

PETROLEUM AND NATURAL GAS LEASE AND GRANT

C.A.P.L. 99
ALBERTA



THIS INDENTURE made effective theday of A.D. 2
BETWEEN.....
(the "Lessor")

AND

.....
(the "Lessee")

THE LESSOR, being registered as owner, or entitled to become registered as owner of the Leased Substances within or upon the lands legally described as follows:

as more particularly described and set forth in Certificate(s) of Title No. (the "Certificate of Title"), in consideration of the sum of \$10.00 paid to the Lessor by the Lessee, the receipt of which is hereby acknowledged by the Lessor, and in consideration of the covenants of the Lessee hereinafter contained, HEREBY LEASES AND GRANTS exclusively to the Lessee the Lands and all the Leased Substances, subject to the royalties hereinafter reserved, within or upon the Lands, together with all of the present or future right, title, estate and interest, if any, of the Lessor in and to the Leased Substances or any of them within or upon any lands excepted from the Lands and any roadways, lanes or rights of way adjoining the Lands; together with the exclusive right and privilege to explore for, drill for, operate, produce, win, take, remove, store, treat and dispose of the Leased Substances and the right to inject substances into the Lands for the purpose of obtaining, maintaining or increasing production of the Leased Substances from the Lands, the Pooled Lands or the Unitized Lands and to store and recover any substances injected into the Lands.

TO HAVE AND ENJOY the same for the term of () years (the "Primary Term") commencing on the effective date hereof and continuing to the end of the Primary Term and so long thereafter as Operations are conducted within or upon the Lands, the Pooled Lands or the Unitized Lands, with no cessation, in the case of each cessation of Operations, of more than 90 consecutive days.

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

1. INTERPRETATION

In this agreement, in addition to terms defined parenthetically herein, the following expressions shall have the following meanings:

- (a) **"Anniversary Date"** means the date corresponding to the effective date hereof in each year during which this agreement remains in force;
 - (b) **"Commercial Production"** means the output from a well of such quantity of the Leased Substances or any of them as, considering the cost of drilling, completing, equipping and production operations and the price and quality of the Leased Substances, after a production test of suitable duration and nature in accordance with good oil field practice, would reasonably warrant the drilling of a like well in the vicinity thereof;
 - (c) **"Force Majeure"** means any cause beyond the Lessee's reasonable control and, without limitation, includes an act of God, strike, lockout or other industrial disturbance, act of any public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, unusually severe weather conditions and government restraints, including road bans, but shall not include lack of finances;
 - (d) **"Horizontal Well"** means a well with one or more horizontal sections, or a well that is classified or approved as a horizontal well pursuant to any Regulations;
 - (e) **"Lands"** means all the lands, and all zones and formations underlying the lands, described above and included in the Certificate of Title, excluding such portions thereof as have terminated, expired or been surrendered pursuant to the terms hereof;
 - (f) **"Lease Year"** means a period of one year commencing on the effective date hereof or any Anniversary Date and ending at midnight of the day immediately preceding the next Anniversary Date;
 - (g) **"Leased Substances"** means all petroleum, natural gas and all other hydrocarbons or any of them (except coal), and all materials and substances (except valuable stone), whether liquid, solid or gaseous and whether hydrocarbons or not, produced in association with petroleum, natural gas or other hydrocarbons or found in any water contained in any reservoir but only to the extent that the foregoing are included in the Certificate of Title;
 - (h) **"Offset Well"** means any well drilled subsequent to the effective date hereof and producing Leased Substances from any Spacing Unit laterally or diagonally adjoining the Lands, which Spacing Unit does not include lands owned by the Lessor or, if owned by the Lessor is not under lease to the Lessee;
 - (i) **"Operations"** means any of the following with respect to the Lands, the Pooled Lands, or the Unitized Lands:
 - (1) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or injecting substances by means of a well, in search for or in an endeavour to obtain, maintain or increase production of any Leased Substances;
 - (ii) the production of any Leased Substances;
 - (iii) the recovery of any injected substance;
 - (iv) those deemed Operations pursuant to the Clause herein entitled "SHUT-IN WELLS"; or
 - (v) any acts for or incidental to any of the foregoing;
 - (j) **"Pooled Lands"** means all or any portion of the Lands and such other lands as may have been pooled in accordance with the terms hereof or pursuant to any Regulations;
 - (k) **"Productive Horizontal Section"** means that portion of a Horizontal Well that is open to production of the Leased Substances from a subsurface zone or formation;
 - (l) **"Regulations"** means any applicable statute, regulation, license or order of any government or governmental agency having jurisdiction;
 - (m) **"Spacing Unit"** means the area allocated to a well from time to time on or in the vicinity of the Lands, for the purpose of drilling for or producing, as the case may be, the Leased Substances as defined by any Regulations; and
 - (i) in the case of a Horizontal Well for which no area has been allocated then, until such an area is allocated, shall mean the area or areas that would be allocated to one or more Vertical Wells drilled on the lands containing the Productive Horizontal Section of such Horizontal Well or, if the Horizontal Well is not yet drilled, shall mean the area or areas that would be allocated to one or more Vertical Wells drilled on the lands proposed to contain the Productive Horizontal Section of such Horizontal Well; and
 - (ii) for the purposes of Subclauses (a), (b), (c) and (d) of the Clause herein entitled "OFFSET WELLS", in the case of that portion of the Lands laterally or diagonally adjoining the Spacing Unit of an Offset Well which is a Horizontal Well, shall mean the area or areas that would be allocated to one or more Vertical Wells drilled on the Lands which laterally or diagonally adjoin the Spacing Unit of such Offset Well from which production is being obtained;
 - (n) **"Unitized Lands"** means all or any portion of the Lands and such other lands as may have been unitized in a unit that includes any part of the Lands in accordance with the terms hereof or pursuant to any Regulations;
 - (o) **"Unit Agreement"** means any agreement for the development or operation of all or any portion, zone or formation of the Lands together with other lands as a single unit without regard to separate ownership and for the allocation of costs and benefits on a basis as defined in that agreement; and
 - (p) **"Vertical Well"** means any well that is not a Horizontal Well.
- ## 2. LEASE PAYMENT
- (a) In addition to the initial payment of \$10.00 paid by the Lessee, the Lessee shall pay to the Lessor on or before days after the effective date hereof (the "Payment Date") the sum of dollars (the "Lease Payment"). The Lessee shall not commence Operations until the Lease Payment has been made. In the event the Lease Payment has not been paid on or before the Payment Date, the provisions of the Clause herein entitled "DEFAULT" shall not apply and this agreement shall terminate, in which event the obligations of the parties hereto shall be at an end; except, subject to Subclause (b) of this Clause, the obligation of the Lessee to pay the Lease Payment to the Lessor shall survive.

(b) If the Lessee determines that there are deficiencies with respect to the title of the Lessor to the Lands such that a reasonable lessee of the Lessor's interest in the Lands would not accept such title, the Lessee shall, on or before the Payment Date, give the Lessor written notice of such deficiencies, providing reasonable particulars of same, and the Lessee shall thereupon no longer be required to pay the Lease Payment to the Lessor and this agreement shall terminate and be at an end. Failure by the Lessee to give the Lessor notice of deficiencies as aforesaid shall be deemed to be an acknowledgment by the Lessee that the title of the Lessor to the Lands is acceptable.

3. SHUT-IN WELLS

(a) If, at the expiration of the Primary Term or at any time or times thereafter, there is any well within or upon the Lands, the Pooled Lands or the Utilized Lands, completed for and capable of production of the Leased Substances, or any of them, and such well is shut-in, it shall be deemed that Operations are being conducted, for so long as such well is shut in.

(b) If, at the expiry of any Lease Year after the Primary Term, production of Leased Substances for a cumulative total of at least 720 hours has not been obtained during any such Lease Year from all wells within or upon the Lands, the Pooled Lands, or the Utilized Lands, the Lessee shall, within 90 days after the expiry of such Lease Year, pay to the Lessor an amount equal to that sum calculated by dividing the Lease Payment by the number of year(s) in the Primary Term (the "Shut-in Well Payment").

4. ROYALTY

(a) Subject to Subclause (c) of this Clause, the Lessee shall pay to the Lessor a royalty (the "Royalty") in an amount equal to the current market value at the wellhead of% of the Leased Substances sold from the Lands, or used by the Lessee for a purpose other than that described in Subclause (d) of this Clause. In computing the current market value at the wellhead, the Lessee may deduct any reasonable expense incurred by the Lessee (including a reasonable rate of return on investment) for water disposal and for separating, treating, processing, compressing and transporting Leased Substances beyond the wellhead, provided that the Royalty shall not be less than percent of the Royalty that would have been payable to the Lessor if no such expenses had been incurred by the Lessee.

(b) The Royalty shall be payable on or before the 15th day of the second month following the month in which the Leased Substances were sold or used by the Lessee for a purpose other than that described in Subclause (d) of this Clause.

(c) If the Lessor's undivided interest in the Leased Substances is less than the entire and undivided fee simple estate, the Royalty shall be paid to the Lessor only in the proportion which such interest bears to the entire and undivided fee simple estate.

(d) Notwithstanding anything to the contrary herein contained or implied, the Lessee shall be entitled to use a portion of the production of Leased Substances from the Lands as reasonably may be required by the Lessee in its Operations and the Lessor shall not be entitled to any Royalty with respect to Leased Substances so used.

(e) If the Lessee sells the Leased Substances pursuant to a bona fide arm's-length sale or transaction, the current market value at the wellhead of such Leased Substances shall be deemed to be the value actually received by the Lessee less all expenses permitted to be deducted hereunder. If the Lessee does not sell the Leased Substances pursuant to a bona fide arm's-length sale or transaction, the current market value at the wellhead of such Leased Substances shall be deemed to be the average market price for Leased Substances as and when produced from the area in which the Lands are located less all expenses permitted to be deducted hereunder.

(f) The Lessor agrees that the Royalty shall be inclusive of any prior disposition of any other royalty or other interest in the Leased Substances, and further agrees to make all payments required by any such prior disposition out of the Royalty and to indemnify and save the Lessee harmless from its failure to do so; provided, however, that the Lessee may elect by notice in writing to the Lessor to make such payments on behalf of the Lessor and shall have the right to deduct any such payments made from the Shut-in Well Payment or Royalty otherwise payable to the Lessor.

(g) The Lessee shall make available to the Lessor or its authorized representative during normal business hours at the Lessee's address for notice or principal place of business, the Lessee's production and financial records relating to the Leased Substances produced from or allocated to the Lands.

5. TAXES

(a) The Lessee shall pay (i) all taxes, rates and assessments that may be assessed or levied, directly or indirectly, for Operations of the Lessee in respect of the Lands, (ii) all taxes, rates and assessments that may be assessed or levied, directly or indirectly, in respect of the production of Leased Substances from the Lands, and (iii) any taxes, rates or assessments that may be assessed or levied, directly or indirectly, on the Lessor in respect of the Lessor's fee simple ownership of the Lands.

(b) The Lessor shall, on the written request of the Lessee, accompanied by such tax receipts, statements or tax notices as the Lessor may require, reimburse the Lessee for an amount equal to the Royalty percentage of all taxes, rates and assessments that may be assessed or levied, directly or indirectly, in respect of (i) the production of Leased Substances from the Lands, and (ii) the Lessor's fee simple ownership of the Lands.

6. OFFSET WELLS

If Commercial Production is obtained after the effective date hereof from an Offset Well then, unless Operations are being conducted on the Spacing Unit of the Lands laterally or diagonally adjoining the Spacing Unit of the Offset Well with respect to the zone or formation from which Commercial Production is being obtained from the Offset Well, the Lessee shall, within the later of 6 months from the date of the Offset Well being placed on Commercial Production or, if information with respect to the Offset Well is restricted pursuant to any Regulations and such information is unknown to the Lessee, within three months after such information is made public (the applicable date being the "Offset Obligation Date") either:

(a) commence or cause to be commenced Operations on the Spacing Unit of that portion of the Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset Well for the purpose of obtaining production from the same zone or formation from which production is being obtained from the Offset Well;

(b) pool or unitize that portion of the Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset Well, with such pooling or unitization having actual or allocated production from the same zone or formation from which the Offset Well is being produced;

(c) surrender all or any portion of the Lands pursuant to the provisions hereof, provided that the surrender shall include but may be limited to the zone or formation from which production is being obtained from the Offset Well underlying that portion of the Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset Well; or

(d) elect, by notice in writing to the Lessor, to pay to the Lessor pursuant to the provisions of this agreement, a royalty which shall be equal to the Royalty that would be payable to the Lessor if the Leased Substances produced from the Offset Well were actually being produced from the Lands, with production deemed to have commenced on the Offset Obligation Date; provided however that, should any Spacing Unit of the Lands laterally or diagonally adjoin more than one Spacing Unit containing an Offset Well from which Commercial Production is being obtained from the same formation, the royalty which the Lessee may elect to pay to the Lessor pursuant to this Subclause shall be calculated on the average of the production from the Offset Wells. In the event the Offset Wells are being produced from different formations, the royalty shall be paid with respect to the production from each formation. If the Lessee elects to pay royalty hereunder, it shall subsequently be entitled to undertake any of the actions set out in Subclauses (a), (b) or (c) of this Clause, and when such actions have been completed, the obligations under this Subclause shall terminate.

Notwithstanding anything herein contained, the obligations imposed by this Clause shall be deemed not to have arisen if the Offset Well ceases to be capable of Commercial Production prior to the Offset Obligation Date.

7. POOLING AND UNITIZATION

(a) The Lessee is hereby given the right, power and authority at any time, during and after the Primary Term, to pool the Lands or Leased Substances or any portion, zone or formation thereof with any other lands, zones, formations or substances provided that the area so pooled shall not exceed the Spacing Unit applicable to the well to be drilled on or in such Pooled Lands. The Lessee shall give written notice to the Lessor describing the extent to which the Lands or Leased Substances are being or have been pooled and describing the Spacing Unit with respect to which they are so pooled.

(b) In the event of pooling, there shall be allocated to the Lands included in the Spacing Unit that proportion of the total production of the Leased Substances from the Spacing Unit, which the surface area of the Lands included in the Spacing Unit bears to the total surface area of the lands in the Spacing Unit. The production so allocated shall be considered for all purposes, including the payment of the Royalty, to be the entire production of Leased Substances from the Lands included in the pooling in the same manner as though produced from the Lands under the terms of this agreement.

(c) The Lessee may terminate any pooling pursuant to Subclause (a) of this Clause and shall give written notice of such termination to the Lessor.

(d) If the Spacing Unit pooled under this Clause is varied or terminated by any Regulations, or if the pooling is terminated or invalidated by reason of the termination or expiration of a lease covering any lands, other than the Lands, within the Spacing Unit, or any other cause beyond the Lessee's reasonable control, and this agreement would otherwise terminate as a result of such variation or termination of the Spacing Unit or such termination or invalidation of the pooling, this agreement shall nonetheless continue in force for a period of 90 days after the Lessee receives notice that the Spacing Unit has been varied or terminated or that the pooling has been terminated or invalidated and the term of the agreement may be extended further pursuant to other provisions of this agreement, including without limitation, the commencement of Operations, within the 90 day period.

(e) The Lessee is hereby given the right, power and authority at any time and from time to time during and after the Primary Term to include the Lands or Leased Substances or any portion, zone or formation thereof in a Unit Agreement if such becomes necessary or desirable in the opinion of the Lessee. The Lessee shall give written notice to the Lessor stating that the Lands or Leased Substances are being or have been unitized. The basis and manner of any such unitization, the manner of allocating unitized production among the tracts of unitized lands, and the terms of any such Unit Agreement shall be at the sole discretion and determination of the Lessee, exercised bona fide, and shall be binding upon the Lessor.

(f) In the event of unitization, the production of Leased Substances which are unitized shall be allocated to the Lands included in the unit in accordance with the terms of the Unit Agreement. The production so allocated shall be considered for all purposes, including the payment of the Royalty, to be the entire production of the Leased Substances from the Lands included in the unit in the same manner as though produced from the Lands under the terms of this agreement. Upon notice from the Lessor, the Lessee shall provide the Lessor with a copy of the Unit Agreement within a reasonable time after the right and power granted hereunder has been exercised. The Lessee shall also have the right and power to withdraw the Lands or Leased Substances or any portion, zone or formation thereof from the Unit Agreement and shall give the Lessor written notice thereof.

(g) Any Operations conducted on the Pooled Lands or the Utilized Lands, whether conducted before, after or during the exercise of the rights and powers granted under this Clause, or the presence of a shut-in well on the Pooled Lands, shall have the same effect in continuing this agreement in force and effect during the term hereby granted or any continuance or extension thereof as if such Operations were upon the Lands, or as if the shut-in well were located on the Lands.

8. CONDUCT OF OPERATIONS

The Lessee shall conduct all Operations in a diligent, careful and workmanlike manner and in compliance with Regulations and where the Regulations conflict with the terms of this agreement, the Regulations shall prevail.

9. INDEMNIFICATION

The Lessee shall indemnify the Lessor against all actions, suits, claims and demands by any person or persons whomsoever in respect of any loss, injury or damage arising out of or in connection with any Operations carried out by the Lessee on such Lands or Leased Substances or any portion, zone or formation thereof unless such loss, injury or damage was caused by the act or omission of the Lessor, its invitees, agents, employees or contractors.

10. DISCHARGE OF TAXES AND ENCUMBRANCES

The Lessee may at the Lessee's option pay or discharge the whole or any portion of any withholding or other tax, charge, mortgage, lien or encumbrance payable, incurred or created by the Lessor or the Lessor's predecessors or successors in title or interest which may now or hereafter exist on or against or in any way affect the Lands or the Leased Substances, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof and, at the Lessee's option, may reimburse itself by applying the amount so paid by the Lessee against the consideration payable hereunder, Shut-in Well Payments, Royalty payments, or other sums accrued or accruing to the Lessor under the terms of this agreement.

11. SURRENDER

(a) The Lessee may, at any time, by written notice to the Lessor, surrender this agreement as to the whole or any portion of the Lands, zone or formation thereof and this agreement shall thereupon terminate as to that portion of the Lands, zone or formation so surrendered.

(b) Upon the said termination, the obligations of the Lessee shall be reduced, as the case may be, proportionately equivalent to the surface area so surrendered, excepting all sums accrued to the Lessor under the terms of this agreement.

12. DEFAULT

(a) If, before or after the expiry of the Primary Term, the Lessor considers that the Lessee has not complied with any provisions or obligations of this agreement, including but not limited to a failure to give notice or to pay, in the manner specified herein, any Shut-in Well Payments, Royalty payments or other sums for which specific provision is made in this agreement, the Lessor shall notify the Lessee in writing, describing in reasonable detail the alleged breach or breaches. The Lessee shall have 30 days after receipt of such notice to either:

(i) remedy or commence to remedy the breach or breaches alleged by the Lessor, and thereafter to diligently continue to remedy the same; or
(ii) commence and diligently pursue proceedings for a judicial determination as to whether the alleged acts or omissions constitute a breach or breaches on the part of the Lessee.

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

(c) Excepting for the provisions of the Clause herein entitled "SURRENDER" this agreement shall not terminate nor be subject to forfeiture or cancellation if there is located on the Lands or on the Pooled Lands or on the Unitized Lands a well on which Operations are being conducted or a well which is completed for the production of Leased Substances or any of them and, in the foregoing events, the Lessor's remedy for any default under this agreement shall be for damages only.

13. FORCE MAJEURE

(a) If Operations are interrupted, suspended or cannot be commenced as a result of Force Majeure, this agreement shall not terminate or expire during any such period of interruption, suspension or inability to commence, or for 30 days thereafter.

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

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

14. QUIET ENJOYMENT

The Lessor covenants and warrants that, subject only to such endorsements contained in the existing Certificate of Title(s), as of the effective date of this agreement, the Lessor has not disposed of any of the Lessor's interest in all or any part of the Lands and the Leased Substances or any portion, zone or formation thereof, and has the right and full power to enter into this agreement and to grant and demise the Lands and the Leased Substances and that the Lessee, upon observing and performing the covenants and conditions on the Lessee's part to be observed and performed, shall and may peaceably possess and enjoy the same during the Primary Term of this agreement and any continuance or extension thereof without any interruption or disturbance from or by the Lessor or any person claiming under or through the Lessor.

15. FURTHER ASSURANCES

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

16. MANNER OF PAYMENT

(a) All payments to the Lessor provided for in this agreement shall, at the Lessee's option, be paid or tendered either direct to the Lessor, to the Lessor's address pursuant to the Clause herein entitled "NOTICES" or to the depository named in or pursuant to this Clause, and all such payments may be made by cheque or electronic deposit by the Lessee either mailed or delivered to the Lessor or to said depository, which payments shall be payable in Canadian funds. The Lessor does hereby appoint the following financial institution, as the sole depository for the receipt of all monies payable under this agreement, and the Lessor agrees that the depository and its successors shall be and continue as its agent for the receipt of any and all sums payable hereunder, regardless of changes of ownership (whether by assignment, succession or otherwise and whether in whole or in part) of the Lands or the Leased Substances or of the consideration payable hereunder, Shut-in Well Payments or the Royalty payment to accrue hereunder. Any payment mailed by prepaid mail, posted in Canada and properly addressed to the Lessor or to the depository, as the case may be, shall be deemed to have been paid on the date of mailing.

(b) The Lessor may at any time designate a depository or a new depository by giving written notice to the Lessee specifying the name and address of such new depository; provided that:

- i) only a financial institution may be designated as a depository;
- ii) only one depository shall be designated at any one time, regardless of whether or not any monies payable hereunder are, or become, payable to more than one party, and
- iii) the Lessee shall not be required to recognize any new depository until the expiration of 45 days from the receipt by it of the notice in writing, but this depository shall be deemed to have been made in accordance with the terms of this agreement.

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

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

17. ASSIGNMENT

Each of the parties hereto may delegate, assign, sublet or convey to any other person, firm or corporation all or any of the property, powers, rights, authorities and interests obtained by or conferred upon them, respectively, by this agreement 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. If any party assigns its interest in whole or in part to more than one person, each party shall only be required to recognize one party as representative of the Lessor or the Lessee, as the case may be, with respect to all matters under this agreement. Such representative may be changed from time to time by notice in writing given by the then current representative.

18. NOTICES

(a) All notices (the "Notices") required or permitted hereunder shall be in writing. Notices may be served:

- i) personally by delivering them to the party on whom they are to be served at that party's address hereinafter given, provided such delivery shall be during normal business hours, or
 - ii) by facsimile or telecommunication (or by any other like method by which a written and recorded message may be sent) directed to the party on whom they are to be served at that party's address hereinafter given. Notices so served shall be deemed received by the addressee thereof when actually received by it provided that if such Notice is not received during normal business hours it shall be deemed to be received at the commencement of the next ensuing business day, or
 - iii) by mailing them by registered mail, express post or priority post, postage prepaid, to the party on whom they are to be served. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the 10th day (excluding Saturdays, Sundays or statutory holidays) following the mailing thereof. No Notice shall be effective if mailed during any period in which there exists a postal interruption or if a strike of postal workers is imminent and may be anticipated to affect normal delivery of the notice.
- (b) The respective addresses for service of Notices shall be as follows:

Lessee:
.....
Lessor:
.....

(c) Any party may change its address for service by Notice to the other party.
(d) At any time there shall be only one address for service of notices for each of the Lessee and the Lessor.

19. ENTIRE AGREEMENT

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

20. NO AMENDMENT EXCEPT IN WRITING

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

21. TIME OF THE ESSENCE

Time shall be of the essence.

22. ENUREMENT

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

23. SEVERABILITY

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

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

SIGNED, SEALED AND DELIVERED

by the Lessor in the presence of:

LESSOR Seal

WITNESS

LESSEE Seal

WITNESS

LESSEE

Per: _____

Per: _____

CONSENT OF SPOUSE

I, _____, being married to the above named _____ (the Grantor) do hereby give my consent to the disposition of our homestead, made in this instrument, and have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by the Dower Act to the extent necessary to give effect to the said disposition.

Spouse of the Grantor

CERTIFICATE OF ACKNOWLEDGMENT BY SPOUSE

1. This document was acknowledged before me by _____ apart from her husband (or his wife).
2. _____ acknowledged to me that she (or he),
 - (a) is aware of the nature of the disposition.
 - (b) is aware that the Dower Act gives her (or him) a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent.
 - (c) CONSENTS to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her (or him) by the Dower Act to the extent necessary to give effect to the said disposition.
 - (d) is executing the document freely and voluntarily without any compulsion on the part of her husband (or his wife).

Dated at _____, in the Province of Alberta, this _____ day of _____, A.D. 2 _____

A Commissioner for Oaths in and for the Province of Alberta