

STATUTORY RIGHT-OF-WAY AGREEMENT

WHEREAS:

A. @@ (the "Grantor") is or is entitled to become the registered owner of an estate in fee simple, subject, however, to such encumbrances, liens and interests as are endorsed thereon, in the lands more particularly described as follows:

@@

(the "Lands");

B. TERASEN PIPELINES (TRANS MOUNTAIN) INC., (the "Grantee") requires a right-of-way over the Lands for all purposes related to one or more pipelines situated or to be situated on the Lands and for all works of the Grantee reasonably required to be used in connection with or incidental to such pipeline or pipelines, including without limiting the generality of the foregoing, all branches, extensions, tanks, reservoirs, storage facilities, pumps, pump stations, racks, compressors, loading facilities, anode beds, valves, test caps, pipeline markers, interstation systems of communication by telephone, telegraph or radio, and real and personal property and works connected therewith (collectively, the "Works");

C. The Grantee acknowledges that the right-of-way hereinafter granted is necessary for the operation and maintenance of the Grantee's undertaking; and

D. The purpose of this Agreement is to establish the terms and conditions of the right-of-way as between the Grantor and the Grantee.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT:

In consideration of the premises and the covenants, promises and agreements set out below and in consideration of the sum of ONE DOLLAR (\$1.00) now paid to the Grantor by the Grantee and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Right-of-Way

The Grantor hereby grants, conveys and transfers unto the Grantee, its successors and assigns, the right, licence, liberty and privilege on, over, under and through that portion (the "Right-of-Way") of the Lands shown on the right-of-way plan registered at the Land Titles Office as Plan Number @@, a photo-reduced copy of which is attached hereto as Schedule "A", and containing @@ more or less, to lay down (including without limitation, to lay down an additional pipeline), construct, operate, maintain, enlarge, extend, renew, inspect, patrol (including aerial patrol), alter, remove, replace, reconstruct and repair the Works.

2. Access

The Grantor also hereby grants, conveys and transfers to the Grantee the right of ingress to and egress from the Right-of-Way over, across and through the Lands for the Grantee's employees, servants, agents, contractors and subcontractors or any other party authorized by the Grantee, with or without vehicles, equipment, supplies or other materials, as may be necessary or convenient in connection with or incidental to the exercise and enjoyment by the Grantee of the right, easement, licence, liberty and privilege herein granted;

PROVIDED ALWAYS that the Grantee, its employees, servants, agents, contractors and subcontractors or any other party authorized by the Grantee, shall only use the Right-of-Way for the purposes set out in this Agreement, and without restricting the generality of the foregoing, shall not obstruct or interfere or permit any person claiming under them to obstruct or interfere unnecessarily with the use of the Right-of-Way by the Grantor, and shall restore the surface of the Right-of-Way, the Lands and any improvements as nearly as practicable to the condition they were in prior to the commencement of any work by the Grantee hereunder.

3. Compensation for Damages

The Grantee shall compensate the Grantor for damage done to any existing buildings or improvements on the Lands or crops, timber and livestock on the Lands, by reason of the exercise of the rights herein granted.

4. Indemnification by Grantee

The Grantee shall indemnify the Grantor from all liabilities, damages, claims, suits and actions arising out of the operations of the Grantee other than liabilities, damages, claims, suits and actions resulting from the gross negligence or wilful misconduct of the Grantor.

5. Restrictions on Use by Grantor

The Grantor shall not:

- a) excavate, drill or dig any well, pit, hole, trench, ditch or excavation of any kind or nature;
- b) erect, build, construct or place any building, structure, erection, pipe, pole, tower, road, concrete pavement, foundation, improvement or thing of any kind or nature;
- c) place or remove any soil or other material of any kind or nature; or

- d) do or permit to be done anything which interferes with or impairs the operating efficiency of the Grantee's undertaking or obstruct access thereto,

on, in, under, through or over the Right-of-Way without the prior written consent of the Grantee, which consent may be arbitrarily withheld.

6. Property of the Grantee

Notwithstanding any rule of law or equity, all Works situate on, brought onto, laid or erected upon, or buried in or under the Right-of-Way by the Grantee shall at all times remain the property of the Grantee notwithstanding that the same may be annexed or affixed to the Lands, and shall at any time, and from time to time, be removable in whole or in part by the Grantee, its successors or assigns; PROVIDED ALWAYS that upon the discontinuance of the use of the Right-of-Way, the Grantee may at its option, with the consent of the Grantor, which consent shall not be unreasonably delayed or withheld, leave any or all of the Works in place.

7. Quiet Enjoyment

The Grantee, in performing and observing the covenants and conditions on its part to be observed and performed under this Agreement, shall and may peaceably hold and enjoy the rights, liberties and privileges hereby granted without hindrance, molestation or interruption on the part of the Grantor or of any person, firm or corporation claiming by, through, under or in trust for the Grantor.

8. Arbitration

In the event of any dispute between the parties that is not reconciled within 60 days, the same shall be determined by the arbitration of a single arbitrator or at the election of either party of three arbitrators pursuant to the provisions of the applicable provincial arbitration legislation, as amended or replaced from time to time. The decision of a single arbitrator or the majority of three arbitrators, as the case may be, shall from time to time be final and binding upon the parties. The arbitrator or arbitrators will be authorized to make a determination of and assess responsibility for the costs of the arbitration.

9. Notice

Any demand or notice which may be given pursuant to this Agreement will be in writing and delivered, telecopied or sent by postage prepaid mail and addressed to the parties as follows:

to the Grantor:

@ @

Attention: @@
Fax Number: @@

to the Grantee:

Terasen Pipelines (Trans Mountain) Inc.
7815 Shellmont Street
Burnaby, B.C. V5A 4S9

Attention: Land Agent

or such other address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by telecopy, or on the third business day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be delivered or sent by telecopy rather than mailed.

10. Further Assurances

The Grantor will, if so requested by the Grantee, execute such further and other assurances and documents of title in respect of the rights herein granted as may be requested by the Grantee from time to time.

11. Binding Effect

If it shall appear that at the date hereof the Grantor is not the sole owner of the Lands, this Agreement shall nevertheless bind the Grantor to the full extent of his interest therein and if the Grantor shall later acquire a greater or the entire interest, this Agreement shall likewise bind all such after-acquired interests. The Grantor, in entering into this Agreement, has the authority, and is acting as agent for, any other party having an interest in the Lands, who is hereby bound by this Agreement.

12. Enurement

The rights herein granted shall run with the Lands, and these presents, including all the covenants and conditions herein contained, shall extend to, be binding upon, and enure to the benefit of the Grantor and the Grantee and their respective successors and assigns; and wherever the singular or masculine is used, it shall be considered as if the plural or the feminine or the neuter, as the case may be, had been used, where the context or the party or parties hereto so require, and the rest of the sentence shall be construed as if the grammatical and terminological changes thereby rendered necessary had been made.

13. Severability

If any provision of this Agreement or any part thereof is determined to be invalid, it shall be severable and severed from this Agreement and the remainder of this Agreement shall be construed as if such invalid provision or part had been deleted from this Agreement.

14. No Waiver

No failure or delay on the part of the Grantee in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of **[Alberta/British Columbia]** and the Grantor and Grantee hereby agree to submit any dispute hereunder to, and to attorn to, the courts of **[Alberta/British Columbia]**.

SCHEDULE "A"

[Attach photo-reduced copy of Plan]