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January 10, 2020

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Christine Long
Board Secretary and Registrar
Ontario Energy Board
27th Floor - 2300 Yonge Street
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New York

Dear Ms. Long:

EB-2019-0007 – Application for Leave to Construct the Waterdown to Finch Pipeline

Re: Argument-in-Chief of Imperial Oil Limited

Further to Procedural Order No. 6 dated December 6, 2019, please find enclosed the Argument-in-Chief of Imperial Oil Limited (“**Imperial**”).

Please do not hesitate to contact the undersigned if you have any questions.

Sincerely,



Patrick G. Welsh

c: Richard King/Isabelle Crew, *Osler, Hoskin & Harcourt LLP*
Jessie Malone/Zahra Allidina, *Imperial Oil Limited*
All Intervenors in EB-2019-0007

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Sched. B), as amended (the “Act”);

AND IN THE MATTER OF an Application by Imperial Oil Limited under sections 90(1) and 97 of the Act for an order granting Leave to Construct of a hydrocarbon distribution pipeline and ancillary facilities to serve the Greater Toronto and Hamilton Area.

**ARGUMENT-IN-CHIEF OF
IMPERIAL OIL LIMITED**

January 10, 2020

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I. OVERVIEW

1. Imperial Oil Limited (“**Imperial**”) makes these submissions in support of its application to the Ontario Energy Board (the “**OEB**” or the “**Board**”) for:
 - (a) an order granting leave to construct approximately 63 kilometres of pipeline and associated infrastructure to transport refined oil products from its facility in the City of Hamilton to its facility in the City of Toronto (the “**Project**”); and
 - (b) an order approving the forms of easement agreement related to the construction of the Project (the “**Application**”)¹.
2. The Project is a proactive replacement of an important segment of Imperial’s Sarnia Products Pipeline (the “**SPPL**”). Operating safely for many decades, the SPPL is crucial infrastructure that provides refined fuel products (i.e., gasoline, diesel, and jet fuel) used by households and businesses across the Greater Toronto and Hamilton Area. To support continued safe, reliable, and environmentally responsible transportation of these products, the Project will replace the transportation capabilities of an existing SPPL segment between rural Hamilton and North York.
3. For the reasons set out below, Imperial submits that the construction of the Project is in the public interest. That is, Imperial submits that it has demonstrated that there is a need for the Project and that it has provided the OEB with sufficient information regarding the Project’s environmental impacts; the Project’s impacts on landowners; and Indigenous consultation, such that the Board should, accordingly, grant leave to construct, subject to the conditions of approval proposed by OEB Staff in its interrogatories to Imperial, dated July 15, 2019² and responded to by Imperial in its response to interrogatories.³ The proposed conditions of approval are included as Appendix “A”.

II. ARGUMENT

Background

4. On February 25, 2019, Imperial applied to the OEB under sections 90(1) and 97 of the *Ontario Energy Board Act, 1998* (“**OEBA**”)⁴ for leave to construct approximately 63 kilometres of pipeline and associated infrastructure to transport refined fuel products from its Waterdown pump station in the City of Hamilton to its Finch terminal facility in the

¹ EB-2019-0007, [Updated Application and Evidence of Imperial Oil Limited for Leave to Construct](#) (29 May 2019) [Application].

² EB-2019-0007, [OEB Staff Interrogatories](#) (15 July 2019), p. 7 [Staff Interrogatories].

³ EB-2019-0007, [Interrogatory Response from Applicant](#) (6 August 2019), IRR 51.4 [Imperial IRR].

⁴ [Ontario Energy Board Act, 1998](#), SO 1998, c. 15, Sched. B [OEBA].

City of Toronto and for approval of the forms of easement agreement related to the construction of the proposed pipeline.

5. Consistent with the process outlined in the *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (the “**Environmental Guidelines**”),⁵ on February 1, 2019 Imperial submitted pre-filed evidence, including the *Waterdown to Finch Project Environmental Report* prepared by ERM Worldwide Group Ltd. (the “**Environmental Report**”) to the members of the Ontario Pipeline Coordinating Committee (the “**OPCC**”) for review and comment.
6. On April 11, 2019, the OEB issued a Notice describing Imperial’s Application and providing an opportunity for interested persons to participate in the OEB’s hearing. Between April and June 2019, Bell Mobility Inc., Canadian Manufacturers and Exporters, Enbridge Gas Inc., Greater Toronto Airports Authority, Hydro One Networks Inc., Peter and Tim Virtanen, Huron Wendat Nation, City of Mississauga, City of Toronto, City of Hamilton, Halton Region, and the Regional Municipality of Peel (collectively, the “**Intervenors**”), applied for and were approved as intervenors in this proceeding pursuant to Rule 22 of the OEB *Rules of Practice and Procedures* (the “**Rules**”).⁶
7. In accordance with Procedural Order No. 2,⁷ in July 2019, several of the Intervenors and OEB Staff filed interrogatories. Imperial received and provided detailed responses to 97 interrogatories from the Intervenors and Board Staff. Imperial’s responses exceeded 1000 pages (including appendices).⁸

The Public Interest Test

8. Imperial seeks an order granting leave to construct the Project under section 90 of the OEBA.⁹ Pursuant to section 96 of the OEBA, the Board shall make an order granting leave to construct if it finds that “the construction, expansion or reinforcement of the proposed work is in the public interest”.¹⁰
9. While “public interest” is not defined in the OEBA, the Board’s approach in determining whether a Project is in the public interest generally involves an examination by the Board

⁵ Ontario Energy Board, [Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario](#), 7th ed (2016) at s. 1.3.1 [Environmental Guidelines].

⁶ Ontario Energy Board, [Rules of Practice and Procedure](#), r. 22.03 [Rules].

⁷ EB-2019-0007, [Procedural Order](#) (31 May 2019).

⁸ EB-2019-0007, [Interrogatory Response from Applicant](#) (6 August 2019) [Imperial IRR].

⁹ [OEBA](#), s. 90.

¹⁰ [OEBA](#), s. 96.

of the following factors: (a) the need for the project; (b) the project cost and economics; (c) environmental impacts; (d) impacts on landowners; and (e) Indigenous consultation.¹¹

A. The Need for the Project

(a) *There is Significant Need for the Project*

10. Imperial's SPPL is important infrastructure that provides petroleum products used by households and businesses across the Greater Toronto and Hamilton Area. These products include a significant portion of jet fuel for Toronto Pearson International Airport, as well as gasoline and diesel fuel that keep people, goods, and services moving throughout the region.
11. This Project is a proactive replacement that will replace the capabilities of an existing SPPL segment to ensure the continued safe, reliable, and environmentally responsible transportation of products throughout the region for decades to come.¹² For the reasons set out below, Imperial submits that there is a substantial and pressing need for the Project in order to support the safety and reliability of supply to the region.

(b) *The Project will Support Continued Safe Pipeline Operations*

12. This proactive replacement of aging infrastructure is prudent and will utilize the latest technology, exceeding industry standards. The proposed pipeline will feature risk-mitigation enhancements including modern manufacturing and welding technology, high-performance protective coating, and thicker walls exceeding the recommendations of the Canadian Standards Association's *Oil and Gas Pipeline Systems Code Z662-15* ("CSA Z662") and will be located significantly deeper in sensitive areas, including major watercourses.¹³
13. The Technical Standards and Safety Authority ("TSSA") has confirmed that the Project has been selected for full audit and that the TSSA will "audit and inspect the SPPL to ensure compliance with applicable technical and safety standards for construction and operation".¹⁴

¹¹ See e.g. EB-2018-0188, [Decision and Order](#) (11 July 2019), p. 3; EB-2018-0263, [Decision and Order](#) (11 July 2019), p. 5.

¹² [Application](#), Exhibit C, Tab 1, Schedule 1, p. 1.

¹³ [Imperial IRR](#) 10.4(d).

¹⁴ EB-2019-007, [TSSA Letter Regarding Status of Project Review](#) (25 October 2019) [TSSA Letter].

(c) *The Project will Support Continued Reliable Pipeline Operations*

14. In addition to supporting continued safe pipeline operations, the Project will ensure continued reliable pipeline operations.¹⁵
15. As discussed further below, several of Imperial's customers and other stakeholders have provided letters in support of the Project that highlight the importance of the availability of reliable fuel delivery.¹⁶ The Project is critical to service delivery and supply for industrial, commercial and retail outlets in the province, including the owners and distributors for Esso, Mobil and many other service station brands, as well as Toronto Pearson International Airport.¹⁷

(d) *The Project is TSSA Act- and CSA Z662-Compliant*

16. Like all parties, Imperial is committed to ensuring the Project is built and operated safely in order to avoid adverse impacts on people and the environment. To do so, Imperial works diligently with the TSSA to ensure that all applicable safety and technical standards are met.
17. The Project involves the proposed installation of approximately 63-kilometres of 12-inch diameter pipeline and associated infrastructure. To support the reliable supply of products throughout the construction process, the Project involves the construction of the new pipeline while the existing pipeline continues to operate. Once the new pipeline is successfully installed, the existing line will be safely deactivated and the new pipeline will operate in its place.¹⁸
18. The design specifications for the pipe, fittings and associated equipment used to construct the Project will meet or exceed the requirements of CSA Z662.¹⁹
19. The SPPL is a TSSA-licensed pipeline. It is Imperial's experience and expectation that the TSSA has and will continue to utilize its broad powers to assess and inspect licensed infrastructure, including the SPPL, to ensure compliance with its standards both prior to and during construction, as well as throughout the life of the SPPL.

¹⁵ [Imperial IRR](#) 39.4(b).

¹⁶ [Application](#), Exhibit B, Tab 1.

¹⁷ [Imperial IRR](#) 36.3(a).

¹⁸ [Application](#), Exhibit A, Tab 1, Schedule 3, p. 1.

¹⁹ [Application](#), Exhibit E, Tab 1, Schedule 3, p. 1.

(i) the TSSA Process

20. As set out in the Environmental Guidelines, the leave to construct process recognizes that throughout the life of any project there are other institutions that regulate the construction, operation, and deactivation of hydrocarbon pipelines.
21. In addition to the requirement to obtain leave to construct, hydrocarbon pipeline construction and operation in Ontario is subject to the technical and safety standards established by the TSSA pursuant to its authority under the *Technical Standards and Safety Act, 2000* (“**TSSA Act**”).²⁰ Pursuant to O. Reg. 210/01, made under the TSSA Act, any person engaged in the design, construction, erection, maintenance, alteration, repair, service or disposal of oil and gas industry pipeline systems must comply with the TSSA Act and its Regulations.²¹
22. Under the TSSA Act, proponents are required to obtain an authorization in accordance with the Act before carrying out the activities referred to in the regulations.²² The TSSA may refuse to grant, or may revoke authorizations if the applicant does not meet prescribed technical and safety standards.²³ For the purposes of O. Reg 210/01, the standards for oil and gas pipelines are contained in the *Oil and Gas Pipeline Systems Code Adoption Document* (the “**Code Adoption Document**”) published by the TSSA and adopted by regulation under the Act.²⁴ That document, in turn, adopts, subject to certain modifications, CSA Z662.²⁵
23. During the leave to construct process before the OEB, the TSSA acts as a member of the OPCC.²⁶ In that capacity, the TSSA reviews the Environmental Report and any other information it may request in order to assess whether the Project will comply with TSSA standards. In parallel to the leave to construct process, Imperial submitted an *Engineering Design Approval – Application for Review of Pipeline Project* to the TSSA in order to facilitate the TSSA’s review of the Project and guide the TSSA’s input on the leave to construct process as an OPCC member. Once the OEB grants leave to construct, the TSSA assumes an active, hands-on role in regulating the construction and operation of the pipeline.
24. The TSSA is currently in the process of reviewing the required material submitted by Imperial. On October 25, 2019 the TSSA provided Imperial with a letter outlining the

²⁰ [Technical Standards and Safety Act, 2000](#), S.O. 2000, c. 16 [TSSA Act]

²¹ [O. Reg. 210/01](#), ss. 2(1), 3.

²² [O. Reg. 210/01](#), s. 6(1).

²³ [TSSA Act](#), s. 6(5).

²⁴ [O. Reg. 223/01](#), s. 8.

²⁵ TSSA, [Oil and Gas Pipeline Systems Code Adoption Document](#) (1 June 2001), as amended from time to time, s. 2(1).

²⁶ [Environmental Guidelines](#), p. 7.

current status of its review of the Project, which Imperial filed with the OEB (the “**TSSA Letter**”).

25. The TSSA Letter states that:

This application has been reviewed on the technical aspects of the project including design, material specification, wall thickness calculation, class location analysis and valve spacing for this project. Initial draft of the hazard identification and mitigation has been submitted and reviewed. Complete risk assessment will be submitted for review prior to construction.

Submitted documents from IOL meet O.Reg. 210/01 and Oil and Gas Pipeline code adoption document, FS-238-18. This project has been selected for full audit. TSSA will audit and inspect the SPPL to ensure compliance with applicable technical and safety standards for construction and operation.²⁷ [emphasis added]

26. Imperial expects to continue working with the TSSA to ensure that the Project meets or exceeds all requisite safety and technical standards. The design specifications for the Project, including design factors for class location and hydrostatic testing, will meet the requirements of the TSSA Act, O. Reg. 210/01, the Code Adoption Document and CSA Z662.

(ii) It is proper for the OEB to Rely on the TSSA’s Assessment of Pipeline Safety

27. While technical standards are a consideration in leave to construct proceedings, the Board has in previous proceedings held that it will defer to regulatory agencies that have direct responsibility for the applicable standards.

28. By way of example, in EB-2010-0302, the Board held that where projects “can be implemented by a responsible company in a manner that meets the applicable safety and technical standards... they should be approved”.²⁸ Similarly, in its decision in EB-2012-0226 the Board held that “the [TSSA] as the agency overseeing the operation of the pipelines in Ontario, has the authority to implement all the applicable standards”.²⁹

29. The OEB relies on the technical expertise of the TSSA for the purposes of leave to construct applications. In its assessment of the public interest, the OEB does not assume the role of other regulatory agencies, such as the TSSA, in assessing the merits of whether a given project meets complex technical licensing requirements. This approach is consistent both with the relative expertise of the TSSA in determining whether a project meets technical standards and the express grant of jurisdiction to the TSSA to make such determinations under the TSSA Act. The Board has recognized that the standard conditions on a leave to

²⁷ [TSSA Letter](#).

²⁸ EB-2010-0302, [Decision and Order](#) (21 March 2011), p. 11.

²⁹ EB-2012-0226, [Decision and Order](#) (28 March 2013), p. 7.

construct approval ensure that the requirements of other approvals, permits, licenses and certificates are fully addressed.³⁰

30. The TSSA has and will continue to act as the hands-on safety regulator in ensuring that the construction and operation of the Project comply with all technical and safety requirements under the TSSA Act, O. Reg 210/01, the Code Adoption Document, and CSA Z662. It is appropriate for the OEB to rely on the TSSA's review and regulation of the Project to ensure that all applicable technical and safety standards are met.

(e) *There are no Reasonable Alternatives to the Project*

31. The products transported by the pipeline originate from and are manufactured in Sarnia, Ontario. Due to safety concerns and traffic congestion in this highly urbanized region, transportation of SPPL product by truck was determined not to be a suitable alternative.³¹
32. As discussed in great detail below, in consideration of social and environmental constraints, and to minimize impact on infrastructure and other land uses in the area, the new pipeline will be constructed following the existing SPPL route as closely as possible. The proposed pipeline route was determined to be the only reasonable option, particularly within the urban landscape, because it benefits from following existing utility corridors.³²

(f) *The Project is Supported by Many Stakeholders*

33. Imperial received numerous letters of support from various organization, which speak to the need for the Project.³³
34. For example, the Greater Toronto Airport Authority has stated that “Imperial’s Sarnia Products Pipeline and the Waterdown to Finch replacement project are critical for Toronto Pearson to continue having a reliable supply of fuel for our operations.”³⁴
35. The Canadian Fuels Association stated that “the Waterdown to Finch Project pipeline replacement project will help ensure the ongoing reliability of this infrastructure and the fuels that supply Ontarians living in the Greater Toronto and Hamilton area” and that “reliable market access is not only key to our sector’s competitiveness but also essential to keeping people and goods moving in this Province”.³⁵

³⁰ See EB-2018-0263, [Decision and Order](#) (11 July 2019), p. 13.

³¹ [Application](#), Exhibit C, Tab 1, Schedule 3, p. 1.

³² [Application](#), Exhibit D, Tab 1, Schedule 1, p. 1.

³³ [Application](#), Exhibit B.

³⁴ [Application](#), Exhibit B, Schedule 6, p. 1.

³⁵ [Application](#), Exhibit B, Schedule 3, p. 1.

36. The Canadian Independent Petroleum Marketers Association has also written in support of the Application, stating that “[t]he Waterdown to Finch pipeline replacement project will help ensure consumers and independent fuel marketers have access to a competitively priced and readily available supply of fuel products that will serve both our domestic markets, and customers who provide goods and services to broader markets”.³⁶

(g) *Summary: Project Need*

37. As discussed above, the replacement of the Waterdown to Finch segment of the SPPL is a proactive initiative to address aging pipeline infrastructure and support continued safe and reliable supply to the region. The Project will be constructed in coordination with the TSSA and will be compliant with all technical and safety requirements under the TSSA Act, O. Reg 210/01, the Code Adoption Document, and CSA Z662, and there is no reasonable alternative (e.g., trucks) to the Project due to safety and traffic congestion. As exemplified by the letters of support included in Imperial’s Application, this pipeline is critical to the service delivery of Imperial’s customers and supply for industrial, commercial and retail outlets in the province. To that end, Imperial submits that there is substantial need for the Project, and as such requests that the Board grant leave to construct.

B. Project Cost and Economics

38. Imperial is a non-rate regulated, non-public entity. The cost of the proposed Project will be borne by Imperial. As such, Imperial submits that Project costs are not relevant to the public interest determination by the OEB in this instance.

C. Environmental Impacts

39. As described above and as set out below, the Project is a proactive replacement of aging infrastructure to support the continued safe pipeline operations. The measures proposed by Imperial, as outlined in its Environmental Report, are designed to meet the highest technical standards and prevent adverse environmental impacts.

(a) *Imperial Prepared an Environmental Report in accordance with the Environmental Guidelines and Circulated it for Comment from Applicable Stakeholders*

40. As required by the Environmental Guidelines, Imperial retained ERM Worldwide Group Ltd. (“**ERM**”) to prepare an environmental report in respect of the Project. The Environmental Report describes the actions taken to confirm the pipeline route and the related construction methods and activities planned to avoid or minimize the environmental and socio-economic effects of the Project and considers the existing physical, environmental, socio-economic, archaeological, and cultural heritage features, and includes both an effects assessment and a cumulative effects assessment.³⁷

³⁶ [Application](#), Exhibit B, Schedule 4, p. 2.

³⁷ ERM, [Waterdown to Finch Environmental Report](#) (25 February 2019), p. 9-1 [Environmental Report].

41. On February 1, 2019, Imperial submitted a draft Environmental Report to members of the OPCC for review and comment. The Environmental Report was also provided to municipalities, conservation authorities and Indigenous Communities (defined, for the purposes of the Application, below) for their review and comment.
42. The final Environmental Report was submitted as part of the Application.³⁸ The Huron Wendat Nation, the Mississaugas of the Credit First Nation, the City of Mississauga, the Ministry of Transportation, the Toronto and Region Conservation Authority, the Hamilton Conservation Authority, and Conservation Halton provided comments on the Environmental Report.³⁹ Imperial responded to these comments in its responses to interrogatories.⁴⁰
 - (b) *The Environmental Report Concluded that all Environmental Impacts will be Avoided or Mitigated*
43. ERM concluded in the Environmental Report that potential adverse environmental effects will be largely avoided, or, where avoidance is not feasible, mitigated to minimize the effects such that they will not be significant. ERM further explained in the Environmental Report that environmental monitoring and regular inspection during operations will be used to confirm that mitigation measures are implemented and effective.⁴¹
44. The Environmental Report concluded that the cumulative effects are considered to be not significant because the Project route follows existing easements and infrastructure corridors through areas previously altered by agriculture or urban/suburban development.⁴²
45. As set out in the Environmental Report, an Environmental Protection Plan and several management and contingency plans will be developed prior to construction. These plans will build on the key mitigation measures for the Project identified in the Environmental Report. These plans will also outline the environmental inspections that will be carried out to confirm effective implementation of mitigation measures and/or contingency plans.⁴³
46. In summary, ERM found that the majority of the environmental effects of Project construction identified are considered temporary and local and are expected to be mitigated through planning and the implementation of mitigation and best management practices to:
 - (a) avoid or minimize potential adverse environmental effects;
 - (b) monitor the

³⁸ [Imperial IRR](#) 42.4.

³⁹ [Imperial IRR](#) 42.4.

⁴⁰ EB-2019-0007, [Imperial IRR Appendix 1 – 16](#) (6 August 2019), Appendix 12.

⁴¹ [Environmental Report](#), p. I.

⁴² [Environmental Report](#), p. I.

⁴³ [Environmental Report](#), p. 7-1.

implementation of mitigation measures; and (c) implement appropriate responses to unexpected events.⁴⁴

(c) *Summary: Environmental Impacts*

47. Imperial submits that the evidence before the Board demonstrates that it has adequately addressed the environmental issues through its proposed mitigation and restoration program and its commitment to implement the recommendations in the Environmental Report. Pursuant to ERM's expert opinion that, assuming Imperial follows the procedures recommended in the Environment Report, there will be no significant long term environmental impacts from the construction and/or operation of the pipeline, Imperial submits that the Board should find that Imperial has satisfactorily addressed all environmental issues.

D. Impacts on Landowners

48. Imperial submits that the Project proactively responds to all land matters. The Project's route has been assessed as the only feasible route. Imperial remains in active negotiations with affected landowners and will obtain all land-related permits and agreements required with or for Project construction.
49. As outlined in the Environmental Report, Imperial has engaged in extensive public consultation, including by holding two Community Information Sessions per municipality to present information and provide opportunities for input, and engaging in other outreach.⁴⁵

(a) *The Project Route is the Only Feasible Route*

50. The Project will be constructed in a route following the existing SPPL as closely as possible and within existing easements, thereby minimizing incremental environmental and stakeholder impacts and facilitating safe and efficient operation and maintenance of the SPPL.⁴⁶ Any minor deviations in the route from the existing pipeline alignment were considered to further minimize impacts to nearby community, infrastructure and environmental features.
51. An alternative route for the Project underwent a detailed review by ERM, as outlined in the Environmental Report, but was deemed not feasible. ERM determined that the proposed Pipeline route was "the only reasonable option, particularly within the urban landscape, because it benefits from following existing utility corridors". In particular, compared to the proposed Project route, ERM found that an alternative route would: (a) increase the length of the pipeline route by more than 14 kilometres (a 22 percent increase);

⁴⁴ [Environmental Report](#), p. 7-1.

⁴⁵ [Environmental Report](#), p. 3-5

⁴⁶ [Application](#), Exhibit E, p. 1, para. 2.

(b) cross nearly two times as many watercourses; (c) cross three times as many wetlands; (d) cross an additional urban river park; (e) cross five more railroads; pass within 100 metres of twice as many groundwater supply wells; (f) have 450 percent more wildlife species of conservation concern records within one kilometre; (g) cross two additional conservation areas; (h) require ten more horizontal directional drills (“**HDD**”) and nine more bores; and (i) cross an area deemed not feasible to construct (through York University on Keele Street).⁴⁷

52. Imperial submits that the Project route is not only appropriate, but the only feasible route, as determined by ERM and in accordance with the Environmental Guidelines.

(b) *Imperial is in Active Negotiations with Landowners Regarding Required Land Rights*

53. Constructing the Project following the existing SPPL as closely as possible will minimize landowner impacts.⁴⁸ In order to further minimize impacts to competing land use in the area, Imperial has reduced easement width requirements to the extent possible.⁴⁹

54. Following the proposed route, the Project will traverse 333 directly affected parcels representing 76 privately-owned lands and 257 agency-owned lands and will require a combination of new and existing easements, including permanent and temporary land rights.⁵⁰

55. The existing pipeline is located within an Imperial right-of-way (“**ROW**”) for approximately 18.8 kilometres, and within a ROW managed by Hydro One Networks Inc. for approximately 43.7 kilometres.⁵¹ The Project will require a combination of new and existing easements, including permanent and temporary land rights, as follows:⁵²

Facility	Approximate Area Hectares (Acres)
Existing Easement	48.74 (120.45)
New Permanent Easement	5.77 (14.24)
Temporary Workspace	107.80 (266.37)

⁴⁷ [Environmental Report](#), p. 2-10.

⁴⁸ [Application](#), Exhibit F, Tab 1, Schedule 1, p. 1.

⁴⁹ [Application](#), Exhibit F, Tab 1, Schedule 3, p. 3.

⁵⁰ [Application](#), Exhibit F, Tab 1, Schedule 1, p. 1. Note that numbers have been updated since the Application submission.

⁵¹ [Environmental Report](#), p. 2-1.

⁵² [Application](#), Exhibit F, Tab 1, Schedule 1, p. 2. Note that numbers have been updated since the Application submission.

Facility	Approximate Area Hectares (Acres)
Additional Temporary Workspace	56.60 (139.86)
Permanent Valve Locations	0.01 (0.03)
Total	218.92 (540.95)

(c) *Imperial will Obtain all Land-Related Permits and Agreements*

56. Imperial is, and will continue, working directly with the affected landowners to secure the necessary agreements.⁵³ Imperial has commenced land-related permitting discussions with permitting authorities and various public and private agencies through initial routing submission packages and anticipates receipt of all necessary agreements and permits prior to the commencement of construction.⁵⁴ Based on discussions with the respective owners and their related review cycles, the majority of the agreements and permits are anticipated to be received by Q2 of 2020 with the remaining coming through in Q3 of 2020.
57. As required by section 97 of the OEBA, Imperial has offered or will offer to each owner of land affected by the approved route or location an agreement in the form attached at Appendix “B” of this submission.
58. The OEB has determined that, at the leave to construct stage, its role is to approve the form of the agreement presented to landowners, but not to mandate agreement or the terms of any agreement reached. In EB-2013-0074, the Board summarized this distinction as follows:
- Under section 97 of the Act, the Board ensures that the forms of agreement provided to landowners who are located along the approved route of the pipeline are appropriate. The Board determines the appropriate subject-matter of the form of an agreement to be offered to an Ontario landowner, as well as the technical format of the document but not the substance of the agreements, which are left to the landowner and the pipeline company to negotiate. The Board’s approval of the form of an agreement thus provides a baseline for the initial offer of an easement agreement to a landowner, and prevents the company from unilaterally resiling from its proffered terms.⁵⁵
59. Imperial submits that its form of easement is substantially similar to those previously approved by the OEB on other leave to construct applications,⁵⁶ and requests that the form of easement be approved by the OEB.

⁵³ [Environmental Report](#), p. 2-1.

⁵⁴ [Application](#), Exhibit F, Tab 1, Schedule 3, p. 1.

⁵⁵ EB-2013-0074, [Decision and Order](#) (30 January 2014), pp. 16 – 17.

⁵⁶ See e.g. EB-2018-0263, [Application and Evidence of ECPOR Natural Gas Limited for Leave to Construct](#) (27 February 2019), Exhibit A, Tab 10, Schedule 2; EB-2017-0118, [Application and Evidence of Union Gas Limited](#)

(d) *Summary: Impacts on Landowners*

60. As outlined above, Imperial has minimized the impact to, and the number of affected, landowners by utilizing as much of the existing pipeline ROW as possible, and has carefully considered and ruled out other pipeline routes. Pursuant to section 97 of the OEBA, Imperial has offered or will offer to each owner of land affected by the approved route or location an agreement in the form submitted for approval by the Board, which Imperial submits is substantially similar to those previously approved by the OEB.

E. Indigenous Consultation

61. Indigenous consultation, guided by the requirements of the Environmental Guidelines, has been an integral part of Imperial’s planning of the Project.⁵⁷ Imperial submits that its Indigenous consultation has been sufficient for the purposes of the OEB’s leave to construct decision. Imperial has and will continue to work diligently to understand Indigenous perspectives on issues associated with the Project and to engage with Indigenous Communities and their representatives in open and forthright consultation.⁵⁸

(a) *Imperial was Delegated the Procedural Aspects of Consultation*

62. As required by the Environmental Guidelines, on May 23, 2018, Imperial sent a letter to the Ministry of Energy, Northern Development and Mines (“**MENDM**”) notifying it of Imperial’s intention to apply to the OEB for leave to construct the Project, and requesting direction on the duty to consult.⁵⁹
63. On September 10, 2018, the Ministry issued a letter to Imperial, pursuant to which certain procedural aspects of the Crown’s duty to consult were delegated to Imperial (the “**Delegation Letter**”).⁶⁰ The potentially impacted Indigenous Communities identified in the Delegation Letter were: the Mississaugas of the Credit First Nation (the “**MCFN**”); the Six Nations of the Grand River—including both the Six Nations Elected Council (the “**SNEC**”) and Haudenosaunee Confederacy Chiefs Council (the “**HCCC**”); and the Huron Wendat Nation (the “**HWN**”) (collectively, the “**Indigenous Communities**”). The MCFN, SNEC and HCCC were listed on the basis of rights, and HWN was listed on the

[for Leave to Construct](#) (2 March 2017), Schedule 10; EB-2016-0186, [Application and Evidence of Union Gas Limited for Leave to Construct](#) (10 June 2016), Exhibit A, Tab 11, Schedule 3.

⁵⁷ [Application](#), Exhibit G, Tab 1, Schedule 1, p. 1.

⁵⁸ [Application](#), Exhibit G, Tab 1, Schedule 1, p. 2.

⁵⁹ [Application](#), Exhibit G, Tab 1, Schedule 3.

⁶⁰ EB-2019-007, [Delegation Letter](#) (10 September 2018) [Delegation Letter].

basis of its interest in archeological resources. The Delegation Letter listed Imperial's specific obligations.⁶¹

(b) *Imperial's Consultation Efforts have Exceeded the Delegated Requirements*

64. Imperial has not only met, but exceeded, these delegated obligations, having undertaken extensive consultation activities, including:⁶²

- (a) notifying Indigenous Communities early and often throughout the regulatory process;
- (b) providing Indigenous Communities with Project information, including Project descriptions, timelines, and maps;
- (c) explaining regulatory and approval processes that apply to the Project to Indigenous Communities;
- (d) participating in and offering to host community information events;
- (e) inviting Indigenous Communities to attend public community information sessions for the Project;
- (f) enabling the participation of Indigenous field monitors in archaeological and environmental field studies and providing capacity funding to facilitate participation;
- (g) involving Indigenous Communities in archaeological assessment planning;
- (h) sharing archaeology assessment findings and draft reports for review and comment;

⁶¹ Specifically: (i) providing the First Nation communities with timely notice of the Project for the purposes of considering possible impacts on their Aboriginal and/or treaty rights; (ii) in that notice, clearly stating that Imperial Oil has been delegated the procedural aspects of consultation by the Ministry of Energy, Northern Development and Mines on behalf of Ontario for the Project; (iii) providing First Nation communities with information about the Project including anticipated impacts, and information on project timelines; (iv) following up with First Nation communities to ensure they have received Project information and that they are aware of the opportunity to express comments and concerns about the Project; (v) explaining the regulatory and approval processes that apply to the Project; (vi) gathering information about how the Project may adversely impact the relevant Aboriginal and/or treaty rights (for example, hunting, fishing) or sites of cultural significance (for example, burial grounds, archaeological sites); (vii) considering the comments and concerns raised by First Nation communities and providing responses; (viii) where appropriate, discussing accommodation, including mitigation or other measures to address potential adverse impacts on Aboriginal and/or treaty rights; (ix) where appropriate, developing and discussing with the Crown appropriate accommodation measures; (x) taking reasonable steps to foster positive relationships with the First Nation communities; (xi) bearing the reasonable costs associated with these procedural aspects of consultation; and (xii) maintaining records of activities in relation to carrying out the delegated procedural aspects of consultation and providing information to the Ministry. [Delegation Letter](#), pp. 3 – 4.

⁶² [Application](#), Exhibit G, Tab 1, Schedule 1, pp. 5 – 18.

- (i) providing Indigenous Communities with the Environmental Report for review and comment;
 - (j) providing Indigenous Communities with Imperial’s SPPL Emergency Response Plan, draft Waterdown to Finch Project Spill Prevention and Response Plan, and draft Chance Find Contingency Plan for review and comment and updating same to reflect comments received from Indigenous Communities;
 - (k) agreeing to facilitate active participation by Indigenous Communities in training and monitoring activities under Imperial’s Chance Find Contingency Plan; and
 - (l) inviting communities to participate in a tour of an emergency response exercise.
65. Throughout consultation, Imperial has been clear that it will work to ensure that feedback, comments, and concerns can be raised by Indigenous Communities at any time for consideration throughout the life of the Project.
- (c) *Imperial has Responded to Concerns Raised During Consultation and has Implemented Appropriate Mitigation Measures*
66. Imperial has responded to the comments and concerns raised by all Indigenous Communities. As far as Imperial is aware, MCFN, SNEC and HCCC have relayed no outstanding concerns in respect of Imperial’s consultation efforts to date. HWN has advised that it has concerns related to Imperial’s consultation. Imperial respects the concerns of HWN and continues to consult with the HWN regarding these concerns.
67. Imperial recognizes that HWN has particular concerns in respect of a location of archaeological significance known as the Parsons Site. However, Imperial strongly maintains that it has met and exceeds the delegated aspects of consultation, including with respect to HWN. As consultation will be ongoing throughout the life of the Project, Imperial submits that the concern of HWN should not prevent the Board from finding that the duty to consult has been met for the purposes of leave to construct.
68. In its letter of December 6, 2019, counsel for HWN advised that “the parties have not yet finalized an agreement as to the accommodation measures Imperial will commit to in order to avoid, mitigate or compensate for impacts the Project has had and will continue to have on HWN’s inherent and treaty rights”.⁶³ With respect, Imperial has implemented extensive mitigation and accommodation measures that seek to address any Project impacts on HWN’s rights, as described in the following sections.
- (i) Horizontal Directional Drilling and Archaeological Avoidance Strategies
69. The HWN have raised specific concerns related to mitigating any potential impacts of the Project on the Parsons Site. Imperial recognizes the significance of the Parsons Site (and

⁶³ EB-2019-0007, [Letter from Counsel to Huron Wendat Nation](#) (6 December 2019).

other known and potential archaeological resources) and is committed to avoidance and/or mitigation of impacts to archaeological resources.⁶⁴ Imperial has responded to HWN's concerns by implementing several mitigation measures specific to the Parsons Site, including: using HDD trenchless installation technology; planning the development of an avoidance and protection plan in consultation with HWN, the Ministry of Heritage, Sport, Tourism and Culture Industries ("MHSTCI") and other stakeholders; and updating various plans and procedures to reflect HWN's comments (all as explained in more detail below).

70. Recognizing its significance, Imperial is seeking to protect the integrity of the Parsons Site through the use of HDD trenchless construction technology beneath the site and extending well beyond the known site limits.⁶⁵
71. HDD is one of the least intrusive methods for installing an underground pipeline and will allow Imperial to avoid the Parsons Site in its entirety when installing the pipeline. Recognizing that the full extent of the Parsons Site remains uncertain, Imperial has planned to extend the HDD from the west side of Black Creek to the east side of Sentinel Road resulting in an approximately 450-metre buffer to the east and west of the Parsons Site as defined by the village palisade and identified middens.⁶⁶
72. This buffer will be reconsidered if required based on the results of the completed Stage 2 assessment.⁶⁷ Confirmation that the HDD entry and exit locations do not hold further archaeological potential will be completed through appropriate archaeological field assessments prior to construction.⁶⁸ At this stage, Stage 2 archaeology assessment has begun at the proposed locations, and based on initial findings, the location of the mid and exit point geotechnical borehole locations were changed to areas of lower archaeological potential and a technical memo outlining these changes was developed and provided to Indigenous Communities.⁶⁹
73. The draft HDD profile is designed to install the pipeline at a depth of equal or greater than 30 metres below ground level. By using this method of installation, Imperial expects that there will be no activities that directly interface with the Parsons Site.
74. Prior to construction, an avoidance and protection plan for the Parsons Site will be developed by Imperial and its licenced consultant archaeologist in consultation with the Indigenous Communities and MHSTCI. Imperial will continue to consult and engage all

⁶⁴ [Imperial IRR 47.4](#).

⁶⁵ [Imperial IRR 47.4](#).

⁶⁶ [Imperial IRR 55.4 \(a\)\(ii\)](#).

⁶⁷ [Imperial IRR 55.4\(a\)\(ii\)](#).

⁶⁸ [Imperial IRR 59.4](#).

⁶⁹ EB-2019-0007, [Consultation Supporting Documents](#) (9 January 2019), ROC 3505, 3431, 3479, 3519 [Supporting Documents].

affected Indigenous Communities during the development of the avoidance and protection plan and will provide a draft of said plan for review prior to implementation. The avoidance and protection plan will describe the nature, implementation and enforcement of the avoidance and protection measures throughout Project construction.⁷⁰

75. The avoidance and protection plan will be enforced during construction and Imperial will comply with all MHSTCI requirements regarding archeological matters.

(ii) Protective Buffer Zones

76. Imperial and its consultant archeologists will comply with archaeological site buffers as defined in the *Standards and Guidelines for Consultant Archaeologists*.⁷¹ These include a 20 metre protective buffer around the Parsons Site as defined by positive Stage 2 test pits or surface finds with an additional 50-metre monitoring buffer where any ground disturbing activities must be monitored by a licenced archaeologist.⁷² Imperial recognizes that these buffers may not be appropriate in all situations, especially when the site has not been subject to a comprehensive, systematic archaeological assessment, as is the case with the Parsons Site (where a 450-metre buffer will be used). As such, appropriate site buffers will be evaluated on a site-by-site basis and in consultation with Indigenous Communities and MHSTCI, as appropriate.⁷³
77. Additionally, Imperial recognizes that ossuaries are often associated with Indigenous village sites. In general, the Project recognizes a one-kilometre buffer surrounding village sites as an area of high potential for ossuaries. All areas of the TWS within one kilometre of the known Parsons Site boundary will be shovel-tested to determine if cultural materials are present.⁷⁴

⁷⁰ EB-2019-0007, [Consultation Logs](#) (9 January 2019), Tab 3, ROC 3455 [Consultation Logs].

⁷¹ Ministry of Heritage, Sport, Tourism and Cultural Industries, *Standards and Guidelines for Consultant Archaeologists* (2011), online: <www.mtc.gov.on.ca/en/publications/SG_2010.pdf> [Standards and Guidelines for Consultant Archaeologists]

⁷² [Imperial IRR](#) 55.4(b).

⁷³ [Imperial IRR](#) 55.4(b).

⁷⁴ [Imperial IRR](#) 55.4(b).

(iii) Further Archaeological Studies

78. A comprehensive Stage 2 archaeological assessment is currently being completed to identify any non-registered archaeological sites within the Project footprint and to clarify the location and extent of known sites, where necessary. Archaeological monitors from Indigenous Communities are participating in the Stage 2 fieldwork.⁷⁵ As the Stage 2 archaeological assessment progresses and additional sites within the Project footprint are identified, Imperial will continue to evaluate mitigation measures for each site.
79. As set out in the MHSTCI's *Standards and Guidelines for Consultant Archaeologists*, the Stage 2 archeological assessment cannot be completed during the winter months due to poor visibility and frozen ground conditions.⁷⁶ As such, this aspect of consultation is ongoing and is not possible to complete during the leave to construct application stage. Through ongoing consultation, Imperial will continue to include Indigenous monitors in the archaeological assessment fieldwork for the Project, including for any Stage 3 and/or Stage 4 assessments undertaken on sites with Indigenous concerns.⁷⁷
80. Imperial has committed to ongoing archaeological field activities with Indigenous monitors and ongoing consultation with Indigenous Communities when evaluating and implementing new mitigation measures based on updated archeological findings.⁷⁸

(iv) Updated Safety and Emergency Response Plans

81. The Project will involve installing the pipeline at depths up to 30 to 40 metres below sensitive features. Given the increased pipeline wall thickness, and proactive safety and monitoring measures in place to prevent and detect leaks, the risk of a release is extremely unlikely. Further, the depth of the proposed pipeline at known archaeological sites makes the likelihood of impacts to archaeological resources very remote.⁷⁹
82. In the extremely unlikely event that there is an incident at any location along the pipeline alignment, Imperial has agreed that it will notify Indigenous Communities immediately and facilitate participation in the response as appropriate. Imperial has provided Indigenous Communities a copy of its SPPL Emergency Response Plan and is committed to considering and responding to comments.⁸⁰

⁷⁵ [Imperial IRR](#) 47.4; [Consultation Logs](#), Tab 3, ROC 3542.

⁷⁶ *Standards and Guidelines for Consultant Archaeologists*.

⁷⁷ [Imperial IRR](#) 55.4(e)(i).

⁷⁸ [Imperial IRR](#) 54.4(a)(i) and (iv).

⁷⁹ [Imperial IRR](#) 10.4 (d)(e).

⁸⁰ [Supporting Documents](#), ROC 3585, 3535, 3597, 3589.

83. At the request of HWN, Imperial accelerated the development of a draft Chance Find Contingency Plan to accommodate early review by Indigenous communities and incorporation of feedback.⁸¹ This plan is still in draft form and will be finalized prior to construction in consultation with the Indigenous Communities engaged on the Project.

(d) *The Board has Sufficient Information to Assess Indigenous Consultation*

84. While MENDM has not yet issued a letter of sufficiency, the Board has held on several occasions that it is the ultimate decision maker on sufficiency of consultation and is not bound by any decision or lack thereof by the Ministry.⁸²

85. Indigenous consultation is designed to be an ongoing process that continues throughout the life of a project. Leave to construct is the beginning, not the end of consultation. On a leave to construct application, the Board has held that it must be satisfied that the Crown's duty to consult has been discharged "up to this stage of the project".⁸³ In making its determination, the Board's analysis is based on both the consultation efforts to date, as well as a proponent's plans for ongoing consultation.⁸⁴

86. Imperial has and will continue to consult with all affected Indigenous Communities throughout the life of the Project. Requiring consultation to be complete prior to issuance of leave to construct is not consistent with the ongoing nature of consultation.

(e) *Summary: Indigenous Consultation*

87. Imperial submits that its consultation with Indigenous Communities and its proposed accommodation and mitigation measures implemented in response to consultation is sufficient for the purposes of granting leave to construct. Imperial submits that the record before the Board is sufficient for the Board to grant leave to construct.

⁸¹ Supporting Documents at ROC 3585, 3535, 3597, 3589.

⁸² EB-2018-0226, [Decision and Order](#) (25 July 2019)

⁸³ EB-2018-0306, [Decision and Order](#) (28 March 2019) at p. 7.

⁸⁴ EB-2018-0188, [Decision and Order](#) (11 July 2019) at p. 13.

F. Conditions of Approval

88. OEB staff proposed in its interrogatories the conditions of approval typically attached to leave to construct decisions (the “**OEB Staff Proposed Conditions**”).⁸⁵ Imperial agrees to the inclusion of the OEB Staff Proposed Conditions, with only minor amendments (the “**Imperial Proposed Conditions**”), which are outlined in Appendix A.

89. The principle distinctions between the OEB Staff Proposed Conditions and the Imperial Proposed Conditions are as follows:

(a) In respect of Condition 3, Imperial proposes the following amendments:

“Imperial Oil shall implement all the recommendations of the Environmental Report filed in the proceeding, and all ~~the recommendations and directives identified by~~ commitments made in response to the Ontario Pipeline Coordinating Committee member review”.

Imperial submits that this amendment is appropriate, as certain recommendations of OPCC members are not practicable. However, as set out in Table B-1 of the Environmental Report, Imperial has responded to all OPCC recommendations, made responding commitments, and will comply with all required permitting and standards and regulatory criteria.⁸⁶

(b) In respect of Condition 4, Imperial proposes the following amendment:

“Imperial shall advised the OEB of any proposed material change to OEB approved construction or restoration procedures. Except in an emergency, Imperial Oil shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact”.

Imperial submits that this amendment is appropriate, in order to reflect the fact that during the course of construction or restoration, certain *de minimis* changes may occur due both to the nature of construction activities and the need for site-specific flexibility.

90. The other amendments proposed by Imperial simply identify Imperial’s Project Manager of Execution as the senior individual responsible for certification requirements, and resolve a typographical error.

⁸⁵ [Staff Interrogatories](#) at p. 7.

⁸⁶ [Environmental Report](#), Appendix B, Table B-1.

III. CONCLUSION

91. This Project is a proactive and prudent replacement of the existing SPPL to ensure the continued safe, reliable, and environmentally responsible transportation of products throughout the Greater Toronto and Hamilton region for decades to come. Imperial submits that not only is there need for the Project, the Project has been designed in a manner that will:
- (a) conform to the high technical and safety standards and comply with CSA Z662;
 - (b) largely avoid potential adverse environmental effects, or, where avoidance is not feasible, employ mitigation to minimize the effects such that they will not be significant; and
 - (c) follow the existing SPPL as closely as possible and within existing easement, thereby minimizing incremental stakeholder impacts and facilitating safe and efficient operations and maintenance.
92. Imperial submits that its existing and ongoing consultation activities exceed the procedural aspects it was delegated by MENDM and the requirements of the Environmental Guidelines.
93. Given these factors, and the evidence before the Board, Imperial submits that the Board should find the Project in the public interest and issue leave to construct.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

January 10, 2020



Richard J. King
Osler, Hoskin & Harcourt LLP
Counsel for Imperial Oil Limited

Appendix A

Imperial Proposed Conditions of Approval

1. Imperial Oil Inc. (Imperial Oil) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0007 and these Conditions of Approval.

2. (a) Authorization for leave to construct shall terminate 18 months after the decision is issued, unless construction has commenced prior to that date.

(b) Imperial Oil shall give the OEB notice in writing:

- i. of the commencement of construction, at least ten days prior to the date construction commences
- ii. of the planned in-service date, at least ten days prior to the date the facilities go into service
- iii. of the date on which construction was completed, no later than 10 days following the completion of construction
- iv. of the in-service date, no later than 10 days after the facilities go into service

(c) Imperial Oil shall implement all the recommendations of the Environmental Report filed in the proceeding, and all commitments as outlined in Imperial's responses to the Ontario Pipeline Coordinating Committee member review.

(d) Imperial Oil shall advise the OEB of any proposed material change to OEB approved construction or restoration procedures. Except in an emergency, Imperial Oil shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.

(e) Both during and after construction, Imperial Oil shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:

(a) a post construction report, within three months of the in-service date, which shall:

- i. Provide a certification, by Imperial's Project Manager of Execution, of Imperial Oil's adherence to Condition 1
- ii. Describe any impacts and outstanding concerns identified during construction
- iii. Describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
- iv. Include a log of all complaints received by Imperial Oil, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions

- v. Provide a certification, by Imperial's Project Manager of Execution, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project

(b) a final monitoring report, no later than fifteen months after the inservice date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. Provide a certification, by Imperial's Project Manager of Execution, of Imperial Oil's adherence to Condition 3
- ii. Describe the condition of any rehabilitated land
- iii. Describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- iv. Include the results of analyses and monitoring programs and any recommendations arising therefrom
- v. Include a log of all complaints received by Imperial Oil, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions

6. Imperial Oil shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate stakeholders, and shall clearly post the project manager's contact information in a prominent place at the construction site. The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure (or the Manager of any OEB successor department that oversees leave to construct applications).

OEB Staff Proposed Conditions of Approval

1. Imperial Oil Inc. (Imperial Oil) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0007 and these Conditions of Approval.

2. (a) Authorization for leave to construct shall terminate 18 months after the decision is issued, unless construction has commenced prior to that date.

(b) Imperial Oil shall give the OEB notice in writing:

- v. of the commencement of construction, at least ten days prior to the date construction commences
- vi. of the planned in-service date, at least ten days prior to the date the facilities go into service
- vii. of the date on which construction was completed, no later than 10 days following the completion of construction
- viii. of the in-service date, no later than 10 days after the facilities go into service

3. Imperial Oil shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.

4. Imperial Oil shall advise the OEB of any proposed change to OEB approved construction or restoration procedures. Except in an emergency, Imperial Oil shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.

5. Both during and after construction, Imperial Oil shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:

(a) a post construction report, within three months of the in-service date, which shall:

- vi. Provide a certification, by a senior executive of the company, of Imperial Oil's adherence to Condition 1
- vii. Describe any impacts and outstanding concerns identified during construction
- viii. Describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
- ix. Include a log of all complaints received by Imperial Oil, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions

- x. Provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project

(b) a final monitoring report, no later than fifteen months after the inservice date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- vi. Provide a certification, by a senior executive of the company, of Imperial Oil's adherence to Condition 3
- vii. Describe the condition of any rehabilitated land
- viii. Describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- ix. Include the results of analyses and monitoring programs and any recommendations arising therefrom
- x. Include a log of all complaints received by Imperial Oil, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions

6. Imperial Oil shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate, and shall clearly post the project manager's contact information in a prominent place at the construction site. The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure (or the Manager of any OEB successor department that oversees leave to construct applications).

Compared Proposed Conditions of Approval

1. Imperial Oil Inc. (Imperial Oil) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0007 and these Conditions of Approval.

2. (a) Authorization for leave to construct shall terminate 18 months after the decision is issued, unless construction has commenced prior to that date.

(b) Imperial Oil shall give the OEB notice in writing:

- i. of the commencement of construction, at least ten days prior to the date construction commences
- ii. of the planned in-service date, at least ten days prior to the date the facilities go into service
- iii. of the date on which construction was completed, no later than 10 days following the completion of construction
- iv. of the in-service date, no later than 10 days after the facilities go into service

3. Imperial Oil shall implement all the recommendations of the Environmental Report filed in the proceeding, and all ~~the recommendations and directives identified by~~ [commitments as outlined in Imperial's responses to](#) the Ontario Pipeline Coordinating Committee [member](#) review.

4. Imperial Oil shall advise the OEB of any proposed [material](#) change to OEB approved construction or restoration procedures. Except in an emergency, Imperial Oil shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.

5. Both during and after construction, Imperial Oil shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:

(a) a post construction report, within three months of the in-service date, which shall:

- i. Provide a certification, by ~~a senior executive of the company~~ [Imperial's Project Manager of Execution](#), of Imperial Oil's adherence to Condition 1
- ii. Describe any impacts and outstanding concerns identified during construction
- iii. Describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
- iv. Include a log of all complaints received by Imperial Oil, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions
- v. Provide a certification, by ~~a senior executive of the company~~ [Imperial's Project Manager of Execution](#), that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project

(b) a final monitoring report, no later than fifteen months after the inservice date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. Provide a certification, by ~~a senior executive of the company~~ Imperial's Project Manager of Execution, of Imperial Oil' adherence to Condition 3
- ii. Describe the condition of any rehabilitated land
- iii. Describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- iv. Include the results of analyses and monitoring programs and any recommendations arising therefrom
- v. Include a log of all complaints received by Imperial Oil, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions

6. Imperial Oil shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate stakeholders, and shall clearly post the project manager's contact information in a prominent place at the construction site. The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure (or the Manager of any OEB successor department that oversees leave to construct applications).

APPENDIX B

GRANT OF EASEMENT AGREEMENT

**GRANT OF EASEMENT
PIPELINE
(Ontario)**

This grant of easement agreement is dated as of «Date_of_Agreement».

BETWEEN:

«REGISTERED_OWNER_NAME_CORPORATE»

(“Transferor”)

- and -

IMPERIAL OIL LIMITED

(“Transferee”)

RECITALS:

- A. The Transferor is the registered and beneficial owner of an estate in fee simple subject, however, to such encumbrances, liens and interests as are at the date hereof set forth in the existing parcel register of those lands and premises legally described on Schedule A attached hereto (the “**Lands**”).
- B. The Transferor has agreed to grant an easement to the Transferee on and subject to the terms and conditions set forth in this agreement.

In consideration of the sum of One Dollar (\$1.00) paid by the Transferee to the Transferor, the receipt and sufficiency of which is hereby acknowledged by the Transferor, and of the mutual covenants and terms and conditions contained in this agreement, the parties therefore agree as follows:

Grant of Rights

1. (a) The Transferee shall pay to the Transferor the sum of _____ dollars (\$), for the rights granted herein.
- (b) The Transferee hereby represents and warrants to the Transferor that:
- (i) Transferee shall be purchasing the Easement as principal for its own account and not as an agent, trustee or otherwise on behalf of another person;
 - (ii) Transferee is registered under subdivision d of Division V of Part IX of the Excise Tax Act (Canada) (the “HST Act”) for the purposes of collection and remittance of HST;

- (iii) Transferee shall be liable, shall self-assess and remit to the appropriate Governmental Authority all HST which is payable under the HST Act in connection with the transfer of the Easement made pursuant to this Agreement, all in accordance with the HST Act;
- (iv) Transferor shall not collect HST on Closing regarding the Easement and shall allow Transferee to self-assess and remit HST to the Receiver General in accordance with the HST Act.

Transferee shall indemnify and save harmless the Transferor from and against any and all HST, penalties, costs and/or interest which may become payable by or assessed against the Transferor as a result of any inaccuracy, misstatement or misrepresentation made by Transferee in connection with any matter raised in this Section.

2. Transferor does hereby grant, convey and transfer unto the Transferee in perpetuity:
- (a) the exclusive right, licence, liberty, privilege, easement and right-of-way on, over, upon, across, along, in, under and through that part of the Lands described in or as shown on Schedule B attached hereto (“**Easement**”), together with the right Licence, privilege and easement of ingress and egress over the remainder of the Lands, to and from the Easement, to sample soil, survey lands and to lay down, construct, operate, maintain, inspect, patrol (including aerial patrol), alter, relocate, remove, replace, reconstruct and repair one or more line(s) of pipe together with all facilities, appurtenances or works of the Transferee useful in connection with or incidental to its undertaking, including, but without limiting the generality of the foregoing, all such pipes, drips, valves, fittings, connections, meters, markers, corrosion control equipment, cathodic protection equipment and other equipment and appurtenances, whether or not similar to the foregoing, as may be useful or convenient in connection therewith or incidental thereto for the carriage, transmission, conveyance, transportation and handling of oil, diluent, refined products, natural and artificial gas and other gaseous or liquid hydrocarbons and any product or by-product thereof (such line of pipe together with such related facilities or works being referred to, collectively, as “**Pipeline**”);
 - (b) the full and free right, licence, liberty, privilege and easement of ingress and egress at any and all times over, along, across and upon the Easement; and
 - (c) the right at any time and from time to time to remove any boulder or rock and to sever, fell, remove or control the growth of any roots, trees, stumps, brush or other vegetation in, on, above, or under the Easement Lands.

(the rights, licences, liberties, privileges, easements and Easement specifically described in subclauses (a), (b), and (c) above, as hereafter supplemented, being referred to, collectively, as “**Easement Rights**”).

3. The Easement Rights extend to the Transferee and its directors, officers, agents, employees, contractors, subcontractors and invitees. The Transferee may exercise the Easement Rights on foot and/or with vehicles, together with materials, machinery and equipment for all purposes useful or convenient in connection with or incidental to the

exercise and enjoyment of the Easement Rights as and from the date hereof upon the terms and subject to the conditions hereinafter set forth.

Above Ground Works and Access Easement

4. The Transferee shall, at any time, have the right to locate any part or parts of the Pipeline above ground (in each case, “**Aboveground Works**”) and to fence and use such portions of the Easement as are, in its opinion, required for the Aboveground Works. Upon request of the Transferee in respect of each of the Aboveground Works, the Transferor hereby grants, conveys and transfers unto the Transferee, for itself, its directors, officers, agents, employees, contractors, subcontractors and invitees, the full and free right, licence, liberty, privilege, easement and right-of-way to clear and to use a portion of the Lands, as may be reasonably required by the Transferee and for as long as may be required by the Transferee for convenient access on foot and/or with vehicles, together with materials, machinery and equipment, within and across the Lands to the Aboveground Works (“**Access Easement**”). The Transferee shall:
 - (a) consult with the Transferor as to the location of any Aboveground Works and any required Access Easement to minimize, so far as may be practicable, any inconvenience to the Transferor and to the extent practicable each such Access Easement shall encompass existing roads, trails and gates located within the Lands;
 - (b) furnish to the Transferor a drawing showing the location of any Aboveground Works and any required Access Easement; and
 - (c) by separate agreement(s), pay compensation to the Transferor for the loss of use by the Transferor of such portions of the Easement fenced and used for the Aboveground Works and for any nuisance, noise, inconvenience and interference that might arise or be caused to the Transferor’s use of the Lands by the Aboveground Works and Access Easement.
5. The Transferor shall not, without the prior written consent of the Transferee, block, impede or restrict the Transferee’s use of the Access Easement and shall obtain the Transferee’s prior written consent should the Transferor wish to relocate the Access Easement on the Lands.

Transferee’s Obligations

6. Subject to clause 8 of this agreement, the Transferee shall, as soon as weather and soil conditions permit and insofar as it is practicable to do so, bury those portions of the Pipeline that are designed to be underground so as not to unreasonably obstruct the natural surface runoff from the Easement or ordinary cultivation of the Easement.
7. In connection with the construction of the Pipeline, the Transferee shall, insofar as may be practicable to do so by employing good industry practices and in accordance with the legislation and regulations in force at the time, separate and save excavated topsoil from the Easement and thereafter restore it thereon.
8. As soon as reasonably practicable after the construction of the Pipeline, the Transferee, unless otherwise agreed to by the Transferor, shall remove all construction debris from the

Easement and in all respects restore the Easement to a condition similar to the surrounding environment and consistent with the current use of the Lands as far as is reasonable and practicable and in accordance with the legislation and regulations in force at the time of such restoration, save and except for: (a) items in respect of which compensation is due under clause 15; and (b) any soil rise above grade to allow for soil settling.

9. The Transferee's use of the Lands shall be restricted to uses in connection with the Pipeline unless the Transferor provides written consent to any proposed additional use at the time of the proposed additional use.

Use of Easement by Transferor

10. Excluding any portion of the Easement that is fenced as contemplated herein, the Transferor shall have the right to use and enjoy the Easement, including the right to cross the buried portion of the Pipeline with farming vehicles as necessary in connection with ordinary farming practices, all in accordance with the provisions of the applicable legislation and any regulations, orders or guidelines made thereunder. Notwithstanding the foregoing, the Transferor shall not, without the prior written consent of the Transferee:
 - (a) excavate, construct, drill, install, erect or permit to be excavated, constructed, drilled, installed or erected on, over or under any part of the Easement any pipe, pit, well, foundation, building or other structure, installation or improvement, or do or permit to be done any mining, quarrying, land levelling, landscaping or other work or activity of any like or similar nature on, in or under the Easement;
 - (b) alter the grade of the Easement;
 - (c) add any paving or other material to the Easement;
 - (d) use the Easement for any other purpose which could compromise the integrity of the Pipeline; or
 - (e) take any action which restricts or limits the exercise by the Transferee of any of the Easement Rights.
11. Subject to clause 10, where the Transferor notifies the Transferee in writing that the Transferor wishes to make a non-recurring agricultural improvement which can be practically made to the Lands, the Transferee agrees to reimburse the Transferor for the reasonable additional costs of making such improvement that are a direct result of the existence of the Pipeline. If the Transferee and the Transferor fail to agree within ninety (90) days of such a notification as to the practicality of making the proposed improvement or the amount by which the cost of making such an improvement is increased as a direct result of the existence of the Pipeline, then the Transferor or the Transferee may proceed to negotiation or arbitration in accordance with the provisions of the *Ontario Energy Board Act, 1998* (the "Act").

Ownership of Pipeline

12. Notwithstanding any rule of law or equity, the Pipeline shall, until surrendered, at all times remain the property of the Transferee notwithstanding that it may be annexed or affixed to the Lands.

Abandonment

13. The Transferee may, at any time, abandon the Pipeline by either leaving the Pipeline in place or removing it at the Transferee's option subject to and in accordance with the legislation and regulations in force at the time of such abandonment.

Damages

14. The Transferee shall compensate the Transferor for all direct damages (but not indirect or consequential damages) suffered as a result of the operations, Pipelines or abandoned Pipelines of the Transferee including all damage done to any drainage system, crops, pasture, timber, trees, hedges, produce, water wells, artesian springs, livestock, buildings, fences, culverts, bridges, lanes, improvements or equipment on the Lands.

Indemnification

15. The Transferee shall indemnify the Transferor from all liabilities, damages, claims, suits and actions arising out of the operations, Pipelines or abandoned Pipelines of the Transferee other than any liabilities, damages, claims, suits or actions resulting from the negligence or wilful misconduct of the Transferor.

Discharge of Encumbrances

16. If this agreement has been registered, then upon termination of this agreement the Transferee shall register in the appropriate Land Titles Office such documents as may be necessary to remove such registration from title to the Lands.

Nothing Prejudicing Transferee's Rights

17. Nothing herein shall affect or prejudice any right, present or future, that the Transferee may have to acquire, occupy or use the Easement or any other portions of the remaining Lands under the provisions of the Act or otherwise.

Quiet Enjoyment

18. The Transferee, in performing and observing the covenants and conditions on its part to be observed and performed herein, shall and may peaceably hold and enjoy all the rights granted to it hereunder without hindrance, molestation or interruption on the part of the Transferor or of any person claiming by, through, under or in trust for, the Transferor.

Binding Effect

19. If it appears that at the date this agreement is entered into, the Transferor is not the sole owner of the Lands, this agreement shall nevertheless bind the Transferor to the full extent of the Transferor's interest herein, and if the Transferor shall later acquire a greater or the entire interest in the Lands this agreement shall likewise extend to such after-acquired interest.

Representations and Warranties

20. The Transferor represents and warrants that it is the legal and beneficial owner in fee simple of the Lands, it has the legal right and authority to convey all of the rights granted hereunder free from all encumbrances, that it has done no act to encumber the Easement and the Easement Rights and that it has not granted any other rights to any third party, and the

Transferor is not otherwise aware of any other rights, that would conflict with the rights granted hereunder. The Transferor will not grant an option, easement, lease or any other property rights related to the Lands to any other person that would interfere with the rights granted to the Transferee, save and except for any easements, rights-of-way, restrictions or any other property rights granted prior to the date hereof.

21. The Transferor represents that the Transferor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and that if the Transferor's status for income tax purposes changes, the Transferor will promptly notify the Transferee in writing.

22. The Transferor represents and warrants to the Transferee that the Transferor is:

[NTD – to be completed as appropriate. For an individual, use (a1) PLUS one of (b1), (b2) OR (b3); if a corporation, use (a2 or (a3)]

[(a1) at least eighteen (18) years of age; and

(b1) not a spouse within the meaning of the *Family Law Act*, R.S.O. 1990, c.F.3, as amended (herein, a "Spouse").

(b2) a Spouse and all or some portion of the Easement Land has been occupied as a family residence or matrimonial home within the meaning of the *Family Law Act*, R.S.O. 1990, c.F-3, as amended (herein, a "Matrimonial Home"), in which case this agreement has been executed by both Spouses together comprising the Transferor or consented to in writing by the Transferor's Spouse as is evidenced by the signature of such Spouse on the Consent attached hereto as Schedule C.

(b3) a Spouse, but no portion of the Easement Land has been occupied as a Matrimonial Home.

(a2) a corporation, and all or some portion of the Easement Land has been occupied by an officer, director or shareholder of such corporation or by any of their Spouses as a Matrimonial Home, in which case this agreement has been executed by both Spouses together as is evidenced by the signature of such Spouse on the Consent attached hereto as Schedule C.

(a3) a corporation, but no portion of the Easement Land has been occupied by any officer, director or shareholder of the corporation or by any of their Spouses as a Matrimonial Home.]

Payment of Outstanding Amounts

23. Notwithstanding any other provision in this agreement, if the Transferee determines that:

(a) there are outstanding charges, taxes, construction liens, writs of enforcement, judgments or other encumbrances which are registered against the Lands; or

(b) there are any overdue amounts outstanding under any agreement for sale, mortgage or other financial encumbrance that is registered against the Lands,

the Transferee may, but is not obligated to, pay all or a portion of the compensation or other amounts payable under this agreement to the holder of such charge, lien, writ of enforcement, judgment, mortgage or other financial encumbrance, or to such vendor or mortgagee to satisfy and discharge such encumbrance or to obtain a postponement from the holder of such charge, lien, writ of enforcement, judgement, mortgage or other financial encumbrance. The payment of any amount to such third party shall be deemed to be payment of such amount to the Transferor. For greater certainty, the Transferee shall not be required to obtain the Transferor's consent prior to making such payment. The Transferee shall provide to the Transferor written confirmation of any such payments within thirty (30) days of making such payments.

Notices

- 24. All notices or payments required or permitted to be given under or in connection with this agreement shall be in writing and shall be personally delivered, delivered by courier, mailed by registered mail, faxed or sent by electronic transmission to the party to whom the notice is to be given and, when mailed, any such notice shall be deemed to be given to, and received by, the addressee seven (7) days (Saturdays, Sundays and statutory holidays in the province of Ontario excluded) after the mailing thereof.
- 25. Unless changed by notice, the addresses of the parties shall be:

Transferor:

«Registered_Owner_Name_Corporate»
«Registered_Owner_Address_1_Street_Nam
»
«Registered_Owner_Address_2_Suite_»
«Registered_Owner_Address_3_City_ON__
Po»

Fax No.: _____

Transferee:

Imperial Oil Limited
c/o Imperial Oil Resources Limited
Surface Land Manager
505 Quarry Park Blvd SE
Calgary, AB T2C 5N1

Fax No.: ●

Email: ●

General

- 26. If any provision of this agreement is invalid under any applicable statute or is declared invalid by a court of competent jurisdiction, then it shall be deemed to be severed from this agreement provided, however, that the remainder of this agreement shall continue in full force and effect.
- 27. This agreement may be assigned by the Transferee in whole or in part and as to all or any portion of the rights hereby granted, transferred and conveyed.
- 28. The Easement Rights and Access Easement are and shall be of the same force and effect to all intents and purposes as covenants running with the land and this agreement, including all the covenants herein, shall extend to, be binding upon and enure to the benefit of the heirs, executors, administrators, successors-in-title, successors and assigns of the parties respectively.

29. Wherever the singular or masculine is used, it shall be construed as if the plural or the feminine or the neuter, as the case may be, had been used, where the context of the party or parties so require, and this agreement shall be construed as if the grammatical and terminological changes thereby rendered necessary had been made.
30. The Transferor consents to the collection, use and disclosure of the Transferor's personal information as described within this agreement as long as the agreement is in force or as required by law. The Transferee collects, uses and discloses the personal information for land rights acquisition and regulatory disclosure as described in this agreement, in accordance with industry practice and as required by law. The Transferee collects, uses, discloses and maintains personal information in accordance with the *Personal Information Protection and Electronic Documents Act* and the Transferee's personal information policy.
31. The Transferor will, from time to time, execute such further assurances of the rights granted herein as may be required by the Transferee. Without limiting the foregoing, the Transferor hereby agrees from time to time to execute and deliver all such additional documents, instruments and agreements and to take all such additional steps and actions as may be reasonably required to fully implement the terms of this agreement and as may be required to register and perfect the Transferee's interest in the Lands.
32. This agreement and the schedules attached set forth the entire agreement and understanding between the parties as to the subject matter contained herein, and the Transferor agrees that there are no representations, warranties, agreements, terms or conditions affecting this agreement other than as contained herein.
33. The Easement Rights herein granted are declared, agreed and acknowledged to be appurtenant to and run with the Transferee's refinery located in the City of Sarnia, Ontario and the Transferee's refinery located in Nanticoke, Ontario, and the pipe line system, pumping stations, bulk plant terminals and other corporeal hereditaments serving such refinery and to each separately as well as collectively.
34. This agreement may be executed and delivered in counterparts and by facsimile or electronic (pdf) transmission and electronic signatures shall be deemed original signatures. When all counterpart documents are executed and delivered, the counterparts shall be deemed to be an original, and shall constitute a single binding instrument. This Agreement shall not be binding upon either party until it has been executed and delivered by both parties.
35. This agreement shall be governed by and construed in accordance with the laws in force in the province of Ontario and the federal laws of Canada applicable therein.

[Signature Page Follows]

The parties are executing this agreement with effect on the date stated in the introductory clause.

**[IF TRANSFEROR IS AN
INDIVIDUAL]
SIGNED, SEALED & DELIVERED
In the presence of:**

Witness

**Name:
Address:**

Name: «Transferor»]

TRANSFEROR:

**[IF TRANSFEROR IS A COMPANY:
«REGISTERED_OWNER_NAME_CORPOR
ATE»**

**Per: _____
Print Name:
Position Title:**

**Per: _____
Print Name:
Position Title:
I/We have authority to bind the corporation]**

TRANSFeree:

IMPERIAL OIL LIMITED

**Per: _____
Print Name:
Position Title:**

**Per: _____
Print Name:
Position Title:**

I/We have authority to bind the corporation

SCHEDULE “A”

LEGAL DESCRIPTION OF LANDS

PIN «PIN»

«Legal_Description_of_Easement_Lands»

SCHEDULE "B"

LEGAL DESCRIPTION OF EASEMENT

PIN «PIN»

«Legal_Description_of_Easement_Lands»

SCHEDULE "C"

CONSENT OF SPOUSE

I, _____, being the spouse of _____
_____, do hereby give my consent to the grant of the Easement over and in respect of the Land.

DATED this _____ day of _____, 2019.

WITNESS:

SPOUSE OF OWNER

Name:

Address:

Name:

Address:

TEMPORARY WORKSPACE LEASE AGREEMENT

TEMPORARY WORKSPACE LEASE

THIS LEASE made this _____ day of _____ A.D., 20_____(the "**Effective Date**")

BETWEEN:

«**Lessor**»

(hereinafter called the "**Landlord**");

- AND -

IMPERIAL OIL, an Ontario partnership,
having its Head Office at the City of Calgary, in the Province of Alberta,
(hereinafter called the "**Tenant**")

RECITALS:

A. The Landlord is the registered owner (or is entitled to become registered as owner under an agreement for sale or unregistered transfer or otherwise) of an estate in fee simple, in the Province of Ontario and legally described on Schedule A attached hereto (the "**Lands**").

B. The Tenant has been granted an easement over, adjacent to or in the vicinity of, the Lands (the "**Easement**") for the purpose of a pipeline (the "**Pipeline**").

C. The Landlord has agreed to lease certain portions of the Lands to the Tenant for the purposes and upon the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES:

THE LANDLORD DOES HEREBY LEASE, at the rental hereinafter set forth, to the Tenant all and singular those parts or portions of the Lands shown coloured in green on the sketch or plan attached hereto as Schedule B (the "**Leased Premises**"), to be held by the Tenant as tenant for the term of **[five (5)]** years (the "**Term**") commencing on the Possession Date (as hereinafter defined) for the purpose of providing a temporary workspace to the Tenant, its employees, agents and contractors, with respect to the Pipeline, including the right to enter and use the Leased Premises with vehicles, materials, machinery, supplies and equipment, together with the right of ingress and egress over the remainder of the Lands to and from the Leased Premises, and to sample soil, survey lands and to lay down, construct, maintain, inspect, alter, remove, replace, reconstruct and repair one or more line(s) of pipe within the Easement, together with the right at any time and from time to time during the Term to remove any boulder or rock and to sever, fell, remove or control the growth of any roots, trees, stumps, brush or other vegetation in, on, above, or under the Lands, and the right to remove buildings or other improvements from the Leased Premises and to install temporary gates and fences and stockpiling of construction spoil, materials and equipment as required by the Tenant. During the Term, the Landlord shall not use the Lands for any purpose that would interfere with or detrimentally affect the Tenant's use of the Leased Premises.

YIELDING AND PAYING unto the Landlord rent in the amount, and payable at the times, set out in Schedule C plus applicable taxes.

THE LANDLORD AND THE TENANT HEREBY MUTUALLY COVENANT AND AGREE AS FOLLOWS:

1. POSSESSION DATE:

The Tenant shall notify the Landlord in writing at least thirty (30) days prior to the date upon which the Tenant shall require occupancy of the Leased Premises (the "**Possession Date**").

2. TAXES PAID BY LANDLORD:

That the Landlord will promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the Lands, including the Leased Premises during the Term.

3. QUIET ENJOYMENT:

That the Landlord warrants that it has good right and full power to grant and lease the Lands, rights and privileges in the manner aforesaid, and that the Tenant, upon observing and performing the covenants and conditions on the Tenant's part herein contained, shall and may peaceably possess and enjoy the Leased Premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Landlord or any other persons claiming by, through or under the Landlord.

4. RENEWAL:

Provided the Tenant is not then in default in respect of any of the covenants and conditions contained in this Lease beyond any applicable notice and cure period, the Tenant shall have the right to extend the Term year to year, not to exceed an additional [two (2)] years in the aggregate (each such year an "**Extended Term**") upon providing written notice at least ninety (90) days prior to the expiry of the Term and any Extended Term. Such Extended Term shall be subject to all the provisions hereof save and except for the payment of rent, which rent for the Extended Term shall be as set out in Schedule C.

5. INDEMNIFICATION:

The Tenant shall indemnify and save harmless the Landlord from and against any and all claims and demands brought against the Landlord by other persons resulting from the Tenant's negligence and misconduct during the Tenant's use and occupation of the Leased Premises, save and except to the extent caused by the Landlord's negligence or misconduct.

6. ABANDONMENT AND RESTORATION:

The Tenant shall, upon the termination of the use and occupation of the whole or any portion of the Leased Premises and the surrender of the whole or any part of the rights herein granted, restore and deliver up to the Landlord the Leased Premises or any portion thereof in a condition as close as practicable to the condition of the Leased Premises or said portion thereof, as the same existed immediately prior to the entry by the Tenant and as required by applicable laws; PROVIDED that where the Leased Premises or any portion thereof was treed prior to entry or was otherwise in a natural uncultivated state, the Tenant, at its option, may return the Leased Premises or such portion thereof to the Landlord in a vacant and level-graded state.

7. PARTIAL OR TOTAL SURRENDER OF ACREAGE:

Notwithstanding anything in Section 6, the Tenant may from time to time and at any time surrender all or portion of the Leased Premises upon giving written notice to the Landlord. Such notice may be delivered or mailed to the Landlord and shall be accompanied by a sketch or plan showing outlined in red any portion or portions of the Leased Premises retained by the Tenant. The annual rental as herein stipulated shall, during any Extended Term, be payable only for the retained portion of the Leased Premises, and shall be calculated as a proportion of the aforementioned annual rental based on the ratio that the retained portion bears to the original entire Leased Premises.

8. INCREASE OF LEASED PREMISES:

The Tenant shall have the right, upon written notice to the Landlord (the "**Expansion Notice**"), to increase the size of the Leased Premises if required by the Tenant to carry out its works in connection with the Pipeline, in which event Schedule B will be amended to show such increased area and the Lump Sum Payment of rent in Schedule C shall be increased proportionately and paid on the later of:

- (i). the Possession Date; and
- (ii). ninety (90) days after delivery of the Expansion Notice.

9. COMPENSATION FOR DAMAGES:

The Tenant shall compensate the Landlord for direct damage (but not indirect or consequential damage) done by Tenant's servants and agents which, without restricting the generality thereof, shall include crops, machinery, livestock, fences, buildings, or other improvements of the Landlord upon the Lands other than the Leased Premises.

10. REMOVAL OF EQUIPMENT:

The Tenant shall at all times during the continuance of the Lease have the right to remove or cause to be removed from the Lands all buildings, structures, fixtures, casing in wells, pipelines, material and equipment of whatsoever nature or kind, which Tenant may have placed on or in the Leased Premises or on or in any area to be surrendered.

11. ASSIGNMENT BY TENANT:

Notwithstanding anything herein to the contrary the Tenant may delegate, assign or convey to other persons or corporations, all or any of the powers, rights and interests obtained by or conferred upon the Tenant hereunder to be enjoyed by such person or corporations either singly or jointly with the Tenant, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause, provided that such persons or corporations must use the Leased Premises for operations similar to the Tenant's operations. If the Tenant assigns its entire right and interest in, to, and under this Lease to another person or corporation ("**Assignee**"), then from and after the date of receipt of written notice of the assignment, the Landlord shall hold Assignee solely responsible and liable with respect to all the terms and conditions of this Lease. By accepting such assignment, Assignee shall assume all the obligations of the Tenant.

12. TOPSOIL AND WEEDS:

The Tenant agrees, unless otherwise requested by the Landlord, to strip, and conserve the topsoil from the Leased Premises having regard to good soil conservation practices and upon completion of its operations to return such topsoil on the Leased Premises to a depth reasonably similar to those conditions existing prior to the commencement of construction. The Tenant shall also take

reasonable steps and exercise reasonable precautions as required to control, inhibit and destroy the growth of noxious weeds on the Leased Premises.

13. FENCING:

The Tenant may, if reasonably required by the Landlord or Tenant, erect a good and substantial fence around any temporary installations and provide a proper livestock guard at any point of entry to the Leased Premises used by it, and the Tenant shall replace or repair any fences which it may have removed or damaged.

14. DEFAULT:

Neither party shall be considered in default in the performance of its obligations under this Lease to the extent that the performance of such obligations or any of them is delayed by circumstances, existing or future, which are beyond the control of the Landlord or the Tenant; FURTHER, the Tenant shall not be considered in default in the performance of any of its obligations under this Lease until the Landlord has by written notice notified the Tenant of such default and the Tenant has failed to remedy such default within thirty (30) days, or such longer period as may be reasonably required provided Tenant has commenced to remedy such default within such thirty (30) day period and continues to act diligently thereafter to cure such default.

15. NOTICES:

All notices or payments required or permitted to be given under or in connection with this agreement shall be in writing and shall be personally delivered, mailed by registered mail, faxed or sent by electronic transmission, courier to the party to whom the notice is to be given and, when mailed, any such notice shall be deemed to be given to, and received by, the addressee ten (10) days (Saturdays, Sundays and statutory holidays in the province of Ontario excluded) after the mailing thereof.

Unless changed by notices the addresses of the parties hereto shall be:

Tenant: Imperial Oil

Imperial Oil Resources Limited
Surface Land Manager
505 Quarry Park Blvd. SE
Calgary, Alberta T2C 5N1
Fax No.:
Email:

Landlord: **«Address»**

16. ENUREMENT:

THESE PRESENTS and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors-in-title, successors and assigns.

17. ASSUMPTION:

The Landlord covenants and agrees that if it transfers, assigns, charges, leases or otherwise disposes of all or any part of its interest in the Lands (collectively, a “**Transfer**”) to another person (the “**Transferee**”) it will obtain and deliver to the Tenant an assumption agreement in the form of Schedule D, from such Transferee in favour of the Tenant assuming and agreeing to be bound by all of the terms of this Lease as if the Transferee had been an original signatory to this Lease.

18. INVALIDITY:

If any provision of this Lease is invalid under any applicable statute or is declared invalid by a court of competent jurisdiction, then it shall be deemed to be severed from this Lease provided, however, that the remainder of this Lease shall continue in full force and effect.

19. INTERPRETATION:

Wherever the singular or masculine is used, the same shall be construed as meaning the plural or feminine, or a body corporate, where the context or the parties so require.

20. PERSONAL INFORMATION CONSENT:

By providing personal information to the Tenant, the Landlord consents to the Tenant's collection, use, retention and disclosure of that information for any and all purposes and uses as permitted or contemplated under this Agreement and as needed to comply with any legal requirements.

21. NON RESIDENT STATUS:

Each Landlord represents that he or she is not a non-resident of Canada within the meaning of the Income Tax Act (Canada), and that if the Landlord's status for income tax purposes changes, the Landlord will promptly notify the Tenant in writing. Subsequent to such notification, any payment made by or on behalf of the Tenant to the Landlord under this Lease will be made net of any deduction or withholding as required by the Income Tax Act (Canada) or any other applicable law.

22. FURTHER ASSURANCES:

The parties hereto agree to do, make and execute, if necessary, at no further cost or condition to the other except payment of reasonable out-of-pocket costs, such other instruments, plans, documents, authorizations, permitting letters, consents acts, matters and things and take such further action as may reasonably be required by the other party in order to effectively carry out the true intent of this agreement.

23. NOTICE OF LEASE/ACKNOWLEDGEMENT AND DIRECTION:

The Landlord hereby authorizes and directs the Tenant's solicitors or agent or their designees to sign, release and register electronically on behalf of the Landlord, but at the Tenant's expense, a Notice of Lease substantially in the form attached as Schedule E and the Landlord confirms that the Landlord understands that it is a party to and bound by the terms and provisions thereof. The Notice of Lease shall contain only the following provisions: the parties, the Leased Premises, the Term and any options to renew or extend (as applicable). The Tenant will promptly provide a copy of the registered notice to the Landlord and will discharge same promptly upon expiry or termination of the Lease. The Landlord, on its own behalf, may also register notice of this Lease, or a short form thereof, against title to the Leased Premises including only the information noted above.

24. COUNTERPARTS:

This Lease may be executed and delivered in counterparts and by facsimile or electronic (pdf) transmission and electronic signatures shall be deemed original signatures. When all counterpart documents are executed and delivered, the counterparts shall be deemed to be an original, and shall constitute a single binding instrument. The delivery of an unexecuted version of this Lease shall not be construed as an offer to lease and this Lease shall not be binding upon either party until it has been executed and delivered by both parties.

25. GOVERNING LAW:

This agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

26. FAMILY LAW ACT

If the spousal consent at the end of this Agreement has not been executed, the Landlord warrants that no person other than Landlord has rights to any matrimonial home on the Lands under the Family Law Act and that spousal consent is not necessary for the grant of this Lease.

27. EARLY TERMINATION

Notwithstanding any provision herein to the contrary, the Tenant shall have the right to terminate this Lease immediately upon written notice to the Landlord. If such notice of termination is delivered on or before the Possession Date, then the Lump Sum Rent shall no longer be payable. For clarity, the Initial Payment shall be retained by the Landlord notwithstanding any such early termination.

[Signature page follows]

IN WITNESS WHEREOF the Landlord and Tenant have executed and delivered these presents as of the day and year first above written.

[IF LANDLORD IS AN INDIVIDUAL:

SIGNED, SEALED AND DELIVERED

by the Landlord in the presence of:

Name
Address:

_____]
«Lessor»

[IF LANDLORD IS A CORPORATION:

«REGISTERED OWNER»:

Per: _____
Print Name:
Position Title:
I/We have authority to bind the corporation]

IMPERIAL OIL, by its Managing Partner, IMPERIAL OIL LIMITED

Per: _____
Print Name:
Position Title:
I/We have authority to bind the corporation

Per: _____
Print Name:
Position Title:
I/We have authority to bind the corporation

I, being married to Landlord or otherwise having rights to a matrimonial home on the Lands under the Family Law Act, hereby consent to this Lease and agree to execute all additional documents that may be required to give full force and effect to this Lease and to register this Lease or a notice thereof against the Lands.

Witness:

Spouse:

Name:
Address:

«Spouse's Name»

Date

SCHEDULE A
LANDS

[NTD: Insert Legal Description]

Being all of PIN [NTD: Insert PIN]

SCHEDULE B
LEASED PREMISES

See attached

SCHEDULE C

RENT

During the Term, the Tenant shall pay to the Landlord the following amounts as rent, plus HST, provided the Landlord is an HST registrant:

- (i). upon full and mutual execution and delivery of this Lease by both parties, the sum of [\$1,000.00] (the “**Initial Payment**”);
- (ii). on or before the Possession Date, the lump sum of [●] (the “**Lump Sum Rent**”)

Initial Payment = \$ 1,000.00

Lump Sum Rent @
[\$50% Appraised Value]/ac X [TWS] acres = \$ [Amount]
General Disturbance = \$ [Amount]

HST paid on Temporary Work Space @ 13% (only applies to HST registrants) = \$ [Amount]

GRAND TOTAL = \$ [Amount]

During any Extended Term, the Tenant shall pay to the Landlord the following amount(s) as rent, plus HST, provided the Landlord is an HST registrant:

- (iii). [●]

Extended Term Rent @
(\$[50% Appraised Value]/ac X [TWS] acres) / 5 years = \$ [Amount]

SCHEDULE D

TRANSFER OF LEASE

THIS AGREEMENT dated as of the _____ day of _____, 20

BETWEEN:

[•]

(the “**Transferor**”)

AND:

[•]

(the “**Transferee**”)

RECITALS:

- A. Pursuant to a [**purchase and sale agreement/mortgage/•**] dated • between the Transferor and the Transferee (the “**Transfer**”), the Transferor agreed to [sell/mortgage/?] and the Transferee agreed to [purchase/accept as security/?] those lands more particularly described on Appendix I hereto (the “**Lands**”).
- B. The Transferor has leased a portion of the Lands to Imperial Oil (the “**Tenant**”) pursuant to a lease dated • (the “**Lease**”).
- C. The Transferor will transfer and assign to the Transferee all of the Transferor’s right, title and interest in and to the Lease and the Transferee has agreed to assume same.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties) the parties hereto covenant and agree as follows:

1. TRANSFER

1.1 Effective as of the date hereof, the Transferor hereby absolutely assigns, transfers and sets over unto the Transferee all of the Transferor’s right, title and interest in and to:

- (a) the Lease;
- (b) any and all rents and other monies payable under the Lease in respect of the period from and after the date hereof; and
- (c) the benefit arising from and after the date hereof of all covenants by the Tenant.

2. ASSUMPTION

2.1 As of the date hereof, the Transferee hereby assumes those obligations of the Transferor under the Leases which are to be observed or performed on or after the date hereof (which obligations are

herein called the “**Assumed Obligations**”) and covenants and agrees with the Transferor that from and including the date hereof, the Transferee will observe and perform all the Assumed Obligations and shall be liable to the Transferor for any and all obligations and liabilities of every nature and kind with respect to any breach by the Transferee of the Assumed Obligations.

2.2 The Transferor will remain liable for failure to observe and perform its obligations under the Leases prior to the date hereof.

3. FURTHER ASSURANCES

Each of the parties shall at all times hereafter execute and deliver all such further documents and instruments, and shall do such further acts and things as may be reasonably required to give full effect to this Agreement.

4. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

5. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6. COUNTERPARTS

This Agreement may be executed in counterparts and when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same agreement.

7. E-MAIL EXECUTION

This Agreement may be executed by the parties and transmitted by e-mail and if so executed and transmitted, this Agreement shall be for all purposes as effective as if the parties had delivered an executed original Agreement.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

[Transferor]

By: _____
Name:
Title:

By: _____
Name:
Title:

[Transferee]

Name:
Title:

Name:
Title:

APPENDIX I

LANDS

SCHEDULE E
NOTICE OF LEASE

LRO # 25 Notice Of Lease

In preparation on 2019 02 11 at 17:15

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 2

Properties *legal description to be completed*

Consideration

Consideration \$0.00

Party From(s)

Registered owner names to be inserted

Party To(s)	Capacity	Share
--------------------	-----------------	--------------

Name IMPERIAL OIL LIMITED

Acting as a company

Address for Service c/o TO BE INSERTED

I am a partner, the firm name of the partnership is IMPERIAL OIL.

Statements

The applicant is prepared to produce the document for inspection within fourteen (14) days of the request and the applicant consents to the cancellation of the document on presentation of proof satisfactory to the Land Registrar that the document was not produced upon request.

Term : TO BE COMPLETED. Expiry Date: TO BE COMPLETED

Right or option to purchase, NONE

Provision for renewal or extension, Yes, TO BE COMPLETED

Schedule: TO BE COMPLETED AS MAY BE NECESSARY

Calculated Taxes

Provincial Land Transfer Tax \$0.00

Consideration

Consideration \$0.00

Party From(s)

Party To(s) Capacity Share

Name IMPERIAL OIL LIMITED

Acting as a company

Address for Service c/o TO BE INSERTED

I am a partner, the firm name of the partnership is IMPERIAL OIL.

Statements

The applicant is prepared to produce the document for inspection within fourteen (14) days of the request and the applicant consents to the cancellation of the document on presentation of proof satisfactory to the Land Registrar that the document was not produced upon request.

Term : TO BE COMPLETED. Expiry Date: TO BE COMPLETED

Right or option to purchase,

Provision for renewal or extension,

Schedule:

Calculated Taxes

Provincial Land Transfer Tax \$0.00

TWS LEASE-LAYDOWN AND STORAGE AGREEMENT

T W S L E A S E - L A Y D O W N & S T O R A G E

THIS LEASE made this _____ day of _____ A.D., 20____ (the "Effective Date")

BETWEEN:

«Lessor»

(hereinafter called the "Landlord");

- AND -

IMPERIAL OIL, an Ontario partnership,
having its Head Office at the City of Calgary, in the Province of Alberta,
(hereinafter called the "Tenant")

RECITALS:

- A. The Landlord is the registered owner (or is entitled to become registered as owner under an agreement for sale or unregistered transfer or otherwise) of an estate in fee simple, in the Province of Ontario and legally described on Schedule A attached hereto (the "**Lands**").
- B. The Tenant has been granted an easement over, adjacent to or in the vicinity of, the Lands (the "**Easement**") for the purpose of a pipeline (the "**Pipeline**").
- C. The Landlord has agreed to lease certain portions of the Lands to the Tenant for the purposes and upon the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES:

THE LANDLORD DOES HEREBY LEASE, at the rental hereinafter set forth, to the Tenant all and singular those parts or portions of the Lands shown coloured in green on the sketch or plan attached hereto as Schedule B (the "Leased Premises"), to be held by the Tenant as tenant for the term of two years (the "**Term**") commencing on the Possession Date (as hereinafter defined) for the purpose of providing a temporary workspace to the Tenant, its employees, agents and contractors, with respect to the Pipeline, including the right to enter and use the Leased Premises with vehicles, materials, machinery, supplies and equipment, together with the right of ingress and egress over the remainder of the Lands to and from the Leased Premises, and to sample soil, survey lands and to lay down, construct, maintain, inspect, alter, remove, replace, reconstruct and repair one or more line(s) of pipe within the Easement and, as necessary, to locate a temporary construction office, to erect a temporary utility or communication tower, for staging, for storing or stockpiling equipment, materials, supplies and machinery, together with the right at any time and from time to time during the Term to remove any boulder or rock and to sever, fell, remove or control the growth of any roots, trees, stumps, brush or other vegetation in, on, above, or under the Lands, and the right to remove buildings or other improvements from the Leased Premises and to install temporary gates and fences and stockpiling of construction spoil, materials and equipment as required by the Tenant. During the Term, the Landlord shall not use the Lands for any purpose that would interfere with or detrimentally affect the Tenant's use of the Leased Premises.

YIELDING AND PAYING unto the Landlord rent in the amount, and payable at the times, set out in Schedule C plus applicable taxes.

THE LANDLORD AND THE TENANT HEREBY MUTUALLY COVENANT AND AGREE AS FOLLOWS:

1. POSSESSION DATE:

The Tenant shall notify the Landlord in writing at least thirty (30) days prior to the date upon which the Tenant shall require occupancy of the Leased Premises (the "**Possession Date**").

2. TAXES PAID BY LANDLORD:

That the Landlord will promptly pay and satisfy all taxes, rates and assessments that may be assessed or levied against the Lands, including the Leased Premises during the Term.

3. QUIET ENJOYMENT:

That the Landlord warrants that it has good right and full power to grant and lease the Lands, rights and privileges in the manner aforesaid, and that the Tenant, upon observing and performing the covenants and conditions on the Tenant's part herein contained, shall and may peaceably possess and enjoy the Leased Premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Landlord or any other persons claiming by, through or under the Landlord.

4. RENEWAL:

Provided the Tenant is not then in default in respect of any of the covenants and conditions contained in this Lease beyond any applicable notice and cure period, the Tenant shall have the right to extend the Term year to year, not to exceed an additional [two (2)] years in the aggregate (each such year an "**Extended Term**") upon providing written notice at least ninety (90) days prior to the expiry of the Term and any Extended Term. Such Extended Term shall be subject to all the provisions hereof save and except for the payment of rent, which rent for the Extended Term shall be as set out in Schedule C.

5. INDEMNIFICATION:

The Tenant shall indemnify and save harmless the Landlord from and against any and all claims and demands brought against the Landlord by other persons resulting from the Tenant's negligence and misconduct during the Tenant's use and occupation of the Leased Premises, save and except to the extent caused by the Landlord's negligence or misconduct.

6. ABANDONMENT AND RESTORATION:

The Tenant shall, upon the termination of the use and occupation of the whole or any portion of the Leased Premises and the surrender of the whole or any part of the rights herein granted, restore and deliver up to the Landlord the Leased Premises or any portion thereof in a condition as close as practicable to the condition of the Leased Premises or said portion thereof, as the same existed immediately prior to the entry by the Tenant and as required by applicable laws; PROVIDED that

where the Leased Premises or any portion thereof was treed prior to entry or was otherwise in a natural uncultivated state, the Tenant, at its option, may return the Leased Premises or such portion thereof to the Landlord in a vacant and level-graded state.

7. PARTIAL OR TOTAL SURRENDER OF ACREAGE:

Notwithstanding anything in Section 6, the Tenant may from time to time and at any time surrender all or portion of the Leased Premises upon giving written notice to the Landlord. Such notice may be delivered or mailed to the Landlord and shall be accompanied by a sketch or plan showing outlined in red any portion or portions of the Leased Premises retained by the Tenant. The annual rental as herein stipulated shall, during any Extended Term, be payable only for the retained portion of the Leased Premises, and shall be calculated as a proportion of the aforementioned annual rental based on the ratio that the retained portion bears to the original entire Leased Premises.

8. INCREASE OF LEASED PREMISES:

The Tenant shall have the right, upon written notice to the Landlord (the "**Expansion Notice**"), to increase the size of the Leased Premises if required by the Tenant to carry out its works in connection with the Pipeline, in which event Schedule B will be amended to show such increased area and the Lump Sum Payment of rent in Schedule C shall be increased proportionately and paid on the later of:

- (i). the Possession Date; and
- (ii). ninety (90) days after delivery of the Expansion Notice.

9. COMPENSATION FOR DAMAGES:

The Tenant shall compensate the Landlord for direct damage (but not indirect or consequential damages) done by Tenant's servants and agents which, without restricting the generality thereof, shall include crops, machinery, livestock, fences, buildings, or other improvements of the Landlord upon the Lands other than the Leased Premises.

10. REMOVAL OF EQUIPMENT:

The Tenant shall at all times during the continuance of the Lease have the right to remove or cause to be removed from the Lands all buildings, structures, fixtures, casing in wells, pipelines, material and equipment of whatsoever nature or kind, which Tenant may have placed on or in the Leased Premises or on or in any area to be surrendered.

11. ASSIGNMENT BY TENANT:

Notwithstanding anything herein to the contrary the Tenant may delegate, assign or convey to other persons or corporations, all or any of the powers, rights and interests obtained by or conferred upon the Tenant hereunder to be enjoyed by such person or corporations either singly or jointly with the Tenant, and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause, provided that such persons or corporations must use the Leased Premises for operations similar to the Tenant's operations. If the Tenant assigns its entire right and interest in, to, and under this Lease to another person or corporation ("**Assignee**"), then from and after the date of receipt of written notice of the assignment, the Landlord shall hold Assignee solely responsible and liable with respect to all the terms and conditions of this Lease. By accepting such assignment, Assignee shall assume all the obligations of the Tenant.

12. TOPSOIL AND WEEDS:

The Tenant agrees, unless otherwise requested by the Landlord, to strip, and conserve the topsoil from the Leased Premises having regard to good soil conservation practices and upon completion of its operations to return such topsoil on the Leased Premises to a depth reasonably similar to those conditions existing prior to the commencement of construction. The Tenant shall also take reasonable steps and exercise reasonable precautions as required to control, inhibit and destroy the growth of noxious weeds on the Leased Premises.

13. FENCING:

The Tenant may, if reasonably required by the Landlord or Tenant, erect a good and substantial fence around any temporary installations and provide a proper livestock guard at any point of entry to the Leased Premises used by it, and the Tenant shall replace or repair any fences which it may have removed or damaged.

14. DEFAULT:

Neither party shall be considered in default in the performance of its obligations under this Lease to the extent that the performance of such obligations or any of them is delayed by circumstances, existing or future, which are beyond the control of the Landlord or the Tenant; FURTHER, the Tenant shall not be considered in default in the performance of any of its obligations under this Lease until the Landlord has by written notice notified the Tenant of such default and the Tenant has failed to remedy such default within thirty (30) days, or such longer period as may be reasonably required provided Tenant has commenced to remedy such default within such thirty (30) day period and continues to act diligently thereafter to cure such default.

15. NOTICES:

All notices or payments required or permitted to be given under or in connection with this agreement shall be in writing and shall be personally delivered, mailed by registered mail, faxed or sent by electronic transmission or courier to the party to whom the notice is to be given and, when mailed, any such notice shall be deemed to be given to, and received by, the addressee ten (10) days (Saturdays, Sundays and statutory holidays in the province of Ontario excluded) after the mailing thereof.

Unless changed by notices the addresses of the parties hereto shall be:

Tenant: Imperial Oil

Imperial Oil Resources Limited
Surface Land Manager
505 Quarry Park Blvd. SE
Calgary, Alberta T2C 5N1
Fax No.:
Email:

Landlord: **«Address»**

16. ENUREMENT:

THESE PRESENTS and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors-in-title, successors and assigns.

17. ASSUMPTION:

The Landlord covenants and agrees that if it transfers, assigns, charges, leases or otherwise disposes of all or any part of its interest in the Lands (collectively, a "**Transfer**") to another person (the "**Transferee**") it will obtain and deliver to the Tenant an assumption agreement in the form of Schedule "D", from such Transferee in favour of the Tenant assuming and agreeing to be bound by all of the terms of this Lease as if the Transferee had been an original signatory to this Lease.

18. INVALIDITY:

If any provision of this Lease is invalid under any applicable statute or is declared invalid by a court of competent jurisdiction, then it shall be deemed to be severed from this Lease provided, however, that the remainder of this Lease shall continue in full force and effect.

19. INTERPRETATION:

Wherever the singular or masculine is used, the same shall be construed as meaning the plural or feminine, or a body corporate, where the context or the parties so require.

20. PERSONAL INFORMATION CONSENT:

By providing personal information to the Tenant, the Landlord consents to the Tenant's collection, use, retention and disclosure of that information for any and all purposes and uses as permitted or contemplated under this Agreement and as needed to comply with any legal requirements.

21. NON RESIDENT STATUS:

Each Landlord represents that he or she is not a non-resident of Canada within the meaning of the Income Tax Act (Canada), and that if the Landlord's status for income tax purposes changes, the Landlord will promptly notify the Tenant in writing. Subsequent to such notification, any payment made by or on behalf of the Tenant to the Landlord under this Lease will be made net of any deduction or withholding as required by the Income Tax Act (Canada) or any other applicable law.

22. FURTHER ASSURANCES:

The parties hereto agree to do, make and execute, if necessary, at no further cost or condition to the other except payment of reasonable out-of-pocket costs, such other instruments, plans, documents, authorizations, permitting letters, consents acts, matters and things and take such further action as may reasonably be required by the other party in order to effectively carry out the true intent of this agreement.

23. NOTICE OF LEASE/ACKNOWLEDGEMENT AND DIRECTION:

The Landlord hereby authorizes and directs the Tenant's solicitors or agent or their designees to sign, release and register electronically on behalf of the Landlord, but at the Tenant's expense, a Notice of Lease substantially in the form attached as Schedule E and the Landlord confirms that the Landlord understands that it is a party to and bound by the terms and provisions thereof. The Notice of Lease shall contain only the following provisions: the parties, the Leased Premises, the Term and any options to renew or extend (as applicable). The Tenant will promptly provide a copy of the registered notice to the Landlord and will discharge same promptly upon expiry or termination of the Lease. The Landlord, on its own behalf, may also register notice of this Lease, or a short form thereof, against title to the Leased Premises including only the information noted above.

24. COUNTERPARTS:

This Lease may be executed and delivered in counterparts and by facsimile or electronic (pdf) transmission and electronic signatures shall be deemed original signatures. When all counterpart documents are executed and delivered, the counterparts shall be deemed to be an original, and shall constitute a single binding instrument. The delivery of an unexecuted version of this Lease shall not be construed as an offer to lease and this Lease shall not be binding upon either party until it has been executed and delivered by both parties.

25. GOVERNING LAW:

This agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

26. FAMILY LAW ACT

If the spousal consent at the end of this Agreement has not been executed, the Landlord warrants that no person other than Landlord has rights to any matrimonial home on the Lands under the Family Law Act and that spousal consent is not necessary for the grant of this Lease.

27. EARLY TERMINATION

Notwithstanding any provision herein to the contrary, the Tenant shall have the right to terminate this Lease immediately upon written notice to the Landlord. If such notice of termination is delivered on or before the Possession Date, then the Lump Sum Rent shall no longer be payable. For clarity, the Initial Payment shall be retained by the Landlord notwithstanding any such early termination.

[Signature page follows]

IN WITNESS WHEREOF the Landlord and Tenant have executed and delivered these presents as of the day and year first above written.

[IF LANDLORD IS AN INDIVIDUAL:

SIGNED, SEALED AND DELIVERED

by the Landlord in the presence of:

Name
Address:

_____]
«Lessor»

[IF LANDLORD IS A CORPORATION:

«REGISTERED OWNER»:

Per: _____
Print Name: _____
Position Title: _____
[We have authority to bind the corporation]

IMPERIAL OIL, by its Managing Partner, IMPERIAL OIL LIMITED

Per: _____
Print Name: _____
Position Title: _____
[We have authority to bind the corporation]

Per: _____
Print Name: _____
Position Title: _____
[We have authority to bind the corporation]

I, being married to Landlord or otherwise having rights to a matrimonial home on the Lands under the Family Law Act, hereby consent to this Lease and agree to execute all additional documents that may be required to give full force and effect to this Lease and to register this Lease or a notice thereof against the Lands.

Witness

Spouse

Name
Address

«Spouse's Name»

Date

SCHEDULE A
LANDS

SCHEDULE B
LEASED PREMISES

[NTD – See Attached]

SCHEDULE C

RENT

During the Term, the Tenant shall pay to the Landlord the following amounts as rent, plus HST, provided the Landlord is an HST registrant:

- (i). upon full and mutual execution and delivery of this Lease by both parties, the sum of [\$1,000.00] (the “**initial payment**”);
- (ii). on or before the Possession Date, the lump sum of [\$•] (the “**Lump Sum Rent**”)

During any Extended Term, the Tenant shall pay to the Landlord the following amount(s) as rent, plus HST, provided the Landlord is an HST registrant:

- (i). [\$•]

SCHEDULE D

TRANSFER OF LEASE

THIS AGREEMENT dated as of the _____ day of _____, 20

BETWEEN:

[•]

(the “**Transferor**”)

AND:

[•]

(the “**Transferee**”)

RECITALS:

- A. Pursuant to a [**purchase and sale agreement/mortgage/•**] dated • between the Transferor and the Transferee (the “**Transfer**”), the Transferor agreed to [sell/mortgage/?] and the Transferee agreed to [purchase/accept as security/?] those lands more particularly described on Appendix I hereto (the “**Lands**”).
- B. The Transferor has leased a portion of the Lands to Imperial Oil (the “**Tenant**”) pursuant to a lease dated • (the “**Lease**”).
- C. The Transferor will transfer and assign to the Transferee all of the Transferor’s right, title and interest in and to the Lease and the Transferee has agreed to assume same.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties) the parties hereto covenant and agree as follows:

1. TRANSFER

1.1 Effective as of the date hereof, the Transferor hereby absolutely assigns, transfers and sets over unto the Transferee all of the Transferor’s right, title and interest in and to:

- (a) the Lease;
- (b) any and all rents and other monies payable under the Lease in respect of the period from and after the date hereof; and
- (c) the benefit arising from and after the date hereof of all covenants by the Tenant.

2. ASSUMPTION

2.1 As of the date hereof, the Transferee hereby assumes those obligations of the Transferor under the Leases which are to be observed or performed on or after the date hereof (which obligations are herein called the “**Assumed Obligations**”) and covenants and agrees with the Transferor that from and

including the date hereof, the Transferee will observe and perform all the Assumed Obligations and shall be liable to the Transferor for any and all obligations and liabilities of every nature and kind with respect to any breach by the Transferee of the Assumed Obligations.

2.2 The Transferor will remain liable for failure to observe and perform its obligations under the Leases prior to the date hereof.

3. FURTHER ASSURANCES

Each of the parties shall at all times hereafter execute and deliver all such further documents and instruments, and shall do such further acts and things as may be reasonably required to give full effect to this Agreement.

4. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

5. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6. COUNTERPARTS

This Agreement may be executed in counterparts and when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all such counterparts when taken together shall constitute one and the same Agreement.

7. E-MAIL EXECUTION

This Agreement may be executed by the parties and transmitted by e-mail and if so executed and transmitted, this Agreement shall be for all purposes as effective as if the parties had delivered an executed original Agreement.

[Signature page follows]

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

[Transferor]

By: _____
Name:
Title:

By: _____
Name:
Title:

[Transferee]

Name:
Title:

Name:
Title:

APPENDIX I

LANDS

SCHEDULE E
NOTICE OF LEASE

LRO # 25 Notice Of Lease

In preparation on 2019 02 11 at 17:15

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 2

Properties *legal description to be completed*

Consideration

Consideration \$0.00

Party From(s)

Registered owner names to be inserted

Party To(s)	Capacity	Share
--------------------	-----------------	--------------

Name IMPERIAL OIL LIMITED

Address for Service Acting as a company
c/o TO BE INSERTED

I am a partner, the firm name of the partnership is IMPERIAL OIL.

Statements

The applicant is prepared to produce the document for inspection within fourteen (14) days of the request and the applicant consents to the cancellation of the document on presentation of proof satisfactory to the Land Registrar that the document was not produced upon request.

Term : TO BE COMPLETED. Expiry Date: TO BE COMPLETED

Right or option to purchase, NONE

Provision for renewal or extension, Yes, TO BE COMPLETED

Schedule: TO BE COMPLETED AS MAY BE NECESSARY

Calculated Taxes

Provincial Land Transfer Tax \$0.00

Consideration

Consideration \$0.00

Party From(s)

Party To(s) Capacity Share

Name IMPERIAL OIL LIMITED

Acting as a company

Address for Service c/o TO BE INSERTED

I am a partner, the firm name of the partnership is IMPERIAL OIL.

Statements

The applicant is prepared to produce the document for inspection within fourteen (14) days of the request and the applicant consents to the cancellation of the document on presentation of proof satisfactory to the Land Registrar that the document was not produced upon request.

Term : TO BE COMPLETED. Expiry Date: TO BE COMPLETED

Right or option to purchase.

Provision for renewal or extension,

Schedule:

Calculated Taxes

Provincial Land Transfer Tax \$0.00

CONSTRUCTION ACCESS AGREEMENT

CONSTRUCTION ACCESS AGREEMENT

THIS AGREEMENT made this _____ day of _____, 20__.

BETWEEN:

(hereinafter called the "Owner")
- and -
IMPERIAL OIL
(hereinafter called "Imperial")

As the Owner and Imperial are parties to this Agreement covering the following lands (the "Lands"):

[Placeholder for Lands]

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of ● payable by Imperial to the Owner (the "Payment") and such other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree as follows:

1. The Owner hereby grants to Imperial, its affiliates, subsidiaries, associates, and contractors, and each of their authorized employees, representatives and contractors permission to, access to, and entry to the Lands for vehicle and equipment access connected with the Waterdown to Finch Project construction, a 63 KM installation of pipe from Waterdown ON to North York ON (collectively, the "Work"). The Work shall be conducted in the area on the attached sketch or Individual Ownership Plan.
2. Imperial shall provide the Payment to the Owner on or before the date Imperial requires access to the Lands (the "Possession Date").
2. Owner confirms that there are no tenants or other persons whose consent is required for Imperial to access the Lands. If there are tenants or other persons whose consent is required, the Owner confirms that they have obtained such persons' consent.
3. Owner agrees that Imperial shall have access to the Lands until the completion of the Work and that the consideration payable under this Agreement is the sole payment payable by Imperial for access and any inconvenience, nuisance, or adverse effect arising out of or in connection with the Work. Imperial will compensate the Owner for any crop loss that occurs as a result of the Work unless otherwise directed by the Owner.
4. Imperial shall indemnify and save harmless the Owner from and against any and all claims and demands brought against the Owner by other persons resulting from Imperial's negligent use and occupation of the demised premises. Imperial will be liable to the Owner for any damages that occur to the Land as a result of the Work. Notwithstanding anything in this paragraph, Imperial shall in no case be required to release or indemnify Owner for the gross negligence or willful misconduct of the Owner or tenants of the Lands.
5. This agreement may be signed by each party in counterpart.
6. Imperial shall notify Owner in writing at least thirty (30) days prior to the Possession Date.
7. This agreement shall remain in effect for two years commencing on the Possession Date.

IMPERIAL OIL, by its managing Partner IMPERIAL
OIL LIMITED.

Owner: _____

Witness: _____