

THIS AGREEMENT DATED June 4, 1998.

BETWEEN:

THE CITY OF REGINA, a municipal corporation incorporated pursuant to the laws of Saskatchewan
(the "City")

- and -

BRANDT INDUSTRIES LTD., a body corporate having a registered office in the City of Regina, in the Province of Saskatchewan
(the "Purchaser")

THE PARTIES AGREE AS FOLLOWS:

1. The City shall, upon receiving the consent of the Rural Municipality of Sherwood, and upon the Purchaser fulfilling its covenants herein, permit the Purchaser to connect to the City Sanitary System, to service the land owned by the Purchaser, which land is legally described as:

Block C, SW1/4 Section 21, Township 17, Range 20 West of the 2nd Meridian
Plan No. 89R58974

(the "Land")

2. The Purchaser acknowledges that the City may:
 - (a) interrupt the sanitary sewer service to the Land in the event of:
 - (i) maintenance of the City's utility systems; or
 - (ii) emergency situations.
 - (b) permanently discontinue the sanitary sewer service to the Land in the event that:
 - (i) the service to the Purchaser poses operational concerns to the City; or
 - (ii) the Purchaser is in breach of any of the terms of this Agreement.

3. The Purchaser shall:

- (a) make application to the City Treasurer of the City of Regina for a sanitary sewer connection to the Land;
- (b) engage a Consulting Engineering firm, licensed in Saskatchewan, to undertake the design and provide complete supervision of the construction of the sanitary sewer line to the satisfaction of the Director of Municipal Engineering for the City of Regina (the "Director");
- (c) engage its own contractor to construct the sanitary sewer line to the Land:
 - (i) in accordance with City standards;
 - (ii) in accordance with the relevant Bylaws of the City; and
 - (iii) to the satisfaction of the Director;
- (d) attend to the proper and efficient screening of the sewage to be introduced into the City System;
- (e) install, maintain and regularly service approved oil and grease traps on all kitchen and shop sewer connections;
- (f) install, to the satisfaction of the Director, a flow measurement device and sampling locations;
- (g) maintain oxygen levels in the sewage, so as to avoid septic conditions at the point of entry into the City System;
- (h) locate and make adequate provision for all underground utilities which may be affected by the Purchaser's sanitary sewer line;
- (i) obtain all easements and approvals which may be necessary;
- (j) inquire of Saskatchewan Water Corporation whether the Purchaser requires permission to construct the sewer lines, and provide the City with a copy of any such permission or consent required by Saskatchewan Water Corporation;
- (k) submit to the Director within one (1) month of the completion of the sanitary sewer service line, a final plan at a scale satisfactory to the Director showing as built the said sanitary sewer line for the City records;

- (l) comply with all of the provisions of the City's Bylaws concerning connections as if the Land was within the City's boundaries;
 - (m) comply with all of the provisions of The Regina Sewer Service Bylaw, as amended from time to time, as if the Land was located within the City's boundaries, with such changes in context and grammar in the bylaws as the circumstances of this Agreement require;
 - (n) assume all liability for any claims for damages which may arise from the construction, operation or maintenance of the sanitary sewer line and to indemnify the City for any costs or payment which may arise by reason of any claim for damages or loss;
 - (o) agree that the volume of sewage transmitted to the City System shall not exceed 80 cubic meters during any 24 hour period;
 - (p) not permit roof or surface water or waters to enter the sanitary sewer line; and
 - (q) if so requested by the City, shut off the sewage flow so necessary repairs or maintenance of the sewage main may be carried out.
- 4.(1) Testing of samples for routine parameters shall be carried out by the City at the City's cost. Routine parameters for the purposes of this agreement are defined as B.O.D., C.O.D., pH, suspended solids, oil and grease, and phosphorous.
- (2) Testing of non-routine parameters, if requested by the City, shall be carried out by the Purchaser at the Purchaser's cost.
- (3) The City, including any authorized employee or agent of the City, shall be entitled to enter upon the Purchaser's Land and any sewer facility for the purpose of taking samples and/or performing inspections.
5. The Purchaser is liable to pay all costs with respect to the construction, maintenance and repair of the sanitary sewer line including engineering charges, materials, labour, permits and other costs.
6. The Purchaser shall pay to the City the charge for sewer service for out-of-town, commercial users as provided in the Sewer Service Bylaw, as it may be amended from time to time.

7. The City shall not be liable for any damages caused from or through the operation of either the sanitary sewer or for any flooding of the lands, or any other damage whatsoever arising from the sanitary sewer.
8.
 - (1) The sanitary sewer line constructed by the Purchaser under this Agreement shall be at all times the sole property of the Purchaser.
 - (2) The Purchaser shall be responsible for installing the line and thereafter maintaining the line (including any repairs to the line/main connections necessitated by any cause).
 - (3) In the event the service line ruptures or leaks and the Purchaser does not attend to the repairs thereof forthwith, the City may discontinue the sewer service until such time as the ruptured or leaking line is repaired by the Purchaser.
 - (4) In the event the service connection(s) fails, the City (or an agent of the City) may immediately attend to the repair thereof should the Purchaser fail to do so, and all reasonable costs of repairs effected by the City shall be paid by the Purchaser upon demand thereof by the City.
 - (5) The rights conferred upon the City under this section are in addition to and do not take away from any other general rights or remedies of the City pursuant to other provisions of the Agreement.
9. In the event the City annexes the Land, or any land through which the Purchaser's service line passes, the service line shall be deemed to be the sole property of the Purchaser and the Purchaser's obligations to maintain and repair shall continue unabated until such time as an alternate sanitary sewer service is extended to the Land.
10. The Purchaser expressly agrees and promises that he shall not allow any other person any access whatsoever to the sanitary sewer supplied under this Agreement, and that no connections to the service line shall be made without the review and prior written consent of the City.
11. The Purchaser's sanitary sewer line shall be the basis of a regional sanitary sewer system. Consideration will be given to allow future user connections to the Purchaser's sanitary sewer system. The conditions by which a connection would be allowed are as follows:
 - (a) The sanitary sewer system has sufficient capacity remaining to service the new connection.

- (b) The new user and the Purchaser can come to an agreement as to the ownership, operation and maintenance of the system.
 - (c) If the new user is to be included in the Purchaser's service billing, i.e. flow measurement, the written consent of the City shall be obtained as per Article 10.
 - (d) If the new user is to be metered separately, the user shall apply to the City and enter into a sewer service agreement with the City prior to making connection with the sanitary sewer system.
- 12(1) The City reserves the right and the Purchaser hereby consents to the tying into the sanitary sewer system by the City at some future date. In such case the Purchaser will provide such plans, details specifications and/or as-built drawings in the possession of the Purchaser and as may be required to facilitate the connection(s).
- (2) The joint use of the sanitary sewer system, and options to be exercised by the City are conditional upon sufficient capacity, or reasonable projection of capacity, being maintained in the system for the Purchaser's operation.
 - (3) In the event the City ties into the system pursuant to 12(1), the City will assume a fair portion of costs associated with ownership, operation and maintenance of the system, calculated on the basis of respective volume of flow. For the purposes of this paragraph, "costs associated with ownership" means the original capital cost of the system.
 - (4) Any tie-in pursuant to 12(1), or any upgrades or enhancements necessitated by the tie-in shall be at the City's cost.
 - (5) The Parties shall co-operate in the establishment of procedures for operations, including sampling, following any tying into the sanitary sewer system by the City.
- 13(1) This is an Agreement restricting the use of and/or conferring vested benefit to the Land and shall run with the land, subject to subsection (2).
- (2) In the event of a change in ownership or occupation of the Land, the new owner/occupier shall be bound by the provisions of this agreement. Notwithstanding the foregoing, the new owner/occupier shall complete an application for sewer service, and the City reserves the right to deny service, acting reasonably. Failure of the new owner/occupant to complete an application for sewer service shall entitle the City at its election to consider this agreement to be at an end.
 - (3) This Agreement is not assignable by either party, without prior written consent of the other party.

- (4) Nothing in this paragraph shall be construed as limiting the rights and remedies of the City with respect to the collection of sewer service billings.
- 14. Any provision hereof which may be held to be ultra vires shall be severable from the balance of this Agreement, and the Agreement, but for the severed provisions, shall otherwise continue in full force and effect.
- 15. The Purchaser and the City both agree that the plan attached hereto and marked Exhibit A shall form part of this Agreement and show the sanitary sewer line that is to be constructed.

THIS AGREEMENT executed on the date first above written by the affixing of the appropriate signatures for both parties.

THE CITY OF REGINA



City Clerk



THE CITY OF REGINA
SASKATCHEWAN CANADA

BRANDT INDUSTRIES LTD.


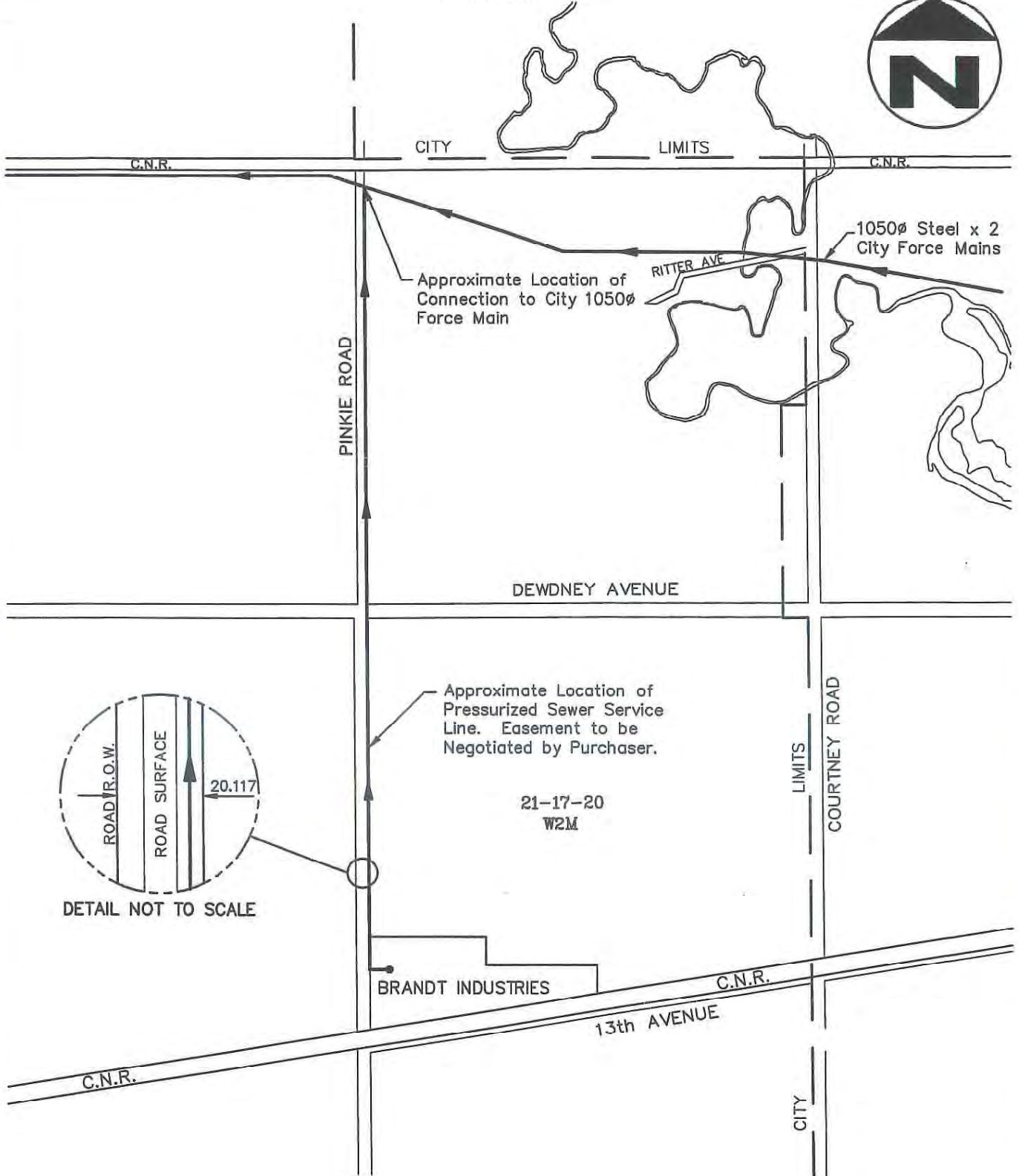


EXHIBIT A



city of **Regina**

Municipal Engineering Department

LOCATION PLAN

Proposed Brandt Industries Ltd
Pressurized Sewer Service Connection

			DATE: 05/22/98	SCALE: 1:20000	APPROVED BY:	FILE:
DATE	REVISIONS	BY	COMPUTER FILE: UG_1136		DIVISION MANAGER	DIRECTOR
						U: 859 B