

## WATER SUPPLY AGREEMENT

This Agreement made as of the mmm dd, 2023 (the “Effective Date”)

BETWEEN:

**SECURE ENERGY SERVICES INC.,**

a corporation formed under the laws of Alberta, with an office located at  
2300, 225 – 6<sup>th</sup> Avenue SW, Calgary, AB T2P 1N2  
 (“Secure”)

- AND -

**PEACE RIVER REGIONAL DISTRICT**

a regional district formed under the laws of British Columbia with an office located in  
Dawson Creek, British Columbia  
(the “PRRD” and together with Secure called the “Parties” and each a “Party”)

WHEREAS:

- A. Whitecap operates a Water Injection Pump Station (the “Plant”) in the Peace River Regional District on land legally described as LSD 15-26-84-14 W6M;
- B. For the purpose of operating the Plant, Whitecap uses water which it draws through a pipeline (the “Pipeline”) from wells (the “Wells”) located near the Peace River some distance from the Plant;
- C. Pursuant to a Water Supply License Agreement with an effective date of January 1, 2005 (the “Water Supply Agreement”), the previous operator of the Plant, Imperial Oil Resources (Imperial Oil), granted the Regional District the rights necessary to obtain water from Imperial Oil’s facilities in order to provide water to the public and other users;
- D. The Regional District entered into an agreement dated April 6, 2005, with Tervita Corporation (“Tervita” at the time known as CSS Energy Services) under which Tervita agreed to assist the Regional District in constructing water supply infrastructure in exchange for the Regional District providing Tervita with fresh water from the Pipeline to its Boundary Lake Facility and the Regional District continues to supply water to Tervita, now Secure Energy (“Secure”);
- E. Secure is registered to do business throughout Canada and is engaged in *inter alia*, providing waste management, environmental, construction and energy services.
- F. Secure is the owner and operator of the Boundary Lake Full Service Terminal located at 15-26-084-14 W6M in the province of British Columbia (the “FST”) and the FST uses fresh water sourced from the PRRD to operate (“Water”).
- G. The PRRD and Secure wish to replace the agreement dated April 6, 2005 and enter into this Water Supply Agreement in the manner set out below.

NOW THEREFORE in consideration of the mutual covenants, agreements and understandings hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### **1. Definitions.**

- (a) "Agreement" means this Water Supply Agreement between Secure and the PRRD, any documentation specifically incorporated by reference and any amendments hereto
- (b) "Alert System" has the meaning set out in Article 3 of this Agreement.
- (c) "Applicable Laws" means collectively all valid applicable common law, federal, provincial, state, municipal and other local laws, orders, rules, regulations and decisions of regulatory bodies, including, but not limited to, occupational health and safety, fire, employment insurance, workers' compensation, transportation of dangerous goods, environmental protection legislation, building codes and other governmental requirements, work practices and procedures prescribed by law.
- (d) "Claims" means any cause of action, account, lien of any kind whatsoever, claim, demand, lawsuit, audit, proceeding, or arbitration, including any proceeding or investigation by a Government Authority.
- (e) "FST" has the meaning set out in the recitals of this Agreement.
- (f) "Term" has the meaning set out at Article 2 of this Agreement.
- (g) "Party" or "Parties" has the meaning set out in the recitals of this Agreement.
- (h) "Rate" has the meaning set out in Article 5 of this Agreement.
- (i) "Water" has the meaning set out in the recitals of this Agreement.
- (j) "Work" has the meaning set out at Article 3 of this Agreement.

**2. Term.** This Agreement shall commence on the Effective Date and continue shall continue in full force and effect for five years, or in accordance with other amendment or termination provisions of this Agreement (the "**Term**").

### **3. Water Supply.**

**3.1.** The PRRD shall supply fresh water for Secure's operations of the FST (the "**Work**"). Secure shall measure volumes of water used via a facility meter at its own cost and expense. Secure will record and report volumes of water used to PRRD monthly. PRRD will issue Secure an invoice for the metered amount.

**3.2.** The PRRD shall not make any representations or warranties that the Water supply is fit for Secure's intended use.

**3.3.** The PRRD shall make reasonable efforts to notify Secure of any planned disruptions in advance of the disruption with 48 hours' notice prior to any scheduled down time.

**(a)** The PRRD shall provide notification of planned and emergency disruptions through its 'North East BC Emergency & Public Alerts' system (the "**Alert System**").

**(b)** Secure will subscribe and keep current their contacts on the 'Boundary Water Station' notification list of the PRRD's 'North East BC Emergency & Public Alerts' system in order to receive the notifications of service disruptions.

**3.4.** The PRRD shall make no commitment to the availability or volume of water supply. If the PRRD becomes aware of a disruption that will eliminate Water supply to the FST, the PRRD will make best efforts to notify Secure not more than 72 hours after they become aware of such a disruption through the Alert System or by email.

**4. Maintenance of Linear Infrastructure.** Any necessary repairs and maintenance to the linear infrastructure that supplies raw water from the PRRD Boundary Potable Water Bulk Fill Station to Secure is at the sole cost and discretion of Secure.

**5. Price and payment.** As the PRRD contributes towards Whitecap's operating costs for the provision of water, and as a contribution towards the PRRD's operating costs, Secure shall pay the PRRD equal to the amount charged by Whitecap to the PRRD equal to \$1.50/m<sup>3</sup> of water metered through the FST (includes water supplied and power consumption) (the "**Rate**"). Secure shall email the monthly water meter readings to the PRRD on or before the first Friday of each month. The PRRD shall invoice Secure quarterly (January, April, July, Oct) for documented water usage.

**5.1.** Under the PRRD's agreement with Whitecap, Whitecap may amend the charge for water set forth in the previous section with 12 months' prior written notice to the Regional District. The PRRD may subsequently amend the **Rate** set forth in section 5 upon 12 months' prior written notice to Secure. Secure will have the option to terminate this agreement with thirty day's notice to the PRRD in the event of a **Rate** change.

**6. PRRD Costs.** Any and all costs associated with the operation of the Boundary Potable Water Bulk Fill station including, and not inclusive of, permits, licensing, pumping, treatment, testing, sampling of the potable water shall be at the sole cost and expense of the PRRD.

**7. Secure Costs.** In the event Secure's use of the Water causes a disruption to the PRRD's ability to supply water to other users of the Boundary Potable Water Bulk Fill station, Secure agrees to indemnify the PRRD for direct, evidenced costs incurred by the PRRD as a result of the disruption. The PRRD will invoice Secure for such costs within 30 days of the disruption.

**8. Currency and Taxes.** Any monetary amount stated in the Agreement shall be in Canadian dollars. PRRD is exclusively liable for, and shall pay before delinquency, all custom duties, charges, taxes and other amounts owing related to the supply of water (other than GST and PST (if applicable) and indemnify Secure from all claims and liabilities arising from PRRD's failure to do so. PRRD represents and warrants that it is not a non-resident of Canada for purposes of the *Income Tax Act*.

**10. Liability and Indemnity.**

- (a)** Each of the Parties shall indemnify and hold harmless the other and its directors, officers, employees, agents representatives, affiliates and subsidiaries from and against any and all losses, damages, costs, claims, actions, suits, demands or proceedings whatsoever whether in respect to losses suffered or arising due to either's involvement as a party to this Agreement; or
- (b)** in respect to Claims made by third parties each Party agrees to indemnify the other for Claims that arise out of, or are attributable in any respect, to the Indemnified Party's involvement as a party to this Agreement, unless such Claim arises solely from gross negligence or willful misconduct of the indemnified Party.

- (c) In no event will either Party be liable for any lost profits or any form of indirect, exemplary, special, punitive, incidental or consequential damages of any character from any causes or action of any kind with respect to this Agreement, whether arising in tort (including negligence), contract or otherwise, even if the Party has been informed by the other in advance of the possibility of such damages.

**11. Termination.** If either Party:

- (a) commits any material breach or material default in the performance of this Agreement; and
- (b) the breach or default continues for a period of seven (7) calendar days after notice is delivered to the breaching Party, then the non-breaching Party may terminate this Agreement, with immediate effect, by giving notice to the breaching Party; or
- (c) Secure chooses to exercise its termination option given in section 5.1 hereto.

**12. Compliance with Safety and Environmental Laws and Regulations.** The PRRD shall be responsible and accountable for occupational health, safety and environmental matters related to the **Work** including but not limited to:

- (a) the safety of the PRRD's personnel, and any other person and all property affected by the Work; and
- (b) the provision of measures to prevent contamination of the environment whether air, ground, water, wildlife or nature, as a result of the Work.

**12.1.** The PRRD shall monitor and make reasonable efforts to ensure that all hazardous chemicals, materials, wastes or goods utilized in the **Work** are transported, stored, or used in accordance with good industry and environmental practice and all Applicable Laws.

**13. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable laws therein. The Parties attorn to the jurisdiction of the Courts of the Province of British Columbia.

**14. Waiver.** Any waiver by Secure of any breach of, or any default under, any provision of this Agreement shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement.

**15. Entire Agreement.** This Agreement constitutes the entire Agreement between the PRRD and Secure and there are no oral statements, representations, warranties or undertakings except as specifically set forth or incorporated herein. The PRRD understands that any terms and conditions issued with a service order to Secure, or other like document for the **Work**, will be null and void, and the terms and conditions herein will govern this Agreement. Without limiting the generality of the foregoing, this Agreement replaces all earlier agreements and understandings between the PRRD and Secure relating to the subject matter hereof.

**16. Amendment.** No amendment to this Agreement will be binding upon the Parties unless it is in writing and duly executed by the Parties.

**17. Severability.** If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms and provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the Parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties herein set forth.

**18. Notices.** Any notice or other communication to be given under this Agreement shall:

(a) be in English and in writing;

(b) be delivered by email to the parties as follows:

PRRD: prrd.dc@prrd.bc.ca; [environmental.services@prrd.bc.ca](mailto:environmental.services@prrd.bc.ca); AR@prrd.bc.ca

Attention: Environmental Services Department

Secure: [legalnotices@secure-energy.com](mailto:legalnotices@secure-energy.com) Attention: Legal Department

**19. Assignment.** Neither Party may assign or transfer any or all of its rights or obligations under this Agreement, in whole or in part, to a third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

**20. Enurement.** This Agreement shall enure to the benefit of and be binding upon the PRRD and Secure and their respective heirs, executors, legal representatives, administrators, successors and permitted assigns.

**21. Counterparts.** This Agreement may be executed in separate counterparts and delivered by email in electronic format or facsimile transmission, and all of the executed counterparts shall together constitute one instrument and shall have the same force and effect as if all of the persons executing such counterparts had executed the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement effective as of the day and year first written above.

Per: **SECURE ENERGY SERVICES INC.**

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Name:

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Title:

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Per: **PEACE RIVER REGIONAL DISTRICT**

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Name:

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Title:

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Per: **PEACE RIVER REGIONAL DISTRICT**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

