

## LANDSOLUTIONS LP

### GENERAL TERMS AND CONDITIONS

#### 1. Definitions

In these General Terms and Conditions and Schedule "A":

"**Agreement**" means, collectively, the Service Request, the Service Confirmation and the General Terms;

"**Applicable Law**" means all laws, statutes, regulations, rules, orders, by-laws, ordinances or other instruments enacted or issued by a Government Authority, and includes judgements, decrees, rulings or orders of courts, tribunals, commissions or other bodies of competent jurisdiction;

"**Bid**" has the meaning ascribed thereto in section 3(b) of Schedule "A";

"**Business Day**" means a day in Calgary other than a Saturday, Sunday, statutory holiday or other day when the chartered banks are not open for regular business;

"**Claim**" means any claim, action, demand, cause of action, suit, complaint, arbitration, investigation or other proceeding, whether existing or threatened, and whether advanced by a Governmental Authority or otherwise;

"**Client**" means the Party so identified in the Service Request;

"**Client Confidential Information**" means information of a confidential and proprietary nature pertaining to the business and undertaking of the Client, including but not limited to corporate, legal and technical information, and whether geophysical, geological, field related appraisals or evaluations, studies, field notes or otherwise, and includes information provided by LandSolutions to the Client pursuant to the Retainer;

"**Crown Land Sale**" means an offer by a Governmental Authority utilizing the public tender process for sale of interests in Crown owned mines and minerals;

"**Crown Land Services**" means any Services provided by or on behalf Land Solutions for the Client in respect of Crown Land Sales;

"**Crown Sale Terms**" means the terms and conditions provided for in Schedule "A" as amended from time to time;

"**Expenses**" means all out-of-pocket expenses incurred by LandSolutions in performance of the Services not otherwise included in the Fees, including, but not limited to, the securing of any necessary Permits;

"**Fees**" means the fees quoted in the Fee Schedule, or as may otherwise be confirmed in the Service Confirmation, which are payable by the Client to LandSolutions for performance of the Services;

"**Fee Schedule**" means the published schedule of rates issued by LandSolutions in effect from time to time or as may be agreed to in writing by the Parties;

"**Force Majeure**" means any occurrence beyond the reasonable control of the Party claiming suspension of its obligations hereunder, which has not been caused by the Party's negligence and which the Party was

unable to overcome by the continued exercise of due diligence, and includes, without limitation, an act of God, war, revolution, insurrection, blockade, riot, strike, lockout or other industrial disturbance, fire, lightning, extreme weather, storms, floods, explosions, accidents or restraints by a Governmental Authority;

"**General Terms**" means the terms and conditions set forth in this instrument as amended from time to time;

"**Governmental Authority**" means any:

- (a) government or any government entity or authority of any kind or nature, including but not limited to any governmental ministry, agency, branch, department and any municipality, court, regulatory board or other tribunal; or
- (b) individual or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, official, regulatory or taxing authority or like power of any nature,

in either case having jurisdiction or power over the Parties or the subject matter hereof under Applicable Law;

"**GST**" means the Goods and Services Tax provided for under Applicable Law;

"**HST**" means Harmonized Sales Tax provide for under Applicable Law;

"**Indemnified Parties**" means LandSolutions and its affiliates and their respective directors, officers, employees, consultants, contractors, sub-contractors or other representatives engaged in the provision of the Services;

"**Interest Rate**" means a rate of equal to or sum of the prime rate of interest charged by the HSBC Canada Bank to its preferred customers for commercial demand loans in Canada plus a rate of three (3%) percent;

"**Land Interests**" has the meaning ascribed thereto in section 2(a) of Schedule "A";

"**Losses and Liabilities**" means all fees, losses, costs, expenses, interest, charges, assessments, damages, liabilities, obligations, fines and penalties, including all reasonable costs incurred in investigating, defending or negotiating the settlement or resolution of any Claim or threatened Claim, or as determined by a Government Authority having jurisdiction, and specifically includes reasonable legal and other professional fees and expenses on a "solicitor and his own client" or comparable basis, regardless of whether the foregoing arise in, under or by virtue of Applicable Law, contract breach, negligence, strict liability, breach of duty or otherwise;

"**Parties**" means, collectively, LandSolutions and the Client and "**Party**" means either one of them;

"**Person**" means any individual, body corporate, partnership, joint venture, trust, trustee, executor, administrator, legal representative, Governmental Authority or any other entity capable of entering into legally binding contractual relations;

"**Permits**" means any licenses, permits or other approvals necessary to be obtained in order to perform the Services;

"**Posting**" has the meaning ascribed thereto in section 2(b) of Schedule "A";

"**Retainer**" means the retention by the Client of LandSolutions to perform the Services on the basis established by this Agreement;

"**Services**" means the services to be provided by LandSolutions on behalf of the Client as requested in the Service Request, and accepted and confirmed in the Service Confirmation, or upon such other basis as may be agreed to by the Parties;

"**Service Confirmation**" means the confirmation issued by LandSolutions indicating its acceptance of the Retainer;

"**Service Request**" means a request by the Client for performance of the Services; and

"**Third Person**" means a Person other than the Parties.

## **2. Interpretation**

### **(a) Governing Law and Attornment**

The Agreement is subject to and shall be governed and construed in accordance with the laws applicable in the Province of Alberta, and the Parties hereby irrevocably attorn to the jurisdiction of the Courts of Alberta and all the Courts of Appeal therefrom for the resolution of any disputes arising hereunder or in any way pertaining hereto.

### **(b) Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the Services and the performance by LandSolutions thereof on behalf of the Client. No amendments to this Agreement shall be binding unless made by instrument in writing duly executed by the Parties.

### **(c) Conflicts**

In the event of a conflict between a Service Request, a Service Confirmation and the General Terms the latter shall prevail to the extent of the conflict unless otherwise agreed in writing by the Parties.

### **(d) Effective Date**

This Agreement shall be effective upon the issuance by LandSolutions of a Service Confirmation.

### **(e) Currency**

All references herein to monies or funds shall be to Canadian Dollars unless otherwise agreed by the Parties in writing.

### **(f) Application of the General Terms**

The General Terms shall apply to all Services provided to the Client by or on behalf of LandSolutions.

**(g) Application of Crown Sale Terms**

The Crown Sale Terms shall, in addition to the General Terms, apply to all Crown Land Services provided to the Client by or on behalf of LandSolutions.

**(h) Relationship of the Parties**

The contractual relationship between the Parties is:

- (i) as a principal and agent with respect to all contracts, agreements or arrangements made by LandSolutions with any contractors, sub-contractors or other Persons in respect of the performance of the Services on behalf of the Client; and
- (ii) with LandSolutions as an independent contractor in respect of all other aspects of the Services.

**(i) Schedule "A"**

Schedule "A" is attached hereto and by this reference incorporated herein.

**(j) Use of Derivative Terms**

If a derivative form of a word or expression defined in this Agreement is used herein, then such derivative term shall have a corresponding meaning.

**(k) Preparation of Contract**

The legal principle of *contra-proferentum* shall not apply to the interpretation of this Agreement.

**3. Performance of the Services**

LandSolutions hereby agrees to provide the Services in a competent and professional manner in accordance with good oil and gas industry practices, Applicable Law and this Agreement. The Client shall provide or make available all resources as may be necessary to enable LandSolutions to provide the Services, including but not limited to any required Permits which LandSolutions has not agreed to obtain.

**4. Fees**

The Client shall pay all Fees applicable to, and Expenses incurred in respect of, the provision of the Services pursuant to this Agreement by or on behalf of LandSolutions at any time from the issuance of a Service Confirmation until the Services are completed or a termination occurs in accordance with the provisions of this Agreement.

**5. Invoices and Payment**

- (a) Subject to section 5(b) hereof, LandSolutions shall invoice the client for Fees and Expenses due and payable not less than on a monthly basis. Unless otherwise stated all invoices are due and payable thirty (30) days from the invoice date and, if payment is not made in full by the due date, the outstanding amount shall bear interest at the Interest Rate from the date due until paid in full.

- (b) LandSolutions may request an advance payment in respect of Services to be provided for the Client. Any amount paid in advance shall be credited against actual invoices when issued, or any surplus amount shall be refunded after the Services have been completed.
- (c) Any applicable GST or HST shall be added to the invoiced amounts in respect of the Services, and shall be paid to LandSolutions by the Client, and shall be received and paid by LandSolutions to the appropriate Governmental Authority, all in accordance with Applicable Law.

Unless expressly required by a Governmental Authority, no withholdings or other deductions shall be made by the Client from payment of the Fees for any taxes, fees, charges or expenses of any kind or nature.

## **6. Representations and Warranties**

LandSolutions and the Client each hereby represent and warrant to the other that:

- (a) it has the power, capacity and authority to enter into this Agreement on the terms and conditions set forth herein, to perform its obligations hereunder and has taken or will take all necessary action to authorize the Retainer;
- (b) the execution, delivery and performance of this Agreement does not and will not violate or conflict with the provisions of its incorporation, constitutional or other constating documents, nor any agreement, instrument or Applicable Law which applies to the Party or the subject matter hereof;
- (c) all Permits required for the performance of the Services to be provided by it have been, or will be, prior to commencement of performance of the Services, obtained and maintained in full force and effect throughout completion of the Services;
- (d) this Agreement and all other documents or instruments forming part hereof, or issued or otherwise pertaining hereto, shall, when executed and delivered by the Parties, constitute valid, legal and enforceable documents binding upon the Party, subject only to bankruptcy, insolvency, fraudulent preference, reorganization or other Applicable Laws affecting creditor rights generally, and the discretionary application of any general principles of equity; and
- (e) it is a resident of Canada within the meaning of the Income Tax Act (Canada), or if not has so advised the other Party in writing prior to commencement of the Services.

## **7. Term**

The Agreement shall continue in full force and effect until the Services are completed and all invoices are paid in full by the Client. If the Retainer is terminated by the Client before the Services have been completed it shall so Notify LandSolutions to that effect. Land Solutions shall be entitled to all Fees and Expenses applicable up to the time when the termination becomes effective.

## **8. Confidentiality**

LandSolutions shall:

- (a) hold, and cause its employees and representatives to hold, all Client Confidential Information in strict confidence;
- (b) not, without the Client's prior written approval, use Client's Confidential Information other than for performance of the Services;
- (c) not disclose any Client Confidential Information to anyone other than:
  - (i) the Client and its representatives, employees, contractors or sub-contractors or other Persons designated by the Client; and
  - (ii) employees, representatives, contractors and sub-contractors of LandSolutions, and then only to the extent that such Client Confidential Information is required to be disclosed in order for LandSolutions to effectively perform the Services; and
- (d) not disclose the Client's Confidential Information to any other Third Persons,

provided however, that the obligation of confidentiality set forth in this section 8 shall not apply to any Client Confidential Information which:

- (e) is known to the public through no act or omission of LandSolutions at the time of the acquisition or receipt thereof by LandSolutions;
- (f) subsequently becomes known to the public through no act or omission of LandSolution;  
or
- (g) was known to LandSolutions prior to this Retainer other than through a prior contractual relationship with the Client pursuant to which such Client Confidential Information was made known to LandSolutions;
- (h) was disclosed to LandSolutions by a Third Party not having a confidentiality obligation to the Client;
- (i) was created by LandSolutions independently of the Retainer; or
- (j) LandSolutions is required by Applicable Laws to disclose.

## **9. Privacy Laws**

In performance of the Services, LandSolutions shall use its commercially reasonable efforts to comply with all Applicable Laws pertaining to the protection of personal information, including but not limited to the Personal Information Protection and Electronic Documents Act (Canada) and the Personal Information Protection Act (Alberta) or any similar or like Applicable Law made or administered by any Governmental Authority.

## 10. Liability and Indemnity

LandSolutions shall not be liable to the Client in respect of any Claims or Losses and Liabilities suffered or incurred by it arising out of or in any way relating to the performance of the Services unless caused by the gross negligence or wilful misconduct of LandSolutions. In addition, when and to the extent the Services are to be provided on or in respect of property owned, operated or controlled by the Client or an operator on its behalf, the Client shall:

- (a) be liable to the Indemnified Parties and each of them for all Losses and Liabilities suffered or incurred by them; and as a separate and independent covenant,
- (b) indemnify and hold the Indemnified Parties and each of them harmless from and against any Claims and any Losses and Liabilities suffered or incurred in relation thereto,

arising out of or in any way relating to the Services or the performance thereof by the Indemnified Parties or any of them, except when and to the extent directly caused by or resulting from the gross negligence or wilful misconduct of the Indemnified Parties seeking indemnity or recovery of Losses and Liabilities, as the case may be, pursuant to this section 10.

## 11. Limitation on Liability

LandSolutions liability to the Client for any Claim or Damages shall not at any time, regardless of the cause thereof:

- (a) exceed the amount of the Fees paid in respect of the Services to which this Agreement applies;
- (b) include any special, indirect, incidental or consequential damages, whether for economic loss, loss of profit, loss of opportunity or otherwise; or
- (c) include any aggravated or punitive damages.

The Client hereby confirms its acknowledgment and agreement that the pricing of the Fees in this Agreement and the foregoing limitation on the liability of LandSolutions reflects an appropriate allocation of risk as between LandSolutions and the Client.

## 12. Assignment

This Agreement shall not be assigned by a Party without the prior written consent of the other Party.

## 13. Notices

- (a) All notices, communications and statements required, permitted or contemplated by this Agreement ("**Notices**") shall be in writing, and shall be delivered as follows:
  - (i) by personal delivery or courier service upon a Party at the address of such Party identified pursuant to section 13(b) or (c) hereof, in which case the Notice so served shall be deemed to have been received on the date of delivery if it occurs prior to 5:00 p.m. on a Business Day. If the actual delivery of such

Notice occurs after 5:00 p.m. on a Business Day, or upon a day that is not a Business Day, then such Notice shall be deemed to have been received on the first Business Day following the date on which such actual delivery was made; or

- (ii) by facsimile transmission, or other means by which a written or recorded message may be communicated electronically, to a Party to the fax or electronic address identified pursuant to section 13(b) or (c) hereof, in which case the Notice so transmitted shall be deemed to have been received when received in its entirety in a legible form if such transmission and receipt are completed prior to 5:00 p.m. on a Business Day. If such transmission and receipt are completed after 5:00 p.m. on a Business Day, or upon a day that is not a Business Day, then such notice shall be deemed to have been received on the first Business Day following the date on which such transmission and receipt were completed.

- (b) The address for service of Notice upon LandSolutions shall be as follows:

LandSolutions LP.  
 #200, 601-10th Avenue SW  
 Calgary, AB T2R 0B2  
 Email: shawnh@landsolutions.ca  
 Attention: Shawn Howard  
 Fax: (403) 290-0050

- (c) The address for service of Notice upon the Client shall be as set forth in the Service Request or other confirmation provided to LandSolutions.

A Party may from time to time change its address for service of Notices by giving written Notice of such change to the other Party in accordance herewith.

#### **14. Enurement**

The Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns

#### **15. Force Majeure**

Neither Party shall be liable to the other to the extent an event a Force Majeure prevents performance by it hereunder.

#### **16. Amendments**

No amendments to this Agreement shall be binding or have any effect unless made in writing and duly executed by the Parties.



**SCHEDULE A****CROWN SALE TERMS****1. Application of the Schedule**

The provisions of this Schedule shall, in addition to the General Terms, apply in respect of Crown Land Services provided by or on behalf of Land Solutions for the Client.

**2. Responsibilities of LandSolutions**

LandSolutions shall, when requested to provide Crown Land Services:

- (a) request confirmation of the land interests sought to be obtained by the Client (the "**Land Interests**");
- (b) request a posting of such Land Interests, or initiate whatever alternate processes as may be available to have the applicable Government Authority offer the Land Interests for public sale (a "**Posting**");
- (c) designate its representative (s) that will be involved in the provision of the Crown Land Sale Services; and
- (d) use its responsible efforts to keep the Client informed as the process and timing relating to the Crown Land Sale.

**3. Responsibilities of the Client:**

The Client shall, when it has requested Crown Land Services:

- (a) accurately describe the Land Interests sought to be obtained;
- (b) work with LandSolutions representatives in completing a posting or other like request relating to or including the Land Interests and in preparing any bid to be submitted at a Crown Land Sale for such Land Interest (a "**Bid**"); and
- (c) designate one or more individuals and their contact particulars who shall at all times be available to confirm instructions, review Postings, review Bid submissions and generally make and confirm, as applicable, all decisions relating to the Crown Land Sale, including but not limited to reviewing and approving the final form and content of any Bid to be made by LandSolutions on its behalf.

**4. Limitation on the Liabilities of LandSolutions**

LandSolutions accepts no liability or responsibility whatsoever for the content of any Posting requested or any Bid that may be made by LandSolutions on behalf of the Client, and the responsibility for each rests solely and exclusively with the Client.