

CANADIAN ENERGY REGULATOR ACT ("ACT")

NOTICE PURSUANT TO SECTION 322(1) ("NOTICE")
RE: FREEHOLD RIGHT-OF-WAY AND TEMPORARY WORKSPACE

Date _____

TO: _____

(Being the registered owner of the **Lands** as hereinafter defined) (the "**Owner**")

AND TO: N/A

(Being other persons, so far as they can be ascertained, interested in the **Lands**)

Many Islands Pipe Lines (Canada) Limited (the "**Company**") hereby notifies you of the following:

1. DESCRIPTION OF LANDS REQUIRED FOR PIPELINE FACILITIES

The Company proposes to construct certain facilities, namely MIPL(C)L – PIERCELAND SUPPLY PROJECT (refer to attached project description) (the "**Pipeline Facilities**"), in, on, or across the lands in which you have an interest as described in Schedule A (the "**Lands**").

The Company requires rights in the nature of an easement or right-of-way, temporary workspace and an above ground structure (the "**Required Land Rights**") to construct and operate the Pipeline Facilities which will affect a portion of the Lands at the approximate location, and with the approximate dimensions as shown on the Individual Ownership Plans ("**IOPs**") attached as Schedule B (the "**Right-of-Way**", "**Temporary WorkSpace**" and "**Above Ground Structure**"). The Right-of-Way will contain approximately ___ hectares (___ acres). The Temporary Workspace will contain approximately ___ hectares (___ acres). The Above Ground Structure will contain approximately ___ hectares (___ acres).

2. DETAILED STATEMENT OF VALUE OF LANDS REQUIRED

In addition to considerations outlined in Section 327(2) of the Canada Energy Regulator Act (the "**Act**"), which factors are summarized in clause 5, *Description of Procedure for Determination of Compensation* of this notice, and having considered, as applicable, the current use of the Lands and neighbouring lands, any probable change in use of the Lands and neighbouring lands in light of current zoning laws and economic considerations, recent sales of similar lands in the vicinity of the Lands, and other relevant factors, the Company has determined that:

- the value of the portion of the Lands which comprises the **Right-Of-Way**, ignoring any residual value to the Owner, is _____ CDN Dollars (\$____) per hectare (_____ CDN Dollars (\$____) per acre); and
- the value of the portion of the Lands which comprises the **Temporary WorkSpace**, ignoring any residual value to the Owner, is _____ CDN Dollars (\$____) per hectare (_____ CDN Dollars (\$____) per acre); and

- the value of the portion of the Lands which comprises the **Above Ground Structure**, ignoring any residual value to the Owner, is _____ CDN Dollars (\$) _____ per hectare (_____ CDN Dollars (\$) _____) per acre).

The Company will require only the limited rights in the Right-of-Way, and Temporary Work Space which will be described in the Agreement and the Owner will continue to be able to use the Right-of-Way and Temporary Work Space subject to the conditions set out in the Agreement.

The Company will require all of the rights in the Above Ground Structure which will be described in the Agreement.

3. DETAILS OF COMPENSATION OFFERED

In consideration of the Owner granting the Required Land Rights to the Company on the terms and conditions contained in a land acquisition agreement to be entered into between the Owner and the Company (the "**Agreement**"):

The Company will offer to compensate the Owner based on the area of the Right-Of-Way calculated at the rate of _____ CDN Dollars (\$) _____ per hectare (_____ CDN Dollars (\$) _____) per acre). The actual area will be determined by a legal survey to be prepared by the Company at its sole expense. Based on the estimated area of the Right-of-Way of _____ hectares (_____ acres), the lump sum payment would be approximately _____ CDN Dollars (\$) _____).

The Company will offer to compensate the Owner based on the area of the Temporary Workspace calculated at the rate of _____ CDN Dollars (\$) _____ per hectare (_____ CDN Dollars (\$) _____) per acre). The actual area will be determined by a legal survey to be prepared by the Company at its sole expense. Based on the estimated area of the Temporary Workspace of _____ hectares (_____), the lump sum payment would be approximately _____ CDN Dollars (\$) _____).

The Company will offer to compensate the Owner based on the area of the Above Ground Structure calculated at the rate of _____ CDN Dollars (\$) _____ per hectare (_____ CDN Dollars (\$) _____) per acre). The actual area will be determined by a legal survey to be prepared by the Company at its sole expense. Based on the estimated area of the Above Ground Structure of _____ hectares (_____ acres), the lump sum payment would be approximately _____ CDN Dollars (\$) _____).

In accordance with the Canadian Energy Regulator Act (the "**Act**"), the Agreement will provide the Owner with the option of receiving compensation for the rights affecting the Required Land Rights by one (1) lump sum payment, or by annual or periodic payments of equal or different amounts, over a period of time. For example, if the Owner is to receive a total of _____ CDN Dollars (\$) _____, and wishes to select the option of annual payments of equal amounts over a ten (10) year period of time, the Company will offer to pay _____ CDN Dollars (\$) _____ on the date of the Agreement, and a further pay _____ CDN Dollars (\$) _____ on the anniversary of such date for the next nine (9) years.

The Agreement will also provide for a review every five (5) years regarding the amount of any compensation payable in respect of which annual or other periodic payments have been selected.

If any other person interested in the Required Land Rights claims to have a right to receive such compensation or a portion of the compensation, such person should promptly notify the Company in writing, setting out the particulars of any such claim.

4. DESCRIPTION OF PROCEDURE FOR APPROVAL OF DETAILED ROUTE OF PIPELINE

Sections 201 through 206 of the *Canadian Energy Regulator Act* (the "**Act**") establish a procedure for approval of the detailed route of a pipeline as outlined below.

After a pipeline company has submitted a plan to the Canada Energy Regulator (the "**Regulator**" or the "**Commission**") showing the proposed route of a pipeline, the pipeline company must serve notice pursuant to section 201 of the Act on all owners of lands that the pipeline company proposes to acquire and must also publish a notice describing the proposed detailed route of the pipeline and the location of the head office of the Regulator (the "**Detailed Route Process**").

The Regulator must publish on its website any notice of the Detailed Route Process that is published by the Company in a general circulation publication.

Within thirty (30) days of having been served with notice under section 201 of the Act, or within thirty (30) days of last publication of a notice, an owner of lands who anticipates that their lands may be adversely affected by the proposed detailed route of a pipeline may oppose the proposed detailed route by filing a written statement with the Regulator describing the nature of their interest in the lands and the grounds for their opposition to the proposed detailed route.

Where a written statement of opposition has been filed within the time limit, the Commission must, subject to certain exceptions, order that a public hearing be held. The Commission must select a region in which to hold the hearing that it considers convenient for persons who filed a written statement to attend, and must provide reasons for its selection, including the factors that it took into account.

The Commission must fix a suitable time and place for the hearing and cause notice of the time and place to be given by publishing it in at least one issue of a publication, if any, in general circulation within the area in which the lands are situated and by sending it to each person who filed a written statement.

At the time and place fixed for the hearing, the Commission must hold a hearing and must permit each person who filed a written statement to make representations and may, if the Commission considers it appropriate to do so, allow any other interested person to make representations before it.

The Commission or a person authorized by it may inspect the lands that are proposed to be acquired, leased, taken or used for, or that are affected by, the pipeline construction as the Commission considers necessary.

The Commission may at any time disregard a written statement filed under subsection 201(3) or (4) of the Act and is not required to take any action under this section with respect to that statement, if: the person who filed the statement files a notice of withdrawal with the Regulator; or the Commission considers that the statement is frivolous or vexatious or is not made in good faith. The Commission may approve a plan, profile and book of reference in respect of any section or part of a pipeline if no written statement under subsection 201(3) or (4) has been filed in respect of that section or part.

Subject to the preceding paragraph, the Commission must not approve a plan, profile and book of reference unless it has taken into account, in order to determine the best possible detailed route of the pipeline and the most appropriate methods and timing of its construction: all written statements filed under subsection 201(3) or (4); and all representations made to the Commission at a public hearing.

In any approval referred to in section 203 of the Act, the Commission may impose any conditions that it considers appropriate. If the Commission has held a public hearing under subsection 202(4) of the Act in respect of any section or part of a pipeline and approved or refused to approve a plan, profile and book of reference respecting that section or part, it must, without delay, forward a copy of its decision and the reasons for it to each person who made representations to the Commission at the public hearing.

The Commission may, by order, fix an amount that it considers reasonable in respect of the interim or final costs that are incurred by any person who made or will make representations to the Commission at a public hearing and that amount is payable, on an interim or final basis and without delay, to that person by the company whose pipeline route is the subject of the public hearing.

For greater certainty, the issuance of a certificate or the approval of a plan, profile and book of reference does not relieve the company from otherwise complying with this Act.

In some specific circumstances, section 211(3) and, more often, section 214 of the Act, permit the Commission to exempt a pipeline company from the Detailed Routing Process. The specific circumstances when the Commission may exempt a pipeline company under section 214 may include, for example, construction and operation of a pipeline of not more than forty (40) kilometres in length. If exempted, the Company generally does not have to file a PPBoR with the Commission showing the proposed route of a pipeline. Matters relating to the proposed pipeline route are considered in the Commission's section 214 approval process, and stakeholders may raise concerns with the Commission at that time.

The Company has filed, or will be filing, an application under section 214 for the construction of the Pipeline Facilities. Please consult the Act directly for a more detailed description of the procedure and exemptions summarized in part 4 of this Notice.

5. DESCRIPTION OF PROCEDURE FOR DETERMINATION OF COMPENSATION

Sections 327 through 332, inclusive, of the Act establish a procedure for determination of compensation in the event that an owner of lands and a pipeline company are unable to agree on any matter respecting to the compensation payable under the Act for the acquisition or lease of lands or for damages suffered as a result of the operations of the pipeline company, restriction on the use of the acquired land by the operation of section 335 of the Act or on any matter related to such compensation.

Those sections provide, in effect, that if a company and an owner of lands have not agreed on any matter relating to the compensation payable under this Part, the Commission, on application by a company or any owner, must, by order, determine that matter.

In determining any matter where a company and an owner of lands have not agreed on any matter relating to the compensation payable for the acquisition or lease of lands, the Commission must consider the following factors pursuant to Section 327(2) of the Act:

- the market value of the lands taken by the company (**market value** is the amount that would have been paid for the lands if, at the time of their taking, they had been sold in the open market by a willing seller to a willing buyer);

- if periodic payments are being made under an agreement or an order of the Commission, changes in the market value referred to in paragraph (a) since the agreement or order of the Commission or since the last review and adjustment of those payments, as the case may be;
- the loss of use to the owner of the lands taken by the company or whose use is otherwise restricted by the operation of section 335 of the Act;
- the adverse effect of the taking of the lands by the company on the remaining lands of an owner, including by restricting their use by the operation of section 335 of the Act;
- the nuisance, inconvenience and noise that may reasonably be expected to be caused by or arise from or in connection with the operations of the company;
- the damage to lands in the area of the lands taken by the company that might reasonably be expected to be caused by the operations of the company;
- loss of or damage to livestock or other personal property or movable affected by the operations of the company;
- any special difficulties in relocation of an owner or their property;
- any other factors that the Commission considers appropriate in the circumstances; and
- other prescribed factors that are prescribed under paragraph 333(e) of the Act

If the Commission makes an award of compensation in favour of a person whose lands are taken by a company, the Commission must, by order, direct, at the option of that person, that the compensation or any part of it be made by one lump sum payment or by periodic payments of equal or different amounts over a specified period of time.

If the Commission makes an award of compensation in favour of any person other than a person whose lands are taken by a company, the Commission may, by order, direct, at the request of that person, that the compensation or any part of it be made by periodic payments of equal or different amounts over a specified period of time and that there be a periodic review of the compensation or part of the compensation.

Every award of compensation made by the Commission in respect of lands acquired or leased by a company must include provision for the following matters that would be required to be included in a land acquisition or lease agreement referred to in section 321 of the Act:

- review every five years of the amount of any compensation payable in respect of which periodic payments have been selected;
- compensation for damages caused by the company's operations, pipelines or abandoned pipelines;
- in all regions with the exception of Quebec, indemnification from all liabilities, damages, claims, suits and actions resulting from the company's operations, pipelines or abandoned pipelines, other than liabilities, damages, claims, suits and actions resulting from the gross negligence or willful misconduct of the owner of the lands;
- restriction of the use of the lands to the line of pipe or other facility for which the lands are, by the agreement, specified to be required unless the owner of the lands consents to any proposed additional use at the time of the proposed additional use;
- compensation to the owner of the lands if the use of those lands is restricted by the operation of section 335 of the Act;
- compensation to the owner of the lands for any adverse effect on the remaining lands of the owner, including the restriction of their use by the operation of section 335 of the Act; and
- any additional terms that are, at the time the agreement is entered into, required to be included in it by any regulations made under paragraph 333(d) of the Act.

The Commission may, by order, direct a company to pay interest on the amount of any compensation awarded by the Commission at the lowest rate of interest quoted by banks to the most credit-worthy borrowers for prime business loans, as determined and published by the Bank of Canada for the month in which, as the case may be:

- the company entered the lands in respect of which the compensation is awarded; or
- the damages suffered as a result of the operations of the company first occurred

Interest may be additionally awarded from any later date that the Commission may specify in its award.

If the amount of compensation awarded to a person by the Commission exceeds 85% of the amount of compensation offered by the company, the company must pay all legal, appraisal and other costs determined by the Commission to have been reasonably incurred by that person in asserting that person's claim for compensation.

If the amount of compensation awarded to a person by the Commission does not exceed 85% of the amount of compensation offered by the company, the legal, appraisal and other costs incurred by that person in asserting their claim for compensation are at the discretion of the Commission, and the Commission may, by order, direct the company or any other party to the proceedings to pay the whole or any part of those costs.

The Commission must, within seven days after it makes a decision on an application, ensure that a copy of the decision is forwarded by mail to the company and to each other party to the proceeding.

If, at any time after a decision of the Commission has been made in respect of lands acquired or leased by a company, the parties affected enter into a land acquisition or lease agreement referred to in subsection 321(1) of the Act, the agreement supersedes the decision of the Commission.

The Regulator may, with the approval of the Governor in Council, make regulations respecting the acquisition, lease or taking of lands and compensation matters.

In addition to the above information, you may wish to consult the Act directly, or review the *Landowner's Guide to Land Agreements* which can be found on the CER's website using the following link: <https://www.cer-rec.gc.ca/prtcptn/lndwnrgdldndgrmnt/index-eng.html>

6. FURTHER COMMUNICATIONS

This Notice is not an offer, and does not obligate either you or the Company to enter into an agreement or any other agreement regarding the Lands.

A representative of the Company will contact you in due course to discuss the effect of the proposed Pipeline Facilities on the Lands in greater detail. At that time, the Company will provide formal Agreements to you for your consideration.

Contact Information

If you have any questions, please contact:

Millennium Land Ltd., agent for Many Islands Pipe Lines (Canada) Limited

C/o Bob Adams
118 3rd Avenue West
Kindersley, SK S0L 1S0
Email: bob@mland.ca
Tel: (306) 463-1002 (office)
Fax: (306) 463-4173
www.mland.ca

Many Islands Pipe Lines (Canada) Limited

700-1777 Victoria Avenue

Regina, SK S4P 4K5

Email: manyislands@saskenergy.com

Tel: (306) 570-1546

Fax: (306) 569-9444

Or

The **Canada Energy Regulator**

Suite 210, 517 Tenth Avenue SW

Calgary, Alberta T2R 0A8

<https://www.cer-rec.gc.ca/index-eng.html>

Many Islands Pipe Lines (Canada) Limited (Company)/ Agent for Many Islands Pipe Lines (Canada) Limited

Per: _____

Print Name: _____

Position Title: _____

Date: _____

SCHEDULE A

LANDS

Description of the Lands:

SCHEDULE B

INDIVIDUAL OWNERSHIP PLAN(S) ("IOP") and PLAN SHOWING PROPOSED SUBDIVISION

See attached IOP(s)