

SCHEDULE 'A'

THIS AGREEMENT is made as of the 27th day of January, 2012 between the Corporation of the City of London (the 'City') and Fort Chicago District Energy Ltd. (the 'Owner').

WHEREAS:

1. The Owner represents that it is the registered owner of the land and premises on 301 Colborne Street, in the City of London, County of Middlesex, more particularly described in Schedule "B" attached (the 'Lands');
2. The Lands are subject to an easement in favour of the City, registered as Instrument No. 925510Z (the 'Easement');
3. There will be constructed on the Lands a one storey concrete building, part of which one storey concrete building and concrete slab with footings will encroach in, over and upon the Easement (the 'Encroachment') and are shown on the attached Schedule 'C';
4. The Owner has applied to Council of the Corporation of the City of London that it be allowed to maintain the Encroachment;
5. The City agrees to permit the Encroachment to continue partially in, over and upon the Easement on certain terms and conditions as set out in this Agreement.

IN CONSIDERATION of other good and valuable consideration and the sum of Two Dollars (\$2.00) of lawful money of Canada now paid by the Owner to the City (the receipt whereof is hereby acknowledged) the City grants a license to permit the Encroachment upon the Lands subject to the provisions set forth:

1.0 Use

- 1.1 The Owner is hereby permitted to use and maintain the Encroachment over and upon the Easement.

2.0 Fee

- 2.1 The Owner shall pay to the City Treasurer a license fee of \$2.00 which fee shall be due upon the execution of this Agreement.

3.0 Term

- 3.1 This Agreement shall remain in force so long as the Encroachment remains in its present location. It is understood and agreed that in the event the Encroachment is wholly demolished or ruined by fire or other event, the right to encroach shall be ended and permission to rebuild over the Easement must be sought from the City at that time and before any further entry is undertaken upon the Easement.

4.0 Maintenance and Repair

- 4.1 The Owner shall at its own expense and to the satisfaction of the City:
 - (a) Keep and maintain the Encroachment in a good and proper state of repair and safety;
 - (b) Make or permit no additions or modifications to the Encroachment which are not authorized or contemplated by this Agreement; and
 - (c) Comply with such further and additional requirements as may be required by the City, acting reasonably.

5.0 Insurance and Indemnity

- 5.1 The Owner shall obtain and maintain general liability insurance, at its own expense, in a form satisfactory to the Commissioner of Legal Services & City Solicitor, in an amount not less than Five Million (\$5,000,000.00) Dollars that includes the City as an additional insured with respect to the Owner's use and obligations under this Agreement.

- 5.2 The Owner shall ensure that the above mentioned insurance is not cancelled or permitted to lapse unless the insurer notifies the City in writing at least thirty (30) days prior to the date of cancellation or expiry. Further, the Owner shall ensure that evidence of such insurance shall be delivered to the City at the inception of this Agreement and thereafter promptly on the insurance renewal date. The City reserves the right to request such higher limits of insurance or other types of policies appropriate to this Agreement as the City may reasonably require; failure to satisfactorily meet these conditions relating to insurance shall be deemed a breach of this Agreement.
- 5.3 The Owner as owner and occupier from time to time of the Lands shall, at all times, fully indemnify and save harmless the City against all actions, suits, claims and demands whatsoever which may be brought against or made upon the City and from and against all loss, costs, damages, charges and expenses whatsoever which may be incurred, sustained or paid by the City for or by reason of or on account of the permission hereby granted to the Owner or the exercise by the Owner of such permission or anything done or purported to be done pursuant to this Agreement or any by-law, except for any loss which results from the gross negligence of the City.

6.0 Right to Enter

- 6.1. The Owner covenants and agrees that the City, and its respective officers, servants, workers, employees, agents and contractors under its control or supervision or any of them shall have the right from time to time and at all reasonable times during the term of this Agreement, to enter in and upon the Lands or any part thereof, with all necessary workers, plant, equipment and material for the purpose of inspection, altering or removing the Encroachment from the Easement in accordance with this Agreement. Such inspection shall not free or relieve the Owner in any way whatsoever from the obligations under this Agreement.
- 6.2 Notwithstanding anything herein contained the City shall have all rights and benefits conferred by the Easement. Any work required to be done by the City in accordance with the Easement may be carried out notwithstanding this Agreement. While the City will carry out such works in a good and workmanlike manner, the Owner hereby covenants and agrees that any damage, disturbance or loss of any kind that the Owner may suffer as a result of the City exercising its lawful rights under the Easement shall not be the responsibility of the City and the City shall not be liable therefore, except for any loss which results from the gross negligence of the City.

7.0 General

- 7.1 The Owner shall, at all times during the term of this Agreement, be subject to all laws, by-laws and regulations now or hereinafter enacted, to all statutes, orders and rules made or to be made by a lawfully constituted authority having jurisdiction therein.
- 7.2 Any notice required to be given to the City or the Owner under this Agreement shall be sufficiently given if delivered or mailed postage prepaid to the addresses below. Such notice shall be deemed to have been received on the date of its delivery or in the case of mailing, three (3) business days after it was delivered to the post office.

City's Address:

City Clerk's Department
P.O. Box 5035
London ON N6A 4L9

Owner's Address:

London District Energy
Attention: Sean Russell
Commercial Manager
301 Colborne Street
London ON N6B 2S8

cc: Veresen Inc.
Attention: Senior Vice President,
General Counsel and Secretary
Suite 900, Livingston Place
222 - 3rd Avenue S.W.
Calgary AB T2P 0B4

- 7.3 Any fees due and any costs incurred under this Agreement shall be a first lien and charge upon the Lands in priority to all other claims, liens, mortgages or charges and may be recovered, at the discretion of the City, in like manner as municipal taxes or in any court of competent jurisdiction as a debt due by the Owner to the City. No remedy conferred upon or reserved to the City is intended to be exclusive of any other remedy

whether given herein or not, but every such remedy shall be cumulative and shall be in addition to every other remedy.

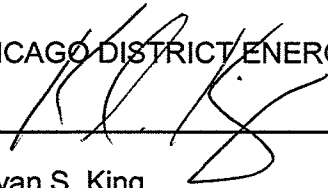
- 7.4 In the event of failure by the Owner to maintain and use the Encroachment as aforesaid, the same may be maintained by the City at its option and the cost of such maintenance shall be a first lien upon the Lands and may be recovered in a like manner as taxes
- 7.5 This Agreement shall be binding upon the Owner, its successors and assigns, as owner and occupier from time to time of the Lands and the covenants herein contained shall be deemed to run with the Lands and bind the Owner and occupiers thereof from time to time.

IN WITNESS WHEREOF the Parties have affixed their respective corporate seals, attested by the hands of their respective signing officers duly authorized in that behalf.

THE CORPORATION OF THE CITY OF LONDON

Joe Fontana, Mayor

Catharine Saunders, City Clerk

FORT CHICAGO DISTRICT ENERGY LTD.


Name: Kevan S. King
Title: Senior Vice President, General Counsel and Secretary

I Have Authority to Bind the Corporation

SCHEDULE 'B'

Part Lots 7, 8, 9 and 10, n/e Bathurst Street, Part Bathurst Street, closed by Statute referred to on 33R-10528, Part Bathurst Street, closed by By-law 925448, Parts 1 and 2, 33R-10737, s/t 925510Z, London, being all of PIN 08319-0003.