



Northwest Territories Canada

COMMERCIAL LEASE

Lease No.: CL-1700034T
File No.: 107-10-2

THIS LEASE made this 20 day of JUNE, 2019.

BETWEEN

THE COMMISSIONER OF THE NORTHWEST TERRITORIES,

hereinafter called "the Commissioner"
OF THE FIRST PART,

AND

SUNCOR ENERGY PRODUCTS PARTNERSHIP, a body corporate incorporated under the laws of Canada, having its head office in the City of Calgary in the Province of Alberta,

hereinafter called "the Lessee"
OF THE SECOND PART,

WITNESSETH that in consideration of the rents, covenants and agreements herein reserved and contained on the part of the Lessee to be paid, observed and performed, and subject to the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, the Commissioner demises and leases unto the Lessee all that certain parcel of land situate, lying and being in the Northwest Territories and being composed of

the whole of Lot Two (2) in Block Ten (10) in the Hamlet of Enterprise in the Northwest Territories, according to a plan of survey filed in the Land Titles Office for the Northwest Territories under number 3982;

hereinafter called "the Land" subject to the reservations and exceptions contained in the *Commissioner's Land Act* and the *Commissioner's Land Regulations* and to the following reservations:

- a) all mines and all minerals whether solid, liquid or gaseous which may be found to exist within, upon or under the Land together with the full powers to work the same and for the purpose to enter upon, use and occupy the Land or so much thereof and to such an extent as may be necessary for the effectual working and extracting of the said minerals;
- b) the rights of the recorded holders of mineral claims and any other claims or permits affecting the Land;
- c) all timber that may be on the Land excepting what must be removed for the purpose of landscaping or the construction of improvements;
- d) the rights to enter upon, work and remove any rock outcrop required for public purposes;
- e) such rights of way and of entry as may be required under regulations in force in connection with construction, maintenance and use of works for the conveyance of water for use in mining operations; and
- f) the right to enter upon the Land for the purpose of installing and maintaining any public utility.



TO HAVE AND TO HOLD for and during the term of Thirty (30) years, commencing on the 1st day of June, 2019.

YIELDING AND PAYING THEREFOR yearly and every year in advance a rental of Eight Thousand Four Hundred and Ninety (\$8,490.00) dollars or such rental as may be fixed pursuant to Clause #17 below.

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

DEFINITIONS

1. In this Lease "**Deputy Minister**" means the Deputy Minister of the Department of Lands and any person authorized in writing by the Commissioner to act on behalf of the Deputy Minister.
2. In this Lease, "**Authorized Agent**" means a person recommended and designated under Section 3 of the *Commissioner's Land Regulations*.
3. In this Lease "**Environmental Protection Statutes**" means all federal and territorial Environmental Protection Statutes, regulations, guidelines and codes of practice, thereto and appropriate municipal or local environmental protection by-laws applicable to the Lands and the Lessee's use and occupation of the Lands.
4. In this Lease "**Contaminants**" includes:
 - (i) "Contaminant(s)" as defined in the territorial *Environmental Protection Act*,
 - (ii) "Toxic Substances" as listed in a Schedule to the *Canadian Environmental Protection Act, 1999*, and
 - (iii) Any other "substance" (as defined in the *Canadian Environmental Protection Act, 1999*) that is deleterious or hazardous to persons, animals, fish, plants, soil, water, property or the environment

that arise from, or are associated with, the Lessee's use or occupation of the Land.

5. In this Lease "**Environmental Site Assessment**" means a study where the Land is inspected to assess the environmental condition of the Land, and may include a Phase I Environmental Site Assessment that shall include at a minimum a historical land use review of the Land, and a physical inspection of the Land. Where required, an Environmental Site Assessment may include a Phase II Environmental Site Assessment that shall include at a minimum, an intrusive inspection to include soil, air, surface and groundwater sampling that results in the delineation of contaminant plumes and its characteristics. Where required, an Environmental Site Assessment may include a Phase III Environmental Site Assessment that shall include at a minimum the development of site remediation plans or options to restore the Land to the condition it was in prior to the construction of improvements.

OWNERSHIP OF CONTAMINANTS

6. If the Lessee brings, permits, suffers or creates in or on the Land any Contaminants, or if the conduct of any of the Lessee's business on the Land causes there to be any Contaminants upon the Land then, notwithstanding any rule of law to the contrary, the Contaminants shall be and remain the sole and exclusive property and responsibility of the Lessee.

ENVIRONMENTAL REQUIREMENTS PRECEDING EXPIRY

7. (1) At least one (1) year prior to the termination of this Lease, the Lessee shall cause a Phase I, and where required, a Phase II and a Phase III Environmental Site Assessment of the Land to be conducted by a qualified independent consultant, at the sole expense of the Lessee, which Environmental Site Assessment shall:
 - (a) determine the existence and extent of possible damage by Contaminants to the Land, of whatever nature, that occurred as a result of the use and occupancy by the Lessee during the term of this Lease;
 - (b) outline the estimated cost, including usual contingencies, to repair and to return the Land to the condition in compliance with all applicable Environmental Protection Statutes affecting the use of the Land; and
 - (c) establish a timetable for the remediation of the Land considering its contemplated future use.



- (2) Prior to the termination date of this Lease, the Lessee shall:
- (a) provide, for the approval of the Authorized Agent, a copy of the Environmental Site Assessment;
 - (b) remediate the land in accordance with the approved Environmental Site Assessment; and
 - (c) provide the Authorized Agent with a report prepared by a qualified independent consultant describing the remediation undertaken.

COMMERCIAL GENERAL LIABILITY INSURANCE

8. The Lessee shall place and at all times maintain during the term of this Lease commercial general liability insurance with limits of not less than TWO MILLION DOLLARS (\$2,000,000.00) inclusive per occurrence for bodily injury, death and damage to or loss of use of property arising out of any of the operations of the Lessee under this Lease, or of any of the acts or omissions of the Lessee or any of his agents, employees or servants. The commercial general liability insurance policy shall name the Commissioner of the Northwest Territories as additional insured and shall be with a company or companies acceptable to the Authorized Agent. All policies for such insurance shall be in an amount and in a form satisfactory to the Authorized Agent. A copy of the commercial general liability insurance policy must be delivered to the Authorized Agent within seven (7) days of the date of this Lease coming into effect.

Any amendment to, or replacement of the commercial general liability insurance policy will require the prior approval of the Authorized Agent.

PERFORMANCE SECURITY

9. Pursuant to the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, unless the Lessee is provided with an exemption from doing so, then prior to execution of this Lease, the Lessee will have provided the Authorized Agent with security to ensure performance of the Lessee's site remediation obligations. Pursuant to the *Commissioner's Land Regulations*, the Authorized Agent may, from time to time, recalculate the amount of security that is required as security. If, following such a recalculation, the Authorized Agent determines that the security provided by the Lessee is insufficient, then, within 90 days of receiving a demand from the Authorized Agent for additional security, the Lessee will provide same. If the Lessee fails to provide the additional security required by the Authorized Agent within the allotted 90 days, then this Lease may be terminated.

INDEMNITY

10. The Lessee, shall at all times hereafter jointly and severally, indemnify and hold harmless the Commissioner, the Government of the Northwest Territories, its officers, employees and agents against all claims, demands, actions or other legal proceedings by whomsoever made or brought against the Commissioner, the Government of the Northwest Territories, its officers, employees and agents by reason of anything done or omitted to be done by the Lessee or their respective officers, servants, agents or employees connected with or arising out of this Lease. This indemnity shall survive the termination of this Lease.

COMPLIANCE

11. The Lessee agrees in all respects to abide by and comply with all applicable statutes, regulations and by-laws of the federal, territorial, or municipal government or any other governing body whatsoever that have been or may be enacted and in any manner may affect the Land.

PAYMENT

12. During the term of this Lease the Lessee shall pay rent and all taxes, rates and assessments levied against the Land or charged to the Lessee in respect thereof.

LATE PAYMENT

13. Where any portion of the rent, or any other amount owed by the Lessee to the Commissioner is in arrears for more than ninety days, the Lessee shall pay interest on the arrears at the rate prescribed in the *Interest Rate Regulations* made pursuant to the *Financial Administration Act*.



NON-COMPLIANCE

14. Without limiting any other rights and remedies of the Commissioner hereunder, if the Lessee is found to be in breach of any of the covenants and agreements contained herein, the Authorized Agent may upon notice in writing, require that the breach of any covenants and agreements contained herein be remedied within sixty (60) days. Should the Lessee fail to remedy the breach within sixty (60) days then the Authorized Agent may upon further notice in writing to the Lessee, terminate this Lease, and on the day following the mailing of the notice this Lease is terminated.

Pursuant to the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, where the Lessee fails to correct a breach of the terms and conditions of this Lease, the Authorized Agent may order the restoration of all or any part of the Land and any expenses incurred by the Commissioner shall be recoverable from the Lessee, and/or the Lessee's security and/or as a debt due to the Commissioner.

Where any portion of the rental herein reserved is unpaid for more than thirty (30) days after it is due, whether formally demanded or not, the Authorized Agent by notice in writing to the Lessee, may terminate this Lease, and on the day following the mailing of the notice this Lease is terminated.

TERMINATION

15. Termination of this Lease shall not prejudice the Commissioner's right to unpaid rental or any other right with respect to a breach of any covenant or agreement herein contained.

Upon the termination or expiration of this Lease, the Lessee shall deliver up possession of the Land in as good a condition and state of repair as when the Lessee took possession of it under this Lease. For greater certainty, the Lessee shall ensure that the condition of the Land meets or exceeds the condition as when the Lessee took possession and that remediation and restoration of the Land is conducted pursuant to the requirements of Clause 7, above.

SURRENDER

16. (1) Subject to the rights and interests of any third parties of which notice has been provided to the Authorized Agent, the Lessee may surrender the Lessee's interest under this Lease upon giving sixty (60) days notice in writing to the Authorized Agent. To be eligible for surrender, the Lessee must:

- (a) Pay all rental due under this Lease to the effective date of the surrender;
- (b) Pay all property taxes, rates and assessments, including interest and penalties thereon, charged upon the Land or to the Lessee to the effective date of the surrender;
- (c) Restore the Land to the condition and state of repair as when the Lessee took possession of the Land or where the Lessee intends to transfer ownership of improvements situated on the Land, obtain the agreement of the proposed successive lessee to accept all responsibility for remediating the land to the condition as when the Lessee took possession, said agreement to be to the satisfaction of the Authorized Agent;
- (d) Provide the Authorized Agent with an executed surrender of lease in a form approved by the Deputy Minister.
- (e) Provide the Authorized Agent with a Phase I, a Phase II, and a Phase III Environmental Site Assessment of the Land, unless the Lessee has not yet built upon, or made commercial or industrial use of the Land.

(2) The Lessee or any successive lessee, as the case may be, is responsible for the remediation of the Land to the condition as when the Lessee took possession and for ensuring that remediation and restoration of the Land is conducted pursuant to the requirements of Clause 7, above, at its sole expense.

(3) The effective date of the surrender of the Lessee's interest under this Lease is the date the Authorized Agent accepts such surrender by executing the surrender of lease form.

AMENDED RENTAL

17. The Authorized Agent may at any time, not less than ninety (90) days before the expiration of the first five year period of the term of this Lease, or of any subsequent five year period, notify the Lessee in writing of an amended rental payable for the following five year period and/or for the remainder of the term of this Lease. The amended rental shall be based on the Government of the Northwest Territories' Land Pricing Policy in effect at the time of such notification.



In the event that the amended rental as determined by the Authorized Agent is not acceptable to the Lessee, the Supreme Court of the Northwest Territories shall determine the amount of the amended rental. All costs and fees charged by the Supreme Court of the Northwest Territories in determining the amount of the amended rental shall be the responsibility of the Lessee.

SURVEY

18. The boundaries of the Land are subject to such adjustment and alteration as may be shown to be necessary by survey.

SURVEY COSTS

19. If the Land is not surveyed, the Lessee agrees to have the Land surveyed by a Canada Land Surveyor, if directed to do so by the Authorized Agent, and shall pay the full cost of the survey. The Lessee further agrees that the survey shall be completed within one (1) year of receiving notice from the Authorized Agent to undertake such survey.

LAND USE

20. The Lessee shall use the land for Commercial purposes only.

EXISTING IMPROVEMENTS

21. The Lessee shall maintain the existing improvements now situated on the land, consisting of a 75,000-litre fuel tank and electrical shed, having a value as of the effective date of this lease of approximately One Hundred Thousand Dollars (\$100,000.00), or any similar improvements which may be constructed, in a manner and condition satisfactory to the Deputy Minister.

The Lessee agrees to upgrade, at their own expense, the above-ground fuel tank and corresponding secondary containment to meet applicable Federal, Territorial and Municipal regulations, within two (2) years of the effective date of this Lease.

REMOVAL OF IMPROVEMENTS

22. If, prior to the expiry of this Lease, the Lessee removes 50% or more of any improvements placed on the land by the Lessee or the Lessee's predecessor, the Deputy Minister may, upon 60 days written notice, terminate this Lease without compensation or refund of any equity to the Lessee.

ACCESS

23. It shall be lawful for the Authorized Agent at all reasonable times to enter upon the Land for the purposes of examining the condition of the Land.

The Authorized Agent may enter upon the Land for the purpose of conducting tests or other investigative measures to ensure compliance with the terms and conditions of this Lease. If the Lessee is found to be in breach of the terms and conditions of this Lease, the Lessee shall pay all costs associated with correcting the breach, as well as the costs of any testing or investigative measures undertaken to identify these deficiencies.

LAND FILL

24. On the expiry of this Lease, and subject to the environmental remediation requirements set out in this Lease and at law, the Lessee shall ensure that all and any land fill, (which includes, without restricting the generality of the foregoing, all soil, topsoil, sod, clay, sand, gravel, rock, crushed rock, glacial till, concrete, grout, asphalt, or any combination thereof), which during the term of this Lease was affixed or placed on the Land at the Lessee's expense, remain on the land.

For greater certainty, the Lessee will replace any contaminated land fill that must be removed to effect environmental remediation with clean land fill of a similar type and quality.



EASEMENTS

25. The Commissioner may, where the Authorized Agent deems it necessary in the public interest, establish easements through, under or over any portion of the Land for any public utility purpose, but said easements shall not unreasonably interfere with the rights granted to the Lessee hereunder or with any improvements made by the Lessee on the Land.

ENVIRONMENT

26. The Lessee shall comply with all Environmental Protection Statutes.

Compliance with Environmental Protection Statutes by the Lessee shall be at the Lessee's cost and expense and any adverse environmental condition to the Land caused by the Contaminants brought onto the Land in relation to the Lessee's occupation, or arising as a result of the Lessee's use and occupation of the Land shall be rectified at the cost and expense of the Lessee to return the Land to a state that complies with all Environmental Protection Statutes.

ACCESS ROADS

27. The Lessee shall construct no more than one access road to the Land. If any access road to the Land intersects or adjoins a highway as designated under the *Public Highways Act*, then such access road must meet the construction standards of the Government of the Northwest Territories' Department of Infrastructure and otherwise comply with the *Public Highways Act*. All access roads are to be constructed and maintained at the Lessee's expense.

DISCHARGE OF WASTE

28. The Lessee shall not discharge or deposit any refuse substances or other waste materials in any lake, river, stream or creek, or on the banks thereof, which will, in the opinion of the Deputy Minister, impair the quality of the waters or the natural environment. Any areas on the Land designated as waste disposal sites shall be located a minimum of 30.48 metres (100 feet) of the Ordinary High Water Mark of any body of water.

FLOODING

29. The Lessee shall not be entitled to compensation from the Commissioner by reason of the Land or any portion of the Land being submerged, damaged by erosion, or otherwise affected by flooding.

SUBLEASE

30. The Lessee shall not sublet the Land.

ASSIGNMENT

31. The Lessee shall not assign this Lease.

TIME

32. Time shall be of the essence in this Lease.

WAIVER

33. Unless a waiver is given in writing by the Authorized Agent, the Commissioner shall not be deemed to have waived any breach by the Lessee of any of the covenants or terms and conditions of this Lease, and a waiver relates only to the specific breach to which it refers.

IMPLICATION

34. No implied covenant or implied liability on the part of the Commissioner is created by the use of words, "demise and Lease" contained herein.



SURVIVORSHIP

35. This Lease enures to the benefit of and is binding upon the Commissioner and the Commissioner's successors, and upon the Lessee, the Lessee's successors, heirs, executors, administrators and assigns.

ADDRESS FOR NOTICES

36. Wherever in this Lease it is required or permitted that notice or demand be given or served by any party to this Lease to or on the other, such notice or demand shall be given or served in writing and forwarded by registered mail, addressed as follows:

To the Deputy Minister:

Deputy Minister
Department of Lands
Government of the Northwest Territories
P.O. Box 1320
1st Floor Gallery Building
YELLOWKNIFE, NT X1A 2L9

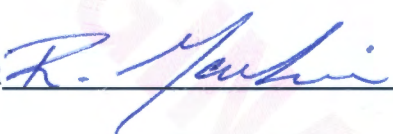
To the Lessee at:

Suncor Energy Products Partnership
3275 Rebecca St.
Oakville, ON L6 L6L 6N5

Attn: Director, Asset Management

or to such other address as either of the parties may from time to time notify the other in writing in the manner herein before provided.

IN WITNESS WHEREOF the parties have executed this agreement as of the date and year first above written.

) **THE COMMISSIONER OF THE**
) **NORTHWEST TERRITORIES**
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) PER  (SEAL)

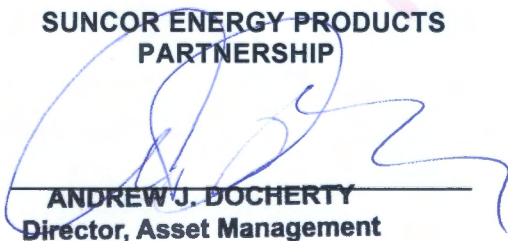
SIGNED, SEALED AND DELIVERED
by:

ANDREW J. DOCHERTY
Director, Asset Management

(name and title of authorized signatory)

And by:

(name and title of authorized signatory)

) **SUNCOR ENERGY PRODUCTS**
) **PARTNERSHIP**
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) **ANDREW J. DOCHERTY**
) **Director, Asset Management**
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