water which may accumulate on the easement during construction will be released into an open drain or ditch, but not in a tile drain. This may, however, be accomplished through the installation of temporary tile. The Company will provide the Landowner with a proposed temporary tiling plan for review and approval. If the Company pumps into an existing tile with the Landowner's permission, the water will be filtered.

12. Access Across the Trench

Where requested by the Landowner, the Company will leave plugs for access across the trench to the remainder of the Landowner's property during construction. Following installation of the pipe and backfill, if soft ground conditions persist that prevent the Landowner from crossing the trench line with farm equipment, the Company will improve crossing conditions

either by further replacement and/or compaction of subsoil at the previous plug locations. Should conditions still prevent Landowner crossing, the Company will create a gravel base on filter fabric across the trench line at the previous plug locations and remove same at the further request of the Landowner.

Following construction, the Company shall ensure that the landowner shall have access across the former trench area and easement.

13. Restoration of Woodlots

If requested by the Landowner prior to the start of construction, all stumps and brush will be removed from the easement. If the Landowner does not convert the land to agricultural use, Union will maintain a minimum 6 metre strip over the pipeline which will be kept clear by cutting the brush or spraying. The remainder of the easement will be allowed to reforest naturally or can be reforested by the Landowner.

14. Tree Replacement

The Company has established a policy to replant twice the area of trees that are cleared for the Project. Landowners whose woodlots are to be cleared may apply in writing to the Company should they wish to participate in this program. Tree seedlings will be replanted on the right-of-way or within the Landowner's property using species determined in consultation with the Landowner. Although replanting on easement is not encouraged by the Company, when planting on easement occurs, it must be done in accordance with the easement and the Company's policies.

For windbreaks/hedgerows the Company will implement the following practice:

- i) If a deciduous (hardwood) tree in excess of six (6) feet is removed, a six (6) foot replacement tree will be planted; if a tree less than six (6) feet in height is removed, a similar sized tree will be planted.
- ii) If a coniferous (evergreen) tree in excess of four (4) feet is removed, a four (4) foot replacement tree will be planted; if a tree less than four (4) feet in height is removed, a similar sized tree will be planted.

The Company will warrant such trees for a period of one year following planting, provided the Landowner waters the trees as appropriate after planting.

15. Covenants

Company covenants as follows:

- i) On present and proposed agricultural lands, the Company will undertake appropriate survey techniques to establish pre-construction and post-construction grades with the view to restoring soils to pre-construction grade as reasonably practicable.
- ii) All construction practices and appropriate environmental mitigation measures will be followed to ensure a proper clean up.
- iii) Whenever possible, all vehicles and equipment will travel on the trench line.
- iv) All subsoil from road bores will be removed.

- v) To replace or repair any fences which are damaged by pipeline construction in a good and workmanlike manner.
- vi) Any survey monuments which are removed or damaged during pipeline construction will be reset.
- vii) Its employees, agents, contractors and sub-contractors, will not use any off-easement culverts incorporated into municipal drains to provide access to the easement.
- viii) It will not use any laneway or culvert of the Landowner without the Landowner's prior written consent. In the event of such use, the Company will, at its own expense, repair any damage and compensate the Landowner accordingly.
- ix) To monitor and maintain private driveways that cross the easement for a period of 18 months after construction.
- x) That construction activities will not occur outside of agreed to areas without the written permission of the Landowner. In the event that such activities occur, the Company will pay for damages.
- xi) To implement its Landowner Complaint Tracking system which will be available to Landowners for the proposed construction.
- xii) To provide a copy of this Letter of Understanding and all environmental reports to the construction contractor.
- xiii) To ensure suitable passage and land access for agricultural equipment during construction.
- xiv) If there is greater than 50% crop loss after five years, at the request of the Landowner, the Company will retain an independent soils Consultant satisfactory to both parties to develop a prescription to rectify the problem.
- xv) To permit the planting of the 6 metre strip with permission for the re-establishment of windbreaks and that trees may be planted as a crop (nursery stock), provided that no tree is permitted to grow higher than 2 metres in height, and the species are of a shallow rooting variety. The use of hydraulic spades within the 6 metre strip is prohibited.
- xvi) In consultation with the Landowner, the Company agrees to retain an independent Consultant to carry out tests along the pipeline to monitor soils and crop productivity. As part of this testing, a soil specialist will conduct comparative compaction testing of the subsoil and NPK (nitrogen, phosphorus, potassium) testing and testing of PH levels on and off easement after construction. Global Positioning System (GPS) equipment may be used to identify all test locations. The Company further agrees to implement all commercially reasonable measures, where recommended by the soil specialist to remediate the soil.
- xvii) To work with the Landowner to ensure that weeds are controlled along the pipeline. Weeds will be sprayed or cut after discussion with the Landowner. The Landowner will be provided with a contact name in the event that concerns are experienced with weeds.
- xviii) To implement the Company's Integrity Dig Agreement for all integrity and maintenance operations on the pipeline.

- xix) At the request of the Landowner, the Company shall undertake a depth of cover survey of the pipeline and shall provide its findings to the Landowner. In agricultural areas, where it is determined that cover over the pipeline is less than 0.9 metres the Company shall restore depth of cover to a minimum of 0.9 metres with the importation of topsoil or by lowering the pipe. In areas where the top of the pipe is at or below bedrock, the Company will ensure a minimum of 0.6 metres of cover over the pipeline.
- xx) Any imported topsoil shall be natural, free of SCN and shall have attributes consistent with the topsoil of adjacent lands as determined by the Company's Consultant and be from a source approved by the landowner
- xxi) To implement Union's wet soil shut down practice as described in Schedule 4.

Landowner covenants as follows:

- i) To execute a Clean-up Acknowledgment when he/she is satisfied with the clean-up operations described in this Letter of Understanding. It is suggested that any tenant(s) who are affected by construction acCompany the Landowner to inspect the clean-up prior to execution of the Clean-up Acknowledgment.
- ii) To be responsible to ensure his/her tenant is aware of the terms of the easement or temporary land use agreement and this Letter of Understanding.
- iii) To be responsible for making any compensation to his/her tenant for any matters included in the damage payment from the Company, as damages payments are made directly to the registered Landowner.

16. Dispute Resolution

In the event the parties are unable to reach resolution with respect to the following matters, the Company shall pay the costs of independent Consultants satisfactory to both the Landowner and the Company to resolve site specific disputes involving affected lands on a binding basis concerning the following:

- i) The need for topsoil importation as in Article 8 hereof, respecting the existence of identifiable subsidence,
- ii) The establishment of levels of compensation for specialty crops as in Article 21.
- iii) The resolution of future crop loss claims for Additional Productivity Loss under Article 21 hereof.

Where Construction Damages and Disturbance Damage settlements cannot be negotiated, the Company or the Landowner may apply to Ontario Municipal Board to settle unresolved claims. It is further understood and agreed that the Landowner's executing the easement, is without prejudice to his/her position in negotiation of damages following construction of the pipeline.

17. Land Rights - Easements

Land rights required for the Project include permanent interests such as pipeline easements (i.e. a limited interest in the affected lands) and may also include temporary land use agreements. The Company agrees that it will not surrender or be released from any of its obligations under an easement for this Project without the consent of the Landowner.

Consideration for these rights will be paid at the rate of 100% of the appraised market value of the affected lands. If agreement on the consideration for land rights cannot be reached, the Company will pay for a second report by a qualified appraiser who is chosen by the Landowner provided the appraiser and the terms of reference for the appraisal report are mutually acceptable to the Landowner and the Company. If consideration for land rights still cannot be agreed upon, the matter would be determined at a Ontario Municipal Board Compensation Hearing and the Company's offers would not prejudice either party's presentation at the Hearing.

18. Land Rights – Temporary Land Use Agreements and Top Soil Storage

These rights will be required for at least a two year period, being the year of construction and the following year to allow for clean-up and restoration activities. Consideration for these rights will be paid at the rate of 50% of the appraised market value of the affected land. Should activities extend beyond the two year period, payment will be negotiated on an annual basis. Although every effort will be made by the Company to identify these rights in certain instances either before or during construction, additional temporary land use may be identified and compensation will be as outlined above.

19. Damage Payments

Compensation for damages can be grouped under two headings namely: Disturbance Damages, which are paid at the time easements and temporary land use agreements are executed, and Construction Damages, which are paid either before or after construction is completed. Top soil storage damages will be paid after construction is completed. Disturbance and Construction damage payments will apply to easement, temporary land use and top soil storage and will be based upon the areas of the proposed pipeline easement and temporary land use as set out in Schedule 1.

20. Disturbance Damages

Disturbance Damages are intended to recognize that pipeline construction will result in some unavoidable interference with active agricultural operations and certain other uses of affected lands. This may include lost time due to negotiations and construction, inconvenience to the farming operations, restricted headlands, interrupted access and extra applications of fertilizer. Other land uses may qualify for Disturbance Damages which are site-specific in nature and recognize the particular circumstances of the use being interfered with. Union will negotiate with the affected Landowner to address these site-specific issues.

21. Construction Damages – Crop Loss

The Company will offer the Landowner a one-time settlement for crop loss damages incurred on the easement and temporary land use areas resulting from the Project, which settlement will include the following:

- i) year of construction and future crop loss;
- ii) stone picking beyond the second year following construction;
- iii) crop losses associated with establishment of a cover crop.

Notwithstanding that the Landowner will have executed a Full and Final Release for crop damages either before or after construction, should productivity loss exceed the percentages paid through the "One Time" Program as in any year following construction and the Landowner has not been (or is not being) compensated for crop loss under the terms of an

existing crop loss compensation program with the Company, the Company will reimburse the Landowner for the difference calculated by applying the percentage loss to the Landowner's actual gross return in the year and deducting the compensation received for that year under the "One Time" program ("Additional Productivity Loss"). It will be incumbent upon any Landowner making this type of claim to advise the Company in sufficient time to allow for investigation of the matter and completion of the required samplings.

Alternatively, at the option of the Landowner, upon provision of advance notice to the Company to permit opportunity for inspection, GPS data may be utilized to establish yield reductions for the purpose of any applicable Additional Productivity Loss provided that the Company is not responsible for installing GPS units or survey equipment if necessary ("GPS" option). In the event that the Landowner selects the GPS option, the Landowner must provide all necessary GPS documentation related to the entire farm field in question, including, but not limited to, maps, computer print-outs and formula to determine field averages. For greater clarity the following is an example of the calculation of Additional Productivity Loss:

- i) Third year crop loss under "One Time" Program = 50%.
- ii) Actual crop loss following investigation and sampling = 60%.
- iii) Difference payable to Landowner = 10%.

Crop Loss for topsoil storage Areas

Compensation for crop loss on topsoil storage areas will be as follows:

- In year of construction - 100% crop loss;
- In years after construction - measured crop loss;
- Payments will be based upon actual area used for topsoil storage;
- Compensation will not be prepaid;
- Compensation will be paid on an as incurred basis.

Speciality Crops

The one time payment does not apply to specialty crops. Specialty crops include tobacco, produce and registered seeds. Compensation will be negotiated on a site specific basis.

Post construction cover crop program

In addition to the one time payment, the Landowner may request a cover crop rehabilitation program for cultivated lands. Under this program the Landowner will plant alfalfa/sweet clover or other restoration crops approved by the Company on the easement and his/her normal crop in the remainder of the field for up to three years. The initial cost of tillage and planting will be paid by the Company as determined by "Economics Information", published by the Ministry of Agriculture and Food. The cost of seed planted over the easement will be compensated upon presentation of an invoice for same. This cover crop program does not apply for tobacco or other specialty crops.

22. Woodlots and Windbreak/Hedgerow Trees

With respect to compensation for damage to woodlots, the Landowner will have the following two options:

Option 1:

Woodlots and hedgerow trees will be cut and appraised by a qualified forester retained by the Company. Evaluation of trees in woodlots will be based on the practice as outlined on Schedule 3.

Option 2:

The Landowner may accept the One Time Crop Loss and Disturbance Damage Payment in lieu of the woodlot evaluation.

With respect to compensation for damage to other wooded areas:

Tree plantations (Christmas trees and nursery stock) will be appraised separately. Compensation for trees evaluated in this manner shall be set out in Schedule 4 to this document.

Evaluation of aesthetic trees will be based on the practice outlined in Schedule 4.

The forester will contact the Landowner before entry on their property. Copies of appraisal reports will be made available to affected Landowners and payment will be made in accordance with the reports.

The Company reserves the right to use trees for which it has paid compensation. At the Landowner's request, any remaining logs will be cut into 10 foot (3.05 metre) lengths, lifted and piled adjacent to the easement.

23. Gored Land

The Company agrees to pay the Landowner 100 % crop loss on the gored land. Gored land is defined as land rendered inaccessible or unusable for agricultural purposes during the Project.

24. Insurance

Upon request of the Landowner, the Company will provide insurance certificates evidencing at least five million dollars in liability insurance coverage.

25. Abandonment

Upon the abandonment of the pipeline in accordance with the terms and conditions of the easement, the affected lands shall be returned as close as possible to its prior use and condition with no ascertainable changes in appearance or productivity as determined by a comparison of the crop yields with adjacent land where no pipeline has been installed. Without prejudice to any continuing right of the Landowner to Additional Productivity Loss, there shall be no additional compensation for crop loss to the Landowner

26. Liability

The Company will be responsible for damages to property, and equipment, resulting from construction operations, and will pay for repairs or replacement costs. The Company will be responsible, and indemnify the Landowner from any and all liabilities, damages, costs, claims, suits and actions except those resulting from the gross negligence or wilful misconduct of the Landowner.

27. Assignment

All rights and obligations contained in this agreement 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. The Company shall not assign this agreement without prior written notice to the Landowner and, despite such assignment; the Company shall remain liable to the Landowner for the performance of its responsibilities and obligations in this agreement.

28. Site Specific Issues

Schedule 2 is to be used to identify any site specific issues which require special mitigation and compensation.

29. Compensation Levels

The levels of compensation applicable to your property are set out in Schedule 1 and are based upon the criteria set out above. Kindly sign the second copy of this Letter of Understanding and initial all Appendices to indicate your acceptance of our arrangements.

Dated at _____, Ontario this ____ day of _____,2015.

UNION GAS LIMITED

Name & Title:

Dated at _____, Ontario this ____ day of _____,2015.

Witness:

Landowner:

Landowner:

Landowner:

Landowner:

SCHEDULE 1: SETTLEMENT

Property No.: H.M., Landowner(s): _____

The parties to this Letter of Understanding dated the ____ day of _____, 2015, in consideration of making this settlement have summarized below all the obligations, claims, damages and compensation arising from and for the required land rights and the pipeline construction across the Landowner(s)' property, name: _____
(Check all applicable items of compensation)

NOTE: Refer to APPENDIX “C” within Option Agreements for site specific details

Yes No

LAND RIGHTS

<input type="checkbox"/>	<input type="checkbox"/>	(a)	Easement @	\$	per acre.
<input type="checkbox"/>	<input type="checkbox"/>	(b)	Temporary Land Use @	\$	per acre.
<input type="checkbox"/>	<input type="checkbox"/>	(c)	Topsoil Storage Land Use @	\$	per acre

DAMAGES

<input type="checkbox"/>	<input type="checkbox"/>	(a)	Disturbance @	\$	per acre of easement.
<input type="checkbox"/>	<input type="checkbox"/>	(b)	Disturbance @	\$	per acre of Temporary Land Use
<input type="checkbox"/>	<input type="checkbox"/>	(c)	Disturbance @	\$	per acre of Top Soil Storage area

CROP LOSS

<input type="checkbox"/>	<input type="checkbox"/>	One Time Payment @	\$	per acre of easement.
<input type="checkbox"/>	<input type="checkbox"/>	One Time Payment @	\$	per acre of Temporary Land Use
<input type="checkbox"/>	<input type="checkbox"/>	One Time Payment @	\$	per acre of Top Soil Storage area

NON-AGRICULTURAL DAMAGE PAYMENTS

<input type="checkbox"/>	<input type="checkbox"/>	Non-agricultural Lands @	\$	per acre
<input type="checkbox"/>	<input type="checkbox"/>	Woodlots @	\$	per acre

OBLIGATIONS

<input type="checkbox"/>		a) This Letter of Understanding.
<input type="checkbox"/>	<input type="checkbox"/>	b) Attached as Schedule 2 any other special requirements or compensation issues.

Initialled for identification by owner(s): _____.

Approval (Union Gas Limited): _____.

SCHEDULE 2: SETTLEMENT

Property No.:H.M., Landowner(s): _____

SCHEDULE 3

WOODLOT EVALUATION

At the time of signing of the Letter of Understanding the Landowners with woodlots will be given 3 options.

1. take a one time full and final for the total easement.
2. take a one time full and final for that portion of the easement in agricultural land, and have the woodlot evaluated separately.
3. take the crop monitoring program and have the woodlot evaluated separately.

Woodlots will be assessed in the following manner:

A forestry Consultant will cruise the woodlot to determine the amount of volume which could be harvested on a periodic basis from the woodlot under sustained yield management.

This volume will then be determined on an annual basis.

Current sale prices will then be given to this volume to determine an annual amount which could be harvested from the woodlot.

This value will then be present valued using the same formula as the one time payment option.

SCHEDULE 4

AESTHETIC TREE EVALUATION

The following procedure would be followed where a Landowner wishes to have trees on his property evaluated for aesthetic values.

During discussions for the Letter of Understanding, the Landowners would identify the trees he wishes to have evaluated for aesthetic purposes.

Union would contract a qualified person to complete an evaluation of the trees.

The Landowners would be paid the evaluated price for the trees in addition to other payments.

If trees are less than 5 inches in diameter replacement of the trees may be considered in lieu of a payment.

If the Landowner disagrees with Unions evaluation a second evaluation may be completed using the same criteria as the original evaluation.

EVALUATION CRITERIA

A four part evaluation criteria will be completed for aesthetic trees:

Tree Value = Basic Value X Species Rating X Condition Rating X Location Rating

Basic value is estimated without consideration of condition, species or location. It is calculated by multiplying the cross-sectional area of the tree trunk by an assigned value per square inch of trunk area.

Species rating is a percentage rating based on the relative qualities of the tree species.

Condition rating is a percentage rating based on the health of the tree.

Location rating is a percentage rating based on the location of the tree.

SCHEDULE 5

Schedule of Rates for Work
Performed by Landowners

Typically all work will be done by the Company. If the parties agree that the Landowner will perform work on behalf of the Company, the Company will remunerate the Landowner in accordance with the following;

- | | | | |
|----|-----------------|------|---------------------------------------|
| 1. | Stonepicking | - \$ | per hour/per person picking by hand |
| | | - \$ | per hour for use of tractor and wagon |
| 2. | Chisel Plowing | - \$ | per hour |
| 3. | Cultivation | - \$ | per hour |
| 4. | Tile Inspection | - \$ | per hour * |

* Payment for Tile Inspection is for those hours spent inspecting tile at the request of the contractor.

SCHEDULE 6

Wet Soils Shutdown

The following sets out the Wet Soils Shutdown practice of Union Gas Limited for pipeline construction, repair and maintenance on agricultural lands.

While constructing the Company's pipeline the Company's senior inspectors inspect right-of-way conditions each day before construction activities commence for that day. If, in the judgment of these inspectors, the right-of-way conditions on agricultural lands are such that construction would have an adverse affect on the soils due to wet soils conditions, the contractor is prohibited from starting construction activities. The inspectors shall consider the extent of surface ponding, extent and depth of rutting, surface extent and location of potential rutting and compaction (i.e., can traffic be re-routed within the easement lands around wet area(s) and the type of equipment and nature of construction proposed for that day. The wet soil shutdown restriction would be in effect until, in the judgment of the Company representatives, the soils would have sufficiently dried to the extent that commencing construction activities would have no adverse affects on the soils.

Wet soils shutdown is a routine part of Union's normal management process for pipeline construction activities. In recognition of this, Union budgets for and includes in contract documents, provisions for payment to the pipeline contractors for wet soils shutdown thereby removing any potential incentive for the contractor to work in wet conditions.

In addition, Union's inspection staff is responsible for ensuring that construction activities do not occur during wet soils shutdown. This would include shutting down construction activities if soils became wet during the day.

It should, however, be recognized that there may be situations when construction activities cannot be carried out during the normal construction period due to delays in project timing and it may become necessary to work in wet conditions in the spring or fall of the year. Where construction activities are undertaken by the Company in wet soil conditions, additional mitigation measures may be put in place to minimize resulting damages. Mitigation measures may, where appropriate, be developed by Union on a site specific basis and may include avoiding certain areas, full easement stripping, geotextile roads, the use of swamp mats, or the use of other specialized equipment where deemed appropriate by Union. Union will authorize work in wet soils conditions only when all other reasonable alternatives have been exhausted.