

Saint-Charles-sur-Richelieu, le 8 décembre 2005

Ministère du Développement durable,
de l'Environnement et des Parcs
Direction des évaluations environnementales
Édifice Marie-Guyart, 6^e étage
675, boul. René-Lévesque Est
Québec (Québec)
G1R 5V7

À l'attention de Mme Diane Gagnon, ing., M.Sc.

Objet : Canterm Terminaux Canadiens inc.
Projet de construction de réservoirs additionnels
d'entreposage de produits liquides à Montréal-Est
Réponses aux questions soulevées sur l'addenda n° 3
Votre dossier : 3211-19-010
Notre dossier : 04-2523

Madame,

La présente fait suite aux questions et commentaires formulés par le ministère du Développement durable, de l'Environnement et des Parcs (MDDEP) suite au dépôt de l'addenda n° 3 (21 octobre 2005). Les réponses du promoteur sont présentées aux annexes qui accompagnent cette lettre. Le tableau suivant met en relation les avis reçus des différentes directions régionales du MDDEP et du ministère de la Santé et des Services sociaux (MSSS) avec les réponses présentées aux annexes.

ANNEXE	MINISTÈRE ET DIRECTION	NOM DU REPRÉSENTANT ET DATE DE L'AVIS
A	MDDEP, Direction des politiques en milieu terrestre, Service des lieux contaminés	• M. Richard Martel – 31 octobre 2005
	MDDEP, Direction régionale de l'analyse et de l'expertise de Montréal, Laval, Lanaudière et Laurentides	• M. André Antoine, ing. – 2 novembre 2005
B	MDDEP, Direction régionale du centre de contrôle environnemental du Québec, de Montréal, Laval, Lanaudière et Laurentides	• M. Sylvain Fagnant, technicien – 8 novembre 2005
C	MDDEP, Direction des évaluations environnementales	• Mme Marie-Claude Thériège, ing., M.Sc., - 8 novembre 2005
D	MSSS, Direction générale de la santé publique	• M. Jocelyn Lavigne, Ph.D. – 17 novembre 2005
		• Mme Julie Brodeur, M.Sc. – 17 novembre 2005

...2

N'hésitez pas à communiquer avec le soussigné pour tout renseignement supplémentaire.

Veillez agréer, Madame, l'expression de nos sentiments les meilleurs.

GROUPE CONSEIL UDA INC.


Claude Veilleux, ing. & agr.

CV/lb

p.j.

c.c. : M. Richard Pouliot, Canterm Terminaux Canadiens inc.
M^e Pierre B. Meunier, Fasken Martineau DuMoulin s.r.l.

ANNEXES

ANNEXE A



Canterm Terminaux Canadiens Inc.
Canterm Canadian Terminals Inc.
2775, avenue Georges V
Montréal-Est, Québec H1L 6J7
t : 514 645-6526 f : 514 645-8048
www.canterm.com

Montréal, le 5 Décembre 2005

M. Robert Joly
Chef du Service des projets
Industriels et en milieu nordique
**Ministère du Développement durable
de l'Environnement et des Parcs**
Édifice Marie-Guyart, 8^{ème} étage, boîte 83
Québec, G1R 5V7

N/Réf :3211-19-010

**Objet : Étude d'impact sur l'environnement relative au projet de
construction de réservoirs additionnels d'entreposage de
produits liquides à Montréal-Est- Caractérisation des sols**

Cher Monsieur,

La présente vise à répondre aux préoccupations des représentants du MDDEP concernant la compatibilité des sols des terrains visés par les travaux proposés avec l'usage futur de ceux-ci tel que prévu dans le projet faisant l'objet de la présente demande d'autorisation en vertu de l'article 31 de la Loi sur la qualité de l'environnement du Québec.

Advenant l'acceptation du projet et l'octroi d'une autorisation du Gouvernement permettant d'obtenir un Certificat d'autorisation en vertu de l'article 22 de la Loi, Canterm Terminaux Canadiens inc. s'engage à procéder à une étude de caractérisation environnementale Phase III et de réhabilitation, s'il y a lieu, selon les énoncés du « Guide de caractérisation des terrains » et les directives du MDDEP. Cet engagement serait rempli au fur à mesure de l'implantation du projet, dans les secteurs où les travaux seront effectués.

Veillez agréer, Monsieur, l'assurance de ma haute considération

A handwritten signature in black ink, appearing to read "R. Pouliot".

Richard Pouliot
Directeur

ANNEXE B

ANNEXE B

Les terminaux K-2 et K-5 ne sont pas encore construits, ce qui explique l'absence actuelle de mousse à ces endroits. Quant aux autres terminaux (K-1, K-3 et K-4), la mousse répond à différents besoins, ainsi en K-1, la mousse sert à alimenter les systèmes d'extinction internes des réservoirs d'essence.

Dans le cas de K-3, la présence de mousse en contenants de 5 gallons vise à fournir aux pompiers la mousse nécessaire pour débiter les travaux d'extinction en cas d'incendie lors du transfert de produit entre un navire et les réservoirs au sol.

Dans le cas du terminal K-4, le risque d'incendie est considéré beaucoup plus faible compte tenu de la nature des produits entreposés, d'où l'absence de mousse.

La stratégie de Canterm consiste donc à pourvoir les réservoirs à plus haut risque d'incendie (ex. : essence) de systèmes d'extinction à la mousse internes.

ECRC / SIMEC



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OIL HANDLING FACILITY MEMBERSHIP AGREEMENT

THIS OIL HANDLING FACILITY MEMBERSHIP AGREEMENT made as of the 8 day of December, 199, 2000

BETWEEN:

EASTERN CANADA RESPONSE CORPORATION LTD. Suite 1201 275 Slater Street Ottawa, Ontario K1P 5H9 ("ECRC")

- and -

CanTerm Canadian Terminals Inc. 2775 Georges V. Avenue Montréal-East (Quebec) H1L 6J7

(Name and Mailing Address of Operator of Oil Handling Facility) ("Operator")

WHEREAS:

A. The Canada Shipping Act, as amended, (the "Act") requires that operators of certain oil handling facilities have an arrangement with a certified response organization;

B. Operator wishes to put in place an arrangement for certain of Operator's oil handling facilities which it operates in ECRC's geographic area of response;

C. ECRC has obtained certification as a response organization with response capability for spills up to 10,000 tonnes within its geographic area of

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response and, as one or more of Operator's oil handling facilities is located within ECRC's geographic area of response, ECRC is able to provide an arrangement to Operator in respect of such facilities;

D. ECRC is also willing to provide to Operator marine spill response services which Operator may require from time to time;

NOW THEREFORE in consideration of the mutual agreements and covenants set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is mutually acknowledged) the parties covenant and agree as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

1.1 Definitions - For the purposes of this Agreement the following words and phrases will have the following meanings:

"Act" means the *Canada Shipping Act*, as amended;

"Advance Quarterly Payments" has the meaning ascribed to it in Section 5.1 of this Agreement;

"Agreement" means this agreement, all amendments and supplements to this agreement and all schedules to this agreement, including the following:

Schedule A	-	Member Oil Handling Facilities
Schedule B	-	Confirmation of Arrangement Form
Schedule C	-	Definition of Oil

"Atlantic Provinces" means the Provinces of Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island;

"Best Efforts" means all commercially reasonable efforts consistent with marine oil spill response industry practices considering available information and resources under circumstances, conditions (including weather and sea conditions) and factors existing at any relevant time;

"Bulk Oil Cargo" means Oil which is carried as cargo in a hold or tank that is part of the structure of a ship (which, for greater certainty, shall include a barge) without any intermediate form of containment;

"Bulk Oil Cargo Fee" has the meaning ascribed to it in Section 4.1 of this

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Agreement;

"Bulk Oil Cargo Fee Rate" means the rate which is used to establish the Bulk Oil Cargo Fee;

"Difference" has the meaning ascribed to it in Section 5.3 of this Agreement;

"ECRC Fees" has the meaning ascribed to it in Section 9.1 of this Agreement;

"Effective Date" has the meaning ascribed to it in Section 13.1 of this Agreement;

"ECRC's GAR" means the Waters of James Bay, Hudson Bay and Ungava Bay and the Waters in the Province of Quebec (including the St. Lawrence River from the western border of the primary area of response of Montreal to the Gulf of St. Lawrence) and in the Atlantic Provinces, excluding the Waters north of the 60th parallel of latitude and the primary areas of response of Saint John, N.B. and Point Tupper, N.S., as more fully described in the Response Organizations Standards issued pursuant to Subsection 660.6(1) of the Act;

"GAR" means the geographic area of response within which a response organization intends to offer its services;

"Initial Request" has the meaning ascribed to it in Section 7.2 of this Agreement;

"Initial Response" has the meaning ascribed to it in Section 7.2 of this Agreement;

"Initiation Fee" has the meaning ascribed to it in Section 6.1 of this Agreement;

"Lead Agency" means the Canadian Coast Guard or other agency that is designated by statute, inter-agency agreement, cabinet decision and/or custom and precedent to lead the response to a marine spill on behalf of the Canadian government;

"Marine Spill Response Services" means marine spill response services, including equipment, personnel and operational management, for the containment, recovery and clean-up (including preventative measures) of Oil spilled on or into water or spilled on water in connection with the loading or unloading of Oil from ships and, for greater certainty, does not include acting as on-scene commander, lightering of distressed vessels, involvement in third party

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damage claims or adjustments, or natural resource damage assessment;

"Member Oil Handling Facility" means an oil handling facility operated by Operator within ECRC's GAR or on lands adjacent thereto, and in respect of which an arrangement has been granted by ECRC to Operator under this Agreement;

"Membership Fees" means the Registration Fee, the Initiation Fee and the Bulk Oil Cargo Fees payable by Operator in respect of each Member Oil Handling Facility;

"Oil" means oil and those oil products described in Schedule "C" to this Agreement;

"Payment Period" has the meaning ascribed to it in Section 5.2 of this Agreement;

"Plan of Action" has the meaning ascribed to it in Section 7.5 of this Agreement;

"Quarter" means the three month periods ending March 31, June 30, September 30 and December 31 in any year;

"Registration Fee" has the meaning ascribed to it in Section 3.1 of this Agreement;

"Taxes" means the goods and services tax, or any equivalent or replacement thereof, payable by Operator and collectable by ECRC under the *Excise Tax Act* (Canada), or any other federal or any provincial legislation imposing a similar value-added or multi-stage tax, and any sales, use, or excise tax, duty, fee or levy, as applicable;

"Threshold" means Three Hundred Thousand (300,000) Tonnes;

"Tonne" means one thousand (1000) kilograms or two thousand, two hundred and four and six-tenths (2204.6) pounds;

"Waters" has the meaning ascribed to it in Section 660.2 of the Act, as amended from time to time;

"Work Order" has the meaning ascribed to it in Section 7.5 of this Agreement.

1.2 Construction - In this Agreement, except as otherwise expressly provided or as the context otherwise requires:

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(a) a reference to a numbered or lettered article, section, paragraph or clause refers to the article, section, paragraph or clause bearing that number or letter in this Agreement;

(b) the words "hereof", "herein", "hereunder" and similar expressions used in any provision of this Agreement will relate to the whole of this Agreement and not to that provision only, unless otherwise expressly provided; and

(c) all references to money amounts are to Canadian currency.

ARTICLE II. MEMBERSHIP

2.1 Membership Privileges - Upon payment of Membership Fees in accordance with the terms of this Agreement, Operator shall be entitled:

(a) where required for purposes of an oil pollution emergency plan (as referred to in the Act), to identify ECRC as the response organization with which Operator has an arrangement for its Member Oil Handling Facilities; and

(b) upon the occurrence of a spill of Oil on water within ECRC's GAR, to request ECRC to respond and provide Marine Spill Response Services for its Member Oil Handling Facilities.

2.2 Membership Fees - The Membership Fees are comprised of the Registration Fee, the Initiation Fee and the Bulk Oil Cargo Fees, the terms and conditions of which are set forth in Articles III, IV, V and VI of this Agreement.

2.3 More than One Facility - Where Operator operates more than one oil handling facility in ECRC's GAR or on lands adjacent thereto, and wishes to obtain an arrangement from ECRC in respect of more than one such oil handling facility, Operator shall pay ECRC Membership Fees in respect of each oil handling facility in respect of which an arrangement is to be granted under this Agreement. The list of Member Oil Handling Facilities is attached as Schedule "A" to this Agreement and Operator agrees that it will advise ECRC forthwith if there are any changes in the information contained in Schedule "A".

2.4 Confirmation of Arrangement Form - ECRC agrees to provide to Operator for each of the Member Oil Handling Facilities listed in Schedule "A" and for which applicable Registration Fees and Initiation Fees have been paid by Operator a confirmation of arrangement form which Operator may retain on site as evidence that the arrangement requested by Operator has been granted. The confirmation of arrangement form shall be in the form attached as Schedule "B" to

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this Agreement.

ARTICLE III. REGISTRATION FEE

3.1 Registration Fee - Operator shall pay to ECRC for each arrangement granted to Operator under this Agreement an annual registration fee of _____ Dollars (\$_____.00) (the "Registration Fee"), together with all applicable Taxes payable in connection with the Registration Fee.

3.2 Payment of Registration Fee -

(a) The initial Registration Fee for each Member Oil Handling Facility requiring an arrangement on the date hereof shall be due and payable on or prior to the Effective Date, and each subsequent Registration Fee shall be paid on or prior to the anniversary date of the Effective Date.

(b) For each Member Oil Handling Facility for which Operator requires an arrangement after the Effective Date, a Registration Fee shall be payable prior to the arrangement in respect of such Member Oil Handling Facility becoming effective, and thereafter the Registration Fee for such Member Oil Handling Facility shall be payable on or prior to each anniversary date of the date on which the Registration Fee was initially paid. In the case of Member Oil Handling Facilities in respect of which arrangements are required after the Effective Date and prior to an anniversary of an Effective Date, a new agreement on terms similar to the terms of this Agreement shall be signed.

3.3 Adjustment of Registration Fee - The Registration Fee shall be determined, and from time to time amended, in accordance with the provisions of the Act.

ARTICLE IV. BULK OIL CARGO FEES

4.1 Bulk Oil Cargo Fees - Operator shall pay to ECRC a bulk oil cargo fee (the "Bulk Oil Cargo Fee") in respect of all Bulk Oil Cargo which is unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at each of Operator's Member Oil Handling Facilities. The Bulk Oil Cargo Fee shall be calculated by obtaining the product of the number of Tonnes of Bulk Oil Cargo either unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facilities and the Bulk Oil Cargo Fee Rate, plus all applicable Taxes payable in connection with the Bulk Oil

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Cargo Fee.

4.2 Calculation of Volume - The volume of Bulk Oil Cargo which is unloaded or (in the case of Bulk Oil Cargo intended for an international destination) loaded at Operator's Member Oil Handling Facility shall for greater certainty mean:

(a) the volume of Bulk Oil Cargo measured in Tonnes at the shore side of the dock flange at Operator's Member Oil Handling Facility, without regard to title, unloaded from a ship to Operator's Member Oil Handling Facility; and

(b) the volume of Bulk Oil Cargo measured in Tonnes at the shore side of the dock flange at Operator's Member Oil Handling Facility, without regard to title, loaded onto a ship from Operator's Member Oil Handling Facility if such volume is intended for movement to an international destination.

4.3 Adjustments - The Bulk Oil Cargo Fee Rate and the calculation of volumes set forth in Section 4.2 of this Agreement, shall be determined, and from time to time amended, in accordance with the provisions of the Act.

4.4 Payment of Bulk Oil Cargo Fee - Except as otherwise provided in Article V of this Agreement, Bulk Oil Cargo Fees shall be payable by Operator within ten (10) days following the end of the month in which such volumes are unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facility. Any Bulk Oil Cargo Fees not paid in full within ten (10) days of the end of the relevant month will be charged interest on the outstanding amount at the rate of one per cent (1%) per month, or 12.6825% per year, commencing on the eleventh (11th) day following the end of the month in which such volumes were unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded.

4.5 Reporting Requirements - Operator shall within ten (10) days following the end of each month provide ECRC with a report containing the total volumes (on a facility by facility basis) of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at each of Operator's Member Oil Handling Facilities during the preceding month. ECRC agrees that the information provided to ECRC in respect of volumes of Bulk Oil Cargo shall remain confidential and will not be disclosed by ECRC, its directors, officers, agents or employees (including disclosure to any director, officer, agent or employee of ECRC not directly requiring such information to carry out his or her duties to ECRC) other than as part of the aggregate volumes of Bulk Oil Cargo of all members of ECRC.

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**ARTICLE V.
ADVANCE PAYMENT PROVISIONS**

5.1 Payments in Advance -

(a) Bulk Oil Cargo Fees shall be payable by Operator in respect of each Member Oil Handling Facility in advance in four (4) equal quarterly instalments (the "Advance Quarterly Payments") in those cases where the aggregate volumes of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facilities in the preceding calendar year exceed the Threshold, except where there has been a significant change affecting Operator's business which in ECRC's view is likely to reduce to below Threshold levels the volumes of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facilities in the subsequent year.

(b) Notwithstanding the provisions of Section 5.1(a), where volumes are not available for the preceding calendar year but the aggregate volumes of Bulk Oil Cargo forecast to be unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facilities for the forthcoming year exceed the Threshold, Operator shall be required to make Advance Quarterly Payments and comply with the provisions of Section 5.1(a) in all respects as though such volumes were available.

(c) The following provisions of this Article shall apply to Operator for each year in which the aggregate volumes of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facilities in a preceding calendar year exceed the Threshold.

5.2 Information Regarding Volumes of Oil - On or before February 15th of each year Operator shall provide to ECRC the total volumes (on a facility by facility basis) of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded by Operator at Operator's Member Oil Handling Facilities in the preceding calendar year. ECRC shall use this information for the following purposes:

(a) to calculate the Advance Quarterly Payments which will be payable by Operator for each of the Quarters in the following period commencing April 1 in any year and ending on March 31 of the next year (the "Payment Period"), each Advance Quarterly Payment to be payable on the first business day of the Quarter in respect of which the Advance Quarterly Payment is being made;

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(b) to determine the actual Bulk Oil Cargo Fees payable by Operator in respect of any Payment Period.

5.3 Differences Between Advance Payments and Actual Volumes - Where there is a difference between the sum of the Advance Quarterly Payments paid by Operator in respect of a preceding Payment Period and the actual Bulk Oil Cargo Fees calculated for the preceding calendar year (the "Difference"), the Difference shall be added or subtracted, as the case may be, to or from the sum of the Advance Quarterly Payments otherwise payable by Operator for the next Payment Period with the effect that each of the Advance Quarterly Payments in the next Payment Period shall be increased or decreased, as the case may be, by a quarter of the Difference. Unless otherwise agreed between the parties, no interest or carrying charges shall be payable by either party in respect of the Difference.

5.4 Start-Up Period - Notwithstanding the foregoing provisions, where the Effective Date of this Agreement is a date other than April 1 in any year, the portion of the first Payment Period in respect of which advance payments are payable shall be the period commencing on the Effective Date and ending on the first March 31 which follows the Effective Date. The portion of the preceding calendar year which shall be used as a measure for determining the advance payments to be made shall be the portion of the preceding calendar year which corresponds in number of days, and dates to the period between the Effective Date and the first March 31 which follows the Effective Date. Volumes of Oil unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded by Operator at Operator's Member Oil Handling Facility during such portion of the preceding year shall be provided to ECRC on or before the Effective Date. Advance payments will be payable by Operator on the Effective Date and on any of July 1, October 1 and January 1 (or, if such days are not business days, then on the first business day following such date) as fall within the period between the Effective Date and the first March 31 which follows the Effective Date. In all other respects, the provisions of Sections 5.1, 5.2 and 5.3 of this Agreement shall apply.

5.5 Interest - Subject always to Section 5.3, any Advance Quarterly Payment or other amount under this Article V which is not paid on or prior to its due date shall bear interest at the rate of one per cent (1%) per month, or 12.6825% per year, from the due date until paid.

ARTICLE VI. INITIATION FEE

6.1 Initiation Fee - An initiation fee (the "Initiation Fee") shall be payable by Operator in respect of each Member Oil Handling Facility. The Initiation Fee shall only be payable once during the period in which Operator operates each

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Member Oil Handling Facility, and shall be a fixed fee of _____ Dollars (\$) _____ for each Member Oil Handling Facility. The Initiation Fee shall be subject to any applicable Taxes payable in connection with the Initiation Fee.

6.2 Payment of Initiation Fee - For each Member Oil Handling Facility which Operator operates on the Effective Date the Initiation Fee shall be due and payable on or prior to the Effective Date. For each Member Oil Handling Facility in respect of which Operator requires an arrangement on an anniversary of the Effective Date, the Initiation Fee shall be payable on or prior to the anniversary date of the Effective Date. In the case of Member Oil Handling Facilities which require an arrangement after the Effective Date but prior to an anniversary of the Effective Date, a new agreement on terms similar to the terms of this Agreement shall be signed.

ARTICLE VII. MARINE SPILL RESPONSE SERVICES

7.1 Management and Control of Spill - Upon the occurrence within ECRC's GAR of a spill of Oil on Waters, Operator shall (where it has requested ECRC to respond to such spill) be responsible for the management and control of all response activities.

7.2 Initial Request and Response - If Operator requests ECRC to respond to a spill of Oil on Waters in ECRC's GAR ("Initial Request"), ECRC shall use its Best Efforts to provide a response ("Initial Response"). The Initial Request shall specify the approximate location and size of the spill, that the individual contacting ECRC is the person authorized to implement the arrangement, the name of the ship (if applicable), the type of Oil involved, the contract number assigned to this Agreement and the nature and extent of the Marine Spill Response Services required. If the Initial Request is not provided in writing, then it shall be confirmed in writing forthwith. Unless otherwise agreed between the parties, the Initial Response shall consist of the provision of Marine Spill Response Services for up to twenty-four (24) hours.

7.3 Twelve Hour Consultation -

(a) If within twelve (12) hours of the Initial Request ECRC and Operator agree that the clean-up can be completed in the course of the Initial Response, then ECRC shall continue providing Marine Spill Response Services until the spill is cleaned up.

(b) If within twelve (12) hours of the Initial Request ECRC and Operator agree that the clean-up cannot be completed within the course of the Initial

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Response, then Operator shall notify ECRC as to whether or not ECRC is to continue providing Marine Spill Response Services beyond the Initial Response.

7.4 No Further ECRC Response -

(a) If Operator has notified ECRC that Operator does not want ECRC to continue to provide Marine Spill Response Services beyond the Initial Response, then ECRC shall cease providing Marine Spill Response Services at the end of the Initial Response and ECRC shall in respect of such spill be under no obligation to provide further Marine Spill Response Services to Operator.

(b) If Operator has failed to notify ECRC within the initial twelve (12) hour period, and ECRC has been unable to obtain instructions from Operator, then ECRC shall be deemed to have been notified and requested to cease providing Marine Spill Response Services at the end of the Initial Response.

7.5 Response Beyond 24 Hours -

(a) If Operator has notified ECRC within the initial twelve (12) hours that Operator wishes ECRC to continue to provide Marine Spill Response Services beyond the twenty-four (24) hour period of the Initial Response then, by the end of the Initial Response, ECRC shall provide Operator with a plan of action ("Plan of Action") outlining the Marine Spill Response Services which in ECRC's opinion are required for the remainder of the initial seven (7) day period. Unless the parties otherwise agree, ECRC shall provide Operator with a Plan of Action for each subsequent seven (7) day period.

(b) Upon receipt of each Plan of Action, Operator shall determine the extent to which it wishes ECRC to perform the Marine Spill Response Services set forth in the Plan of Action, and the parties shall consult and agree on the Marine Spill Response Services which ECRC is to undertake and complete.

(c) The parties shall in respect of each Plan of Action evidence their agreement by signing a work order ("Work Order"). Each Work Order shall include a description of the Marine Spill Response Services to be performed by ECRC, an estimate of the ECRC Fees payable in connection with the Marine Spill Response Services, a facsimile number to which invoices may be sent to Operator, and any other information required under Section 9.3 of this Agreement.

(d) Upon being signed by both parties, a Work Order shall become an integral part of this Agreement.

(e) Plans of Action and Work Orders may be amended by the parties from

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time to time as circumstances require.

7.6 Competing Requests for Services -

(a) Notwithstanding any other provision of this Agreement, unless otherwise directed by the appropriate governmental Lead Agency, ECRC shall have no obligation to make Marine Spill Response Services available to Operator if the resources associated with the provision of such Marine Spill Response Services are already being provided to another party.

(b) In the event of contemporaneous or overlapping requests for Marine Spill Response Services, Operator acknowledges that ECRC shall respond to the competing requests as directed by the appropriate governmental Lead Agency.

7.7 Territory - ECRC agrees to provide Marine Spill Response Services in ECRC's GAR only.

7.8 Termination of Work - Notwithstanding any other term of this Agreement, each of the parties shall be entitled at any time to terminate the Marine Spill Response Services, or any portion thereof, being provided under this Agreement in any given case by giving notice to the other. Upon such notice being provided, ECRC shall cease to provide the Marine Spill Response Services or any portion thereof, and shall carry out any required demobilization activities, and Operator shall pay all outstanding ECRC Fees and Taxes.

7.9 Right to Subcontract - ECRC shall have the right without obtaining the consent of Operator to subcontract all or any portion of the Marine Spill Response Services to be provided under this Agreement.

7.10 Recovered Oil and Waste - The parties acknowledge that, notwithstanding any assistance which ECRC provides to Operator, ECRC shall not be responsible for the disposal of waste products.

ARTICLE VIII. PERFORMANCE OF SERVICES

8.1 Standard of ECRC Performance - Subject to the other terms and conditions of this Agreement, ECRC will use its Best Efforts to provide any Marine Spill Response Services requested by Operator pursuant to this Agreement in a manner which attempts to mitigate, remove or clean-up the applicable spill as effectively as practicable under the existing circumstances.

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8.2 ECRC Safety Obligations -

(a) ECRC shall observe, and shall require, to the extent of its authority, its employees, agents, contractors and subcontractors to observe, applicable safety laws and regulations and applicable ECRC safety policies and procedures (a copy of which policies and procedures ECRC will make available to Operator upon request). However, ECRC and Operator understand that:

- (i) actions carried out in a response in an Oil spill environment may be inherently dangerous and difficult; and
- (ii) rules and requirements that may be appropriate and applicable under normal circumstances may not be appropriate or applicable in a particular response situation.

Therefore, the provisions of this Section will not be interpreted in a manner that would hold ECRC to a standard that would be unreasonable under the actual conditions of a particular spill, and all ECRC actions carried out consistently with the directions of Operator or with approval of applicable safety officials will be deemed to be in compliance with this Section.

(b) ECRC shall, upon Operator's request, report to Operator as promptly as practicable under the circumstances any accidents associated with the performance of the Marine Spill Response Services resulting in or in ECRC's reasonable judgment possibly causing personal injury or death or property damage or loss. ECRC will, at Operator's expense, furnish Operator with copies of any final written reports and other factual information related to such accidents prepared by or for ECRC.

8.3 Operator Safety Obligations -

(a) Operator shall observe, and shall require, to the extent of its authority, its employees, agents, contractors and subcontractors to observe, applicable safety laws and regulations and (except in the case of ECRC which shall follow its own safety policies and procedures) applicable Operator safety policies and procedures (a copy of which policies and procedures Operator will make available to ECRC upon request).

(b) Operator will report to ECRC as promptly as practicable under the circumstances any accidents associated with or caused as the result of the performance of the Marine Spill Response Services resulting in or in Operator's reasonable judgment possibly causing any personal injury or death or property damage or loss. Operator will, at ECRC's expense, furnish ECRC with copies of any

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final written reports and other factual information related to such accidents prepared by or for Operator.

8.4 **Illegal, Unsafe or Improper Instructions** - If Operator instructs ECRC to take any action under this Agreement in a manner which would, based on the reasonable judgment of ECRC:

(a) be illegal (including an action that is illegal because it is fraudulent or deceptive);

(b) endanger the safety of any employee, agent, contractor or subcontractor of ECRC, or any third party or jeopardize the safety of any ECRC equipment in a manner not reasonable given the nature of the oil spill response industry; or

(c) be in violation of or breach this Agreement in any material respect;

then ECRC may refuse to follow such specific instruction by giving Operator oral (promptly confirmed in writing) or written notice of such refusal (specifying in reasonable detail the specific reason for such refusal). Any refusal under this Section of any obligation of ECRC to take any instructed action shall not affect any obligation of ECRC to take instructed actions under circumstances that would not result in the happening of the events specified in the preceding Subsections (a)-(c).

ARTICLE IX ECRC FEES AND PAYMENT

9.1 ECRC Fees -

(a) "ECRC Fees" means all reasonable fees charged by ECRC for carrying out Marine Spill Response Services including, but not limited to, equipment (owned, non-owned or leased) costs, overhead costs, salaries, wages and benefits paid to personnel, food, lodging and travel costs for personnel, fees paid to contractors, fees paid to mutual aid partners or any other parties and the costs of demobilization.

(b) Without limiting the foregoing, where ECRC has published a schedule of fees in respect of any of the items referred to in Section 9.1(a), the costs associated with those items will be in accordance with the most currently published schedule.

(c) Schedules of ECRC Fees are available upon request.

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9.2 Payment of ECRC Fees -

(a) Operator shall pay all reasonable ECRC Fees which are due and payable. Operator shall also be liable for and shall pay to ECRC an amount equal to any Taxes.

(b) ECRC shall submit an invoice to Operator for the ECRC Fees and Taxes incurred. Except as otherwise provided under Section 9.3 of this Agreement, any invoice submitted by ECRC pursuant to this Section shall be due and payable by Operator by the end of the fifth (5th) business day following receipt of the invoice by Operator and, subject to the terms of Section 9.5 of this Agreement, any invoice not paid in full by the end of the fifth (5th) business day following receipt of the invoice by Operator will be charged interest on the outstanding amount at the rate of one per cent (1%) per month, 12.6825% per year, commencing on the sixth (6th) day after the date of the invoice.

(c) Invoices may be submitted by facsimile and a facsimile copy of an invoice shall be deemed to be received by Operator at such time as is indicated on the receipt of confirmation notice received by ECRC for such facsimile.

9.3 Funding for Response Beyond 24 Hours -

(a) In those cases where the provisions of Section 7.5 (Response Beyond 24 Hours) apply, ECRC shall submit an invoice to Operator for the Marine Spill Response Services provided during the first twenty-four (24) hours following the Initial Request. Unless the parties otherwise agree, such invoice shall be paid by Operator by the end of the fifth (5th) business day following Operator's receipt of the invoice.

(b) After ECRC has submitted the initial invoice, Operator and ECRC shall agree on how Operator will fund the remainder of the initial seven (7) day period and, if applicable, each seven (7) day period thereafter during which it is anticipated that Marine Spill Response Services will be provided by ECRC. In reaching such agreement, Operator shall be required to satisfy ECRC that any method of funding will, when implemented, permit all invoices rendered by ECRC during the relevant period to be paid in full on such terms as are acceptable to ECRC under the circumstances. Any decision to accept any particular method of funding shall be solely within the discretion of ECRC. If the parties are unable to agree on a method of funding acceptable to ECRC, ECRC will require cash.

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(c) The parties shall set forth in each Work Order, or any amendment of a Work Order, their agreement as to funding and, in the event of any inconsistency between the provisions of a Work Order or any amendment thereof and this Agreement, the provisions of the Work Order or any amendment thereof shall govern.

(d) In the event that the parties are unable to agree on an acceptable means by which Marine Spill Response Services are to be funded in any seven (7) day period or portion thereof, ECRC shall cease to provide Marine Spill Response Services and shall carry out any required demobilization activities, and Operator shall pay all outstanding ECRC Fees and Taxes, including all ECRC Fees and Taxes set forth on any final invoice submitted by ECRC.

9.4 **Payments in Good Standing** - Marine Spill Response Services shall only be provided by ECRC if Operator has paid all outstanding Membership Fees, ECRC Fees and Taxes.

9.5 **Disputed Invoices** - If Operator objects to any item or statement shown on an invoice, Operator shall promptly notify ECRC of the dispute, specifying in reasonable detail the factual basis for the dispute and Operator shall pay to ECRC in accordance with the terms of this Agreement eighty per cent (80%) of the disputed invoiced amounts. The payment of eighty per cent (80%) of any invoiced amounts shall not prejudice Operator's right to object to or question such invoice, and such invoice shall be subject to adjustment for amounts included in the invoice which are ultimately determined not to be amounts for which Operator was obligated to pay ECRC under the terms of this Agreement. Operator shall be entitled to object to or question all invoices or matters related to it within thirty (30) days following the date of the invoice, or the date on which the last invoice under a Work Order is rendered, whichever is later. In the event of a dispute regarding an invoiced amount the parties shall use reasonable efforts to resolve such dispute but if the parties fail to resolve such dispute within a thirty (30) day period following receipt by ECRC of notice of a dispute in respect of any particular invoice, the dispute shall be referred to arbitration at Ottawa, Canada in accordance with the AMAC Maritime Arbitration Rules. The parties agree that any decision of an arbitrator appointed under the AMAC Maritime Arbitration Rules shall be final and binding. Where a dispute does not exceed Cdn. \$50,000 the AMAC small claims procedure (Rule 31) shall apply.

9.6 **Audits** - Operator shall have the right at all reasonable times and intervals to make such reasonable inspection or audit of such portion of the books and records maintained by ECRC as relate to the invoices submitted in respect of Marine Spill Response Services performed under the terms of this Agreement. ECRC shall make available to Operator such information and materials (including

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time sheets for personnel and equipment) as Operator may reasonably require to verify and substantiate the invoices provided by ECRC under this Agreement provided that ECRC shall be reimbursed by Operator for any costs incurred by ECRC in assisting Operator and ECRC Fees shall themselves not be subject to audit under the terms of this Agreement. In the event an audit indicates an error in the prior calculation of ECRC Fees or any portion of the ECRC Fees payable by Operator, ECRC and Operator shall promptly make the appropriate corrections and adjustments.

9.7 Fees Remain Payable - Operator's obligation to pay the fees payable under this Agreement is absolute and not subject to set-off, deduction or other reduction or counterclaim by reason of the non-availability of Marine Spill Response Services, force majeure described in Section 15.1, or any other event or circumstance which would otherwise effect a suspension or termination of the obligations of ECRC.

9.8 Currency - All fees payable under this Agreement shall be paid in Canadian currency.

ARTICLE X. REPRESENTATIONS AND WARRANTIES

10.1 Operator's Representations and Warranties - Operator represents and warrants to ECRC, with the intent that ECRC will rely upon such representations and warranties in entering into this Agreement, that:

(a) as of the Effective Date, the Member Oil Handling Facilities listed in Schedule "A" to this Agreement are the only oil handling facilities in respect of which an arrangement is required by Operator under the terms of this Agreement;

(b) Operator is a corporation duly incorporated and validly existing under the laws of its jurisdiction and has all necessary corporate power, authority and capacity to enter into and to carry out its obligations under this Agreement, and the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of Operator;

(c) Operator is not party to, bound or affected by or subject to any indenture, mortgage, lease, agreement, obligation, instrument, charter or by-law provision, statute, regulation, order, judgment, decree, licence, permit or law which would be violated, contravened, breached by, or under which default would occur as a result of the execution and delivery of this Agreement, or the performance by Operator of any of its obligations provided under this Agreement;

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(1%) per month, or 12.6825% per year, commencing on the date the discrepancy occurred.

ARTICLE XII. ALLOCATION OF RISK

12.1 Nature of Relationship - ECRC and Operator recognize and agree that, in connection with providing the Marine Spill Response Services under this Agreement:

(a) any Marine Spill Response Services provided under this Agreement are for the sole benefit of Operator;

(b) the extraordinary and emergency nature of the Marine Spill Response Services may require actions by ECRC that may give rise to a variety of claims;

(c) ECRC has based the charges for and availability of the Marine Spill Response Services to be provided under this Agreement on the premise that Operator, or anyone asserting rights on its behalf, will not challenge ECRC's right to be indemnified as provided in this Article XII.

Accordingly, ECRC and Operator fully understand and recognize and agree that the nature of the Marine Spill Response Services to be provided under the terms set forth in this Agreement make it appropriate, equitable and essential to provide for the allocation of the risks and liabilities, limitation of remedies, and the indemnification of ECRC and Operator as set forth in this Article XII.

12.2 Liability Between ECRC and Operator -

(a) ECRC and its directors, officers, agents, contractors, and employees shall have no liability to Operator, for:

- (i) any loss or damage caused to any person, property or the environment, of any nature or kind; or
- (ii) any liability arising as the result of the breach of any statute, regulation, rule, court order or other governmental or administrative decree having the force of law,

caused by any act or omission of Operator or any of Operator's directors, officers, contractors, agents or employees.

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(b) ECRC and its directors, officers, agents, contractors and employees shall have no liability to Operator, for:

- (i) any loss or damage caused to any persons, property or the environment, of any nature or kind; or
- (ii) any liability arising as the result of the breach of any statute, regulation, rule, court order or other governmental or administrative decree having the force of law,

caused by the act or omission of ECRC or any of its directors, officers, agents, contractors or employees or equipment unless such act or omission is a result of the gross negligence or the wilful misconduct of ECRC or any of its directors, officers, agents, contractors or employees.

(c) Operator shall indemnify, defend and hold harmless ECRC, its directors, officers, employees, contractors and agents from and against all claims, losses, damages, costs, expenses and other liabilities incurred by ECRC, its directors, officers, employees, contractors or agents as a result of ECRC's entering into of, or carrying out any obligations under, this Agreement, except where such claims, losses, damages, costs, expenses and other liabilities are incurred by ECRC, its directors, officers, employees, contractors or agents as a result of ECRC's own gross negligence or wilful misconduct, or the gross negligence or wilful misconduct of ECRC's directors, officers, agents, contractors or employees. Operator acknowledges that ECRC shall not be required to exhaust its recourses against any third party as a condition precedent to claiming indemnification under this section.

(d) ECRC shall indemnify, defend and hold harmless Operator and its directors, officers, employees and agents from and against all claims, losses, damages, costs, expenses and other liabilities incurred by Operator and its directors, officers, employees and agents as a result of the gross negligence or wilful misconduct of ECRC, its directors, officers, agents, contractors or employees.

12.3 Insurance - Operator shall carry and maintain in force during the term of this Agreement such insurance as is necessary to enable Operator to carry out its obligations under this Agreement. Upon ECRC's request, Operator shall furnish ECRC either with copies, certified by Operator's insurers, of such insurance policies or a certificate of insurance with respect to such insurance policies. Operator shall provide notice to ECRC forthwith in the event that Operator's insurance coverage is amended, or any portion thereof terminated or cancelled.

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ARTICLE XIII. TERM

13.1 Term - This Agreement shall come into force and effect as of the date indicated on the first page of this Agreement (the "Effective Date") and shall continue for a period of one (1) year beyond the Effective Date.

13.2 Renewal - This Agreement shall be automatically renewed for successive one (1) year terms unless one party gives notice to the other at least sixty (60) days prior to the date on which either the initial one year term is due to expire or any subsequent one (1) year term is due to expire that such party does not wish to renew the Agreement on the terms set forth herein.

ARTICLE XIV. TERMINATION

14.1 Termination by Either Party - This Agreement may be terminated by either party upon the provision of at least sixty (60) days prior written notice to the other party in accordance with the terms of Section 13.2 of this Agreement.

14.2 Termination by ECRC - This Agreement may be terminated by ECRC effective immediately upon notice to Operator:

(a) in the event that ECRC's certification as a response organization with 10,000 tonne rated capability is revoked;

(b) if Operator has failed to pay any Registration Fees, Initiation Fees, Bulk Oil Cargo Fees or any ECRC Fees or Taxes in accordance with the terms of this Agreement;

(c) if Operator has knowingly created or if, after learning of it, has failed to correct, a discrepancy between the actual volumes of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facility during a particular period and Operator's reported volumes of Bulk Oil Cargo unloaded or (in the case of Bulk Oil Cargo intended for international destinations) loaded at Operator's Member Oil Handling Facility in respect of the same period;

(d) Operator has become insolvent, commenced an act of bankruptcy, suspended business operations or has bankruptcy, dissolution, liquidation or winding-up proceedings commenced against it (unless such proceedings are actively and diligently contested in good faith on a timely basis); or

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(e) Operator has breached any representation or warranty or other term of this Agreement and failed to cure such breach within five (5) days after Operator received written notice from ECRC advising of such breach.

This right of termination is in addition to any of ECRC's rights and remedies under this Agreement and at law or in equity.

14.3 Termination by Operator - This Agreement may be terminated by Operator effective immediately upon notice to ECRC if Operator has ceased to require an arrangement for the Member Oil Handling Facilities within ECRC's GAR.

14.4 Consequences of Termination - Upon the termination of this Agreement:

(a) ECRC shall be entitled to advise the Canadian Coast Guard of such termination;

(b) all obligations of ECRC to Operator under this Agreement shall cease;

(c) ECRC shall cease to perform any Marine Spill Response Services for Operator; and

(d) Operator shall pay to ECRC any outstanding Membership Fees and ECRC Fees and Taxes, including all ECRC Fees and Taxes set forth in any final invoice submitted by ECRC.

14.5 No Reimbursement of Membership Fees - Operator shall not be entitled to receive a refund of all or any portion of the Membership Fees paid by Operator except where termination of this Agreement is due to the revocation by the relevant authorities of ECRC's certification as a response organization with 10,000 tonne rated capability in which case Registration Fees shall be refunded on a pro-rated basis and, if applicable, Advance Quarterly Payments exceeding Bulk Oil Cargo Fees owing shall be refunded in full.

14.6 Survival - Notwithstanding the termination of this Agreement by ECRC or Operator pursuant to this Article, the provisions of this Section, Section 14.4 and Articles IX, XI and XII shall survive any such termination.

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**ARTICLE XV.
FORCE MAJEURE**

15.1 Force Majeure - If during the term of this Agreement there should arise or occur any event or circumstance beyond the reasonable control of ECRC or Operator, including without limiting the generality of the foregoing, the action of government, flood, fire, strike, lock-out or other labour unrest, riot, civil unrest, terrorism, war (whether declared or undeclared), or an act of God, (but for greater certainty not including a shortage or lack of financing) which prevents, restricts or delays ECRC or Operator from duly performing any of its obligations under this Agreement, then during the period that such event or circumstance, or the effect thereof continues, performance by such party of such obligation will be suspended and excused to the extent that such party is so prevented, restricted or delayed.

15.2 Exception for Failure by Either Party - Neither party will be entitled to the benefits of the provisions of Section 15.1 if and to the extent that its inability to duly perform any obligation hereunder was caused or contributed to by its failure to act in a reasonable and prudent manner under the circumstances.

15.3 Other Aspects of Force Majeure - The obligations of the party relying on Section 15.1 shall be suspended during any period of force majeure. The performance of this Agreement shall be resumed as soon as practicable after force majeure has ceased.

**ARTICLE XVI.
GENERAL PROVISIONS**

16.1 Time - Time is of the essence of this Agreement.

16.2 Notices - All notices required or permitted to be given to a party under this Agreement shall be in writing and delivered by hand, mailed by registered first-class airmail postage prepaid, or sent by facsimile to the party's address shown on page one (1) of this Agreement.

Any such notice shall be deemed to have been given and received:

- (a) if delivered, on the date on which it was delivered;
- (b) if mailed, on the fifth (5th) business day following the day it was posted; or
- (c) if given by facsimile, on the date and at the time indicated on the receipt of confirmation form received for such facsimile.

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No party shall mail any notice during any period when postal workers are on strike or if a strike is imminent. Either party may change its address by giving notice of the change to the other party.

16.3 Amendments to Agreement - Subject to Section 16.4, this Agreement may not be amended except in writing executed by all the parties.

16.4 Amendments to Schedules - The Schedules to this Agreement form an integral part of this Agreement. The Schedules may be amended or replaced from time to time by the parties who will evidence their approval thereof by initialling a new Schedule dated as of the effective date of such amendment or replacement.

16.5 Independent Contractor - ECRC is an independent contractor in the performance of its obligations under this Agreement and neither ECRC nor ECRC's employees, agents, contractors or subcontractors shall be considered employees of Operator.

16.6 Further Assurances - Each party will, at its own expense and without expense to any other party, execute and deliver such further agreements, deeds, instruments and documents, and do such further acts as the other party reasonably requests for the purpose of evidencing, carrying out and giving full force and effect to the intent of this Agreement.

16.7 Benefit of Agreement - This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

16.8 Entire Agreement - The provisions of this Agreement, including the schedules to this Agreement, constitute the entire agreement between the parties respecting the subject matter of this Agreement and supersede all previous understandings and agreements, whether verbal or written, between the parties with respect thereto.

16.9 English Language - It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Il est la volonté expresse des parties que cette convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

16.10 Governing Law - This Agreement shall be interpreted in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

16.11 Assignment - This Agreement shall not be assigned by Operator without the prior written consent of ECRC, and any attempt to so assign it shall be

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null and void.

16.12 Severability - Each provision of this Agreement is intended to be severable and accordingly the invalidity or unenforceability of any particular provision will not affect the validity or enforceability of any other provision except that if, on the reasonable construction of this Agreement as a whole, the applicability of the other provision is expressly stated, or by reasonable implication intended by the parties, to be dependant on the validity and enforceability of the particular provision, the other provision will be deemed also to be invalid or unenforceable.


16.13 Execution in Counterparts - This Agreement may be executed in one or more counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same Agreement and notwithstanding their date of execution shall be deemed to be executed on the day first above written.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

EASTERN CANADA RESPONSE CORPORATION LTD.

Operator of Oil Handling Facility

By: _____
(Authorized Signatory)

By:  _____
(Authorized Signatory)

(Print Name)

KANED MARK
(Print Name)

(Date)

December 8th, 2000
(Date)



Contract No.

SCHEDULE "A"
MEMBER OIL HANDLING FACILITIES

Montreal Terminal:

9997 Hochelaga Street
Montreal-East (Quebec)
H1L 6J7

Telephone: (514) 645-6526
Facsimilie: (514) 645-5923

Quebec Terminal:

Section 51
Rue Montée des 50
Battures de Beauport
Québec (Québec)
G1K 8H4

Telephone: (418) 660-6526
Facsimilie: (418) 660-6031



Contract No.

SCHEDULE "B"
CONFIRMATION OF ARRANGEMENT FORM

EASTERN CANADA RESPONSE CORPORATION LTD.
1201-1275 Slater Street, Ottawa, Ontario K1P 5H9
Emergency Contact No: (613) 930-9690

OIL HANDLING FACILITY MEMBERSHIP AGREEMENT
AND CONFIRMATION OF ARRANGEMENT
(UNDER SECTION 660.2(4) OF CANADA SHIPPING ACT)

CanTerm Canadian Terminals Inc.
(Oil Handling Facility Operator)
2775 Georges V. Avenue
Montreal-East (Quebec) H1L 6J7
(Oil Handling Facility Operator Mailing Address)
Jocelyn Potvin
Section 51, Rue Montée des 50
Battures de Beauport, Quebec (QC)

(Person Authorized to Implement Arrangement)

(Address of Person Authorized to Implement Arrangement)

(418) 660-6526
(Tel. No. of Person Authorized to Implement Arrangement)

(418) 660-6031
(Fax No. of Person Authorized to Implement Arrangement)

This document confirms that, effective upon execution of an agreement between Eastern Canada Response Corporation Ltd. ("ECRC") and Oil Handling Facility Operator ("Effective Date"), and subject to the terms of that agreement, Oil Handling Facility Operator shall, in accordance with the terms of Section 660.2(4) of the Canada Shipping Act (as amended) (the "Act") and in respect of the facility named above, have an arrangement with ECRC, a certified response organization with a 10,000 tonne rated capability.

THE TERMS AND CONDITIONS OF THIS ARRANGEMENT ARE SET FORTH IN AN OIL HANDLING FACILITIES MEMBERSHIP AGREEMENT BETWEEN ECRC AND OIL HANDLING FACILITY OPERATOR AND CONSTITUTE AN INTEGRAL PART OF SUCH AGREEMENT.

EASTERN CANADA RESPONSE CORPORATION LTD.

By: _____
(Authorized Signatory)

(Print Name)

(Date)

(Oil Handling Facility Operator)
By: [Signature]
(Authorized Signatory)

Jocelyn Potvin
(Print Name) Terminal Manager

December 08th, 2000
(Date)



Contract No.

SCHEDULE "B"
CONFIRMATION OF ARRANGEMENT FORM

EASTERN CANADA RESPONSE CORPORATION LTD.
1201-1275 Slater Street, Ottawa, Ontario K1P 5H9
Emergency Contact No: (613) 930-9690

OIL HANDLING FACILITY MEMBERSHIP AGREEMENT
AND CONFIRMATION OF ARRANGEMENT
(UNDER SECTION 660.2(4) OF CANADA SHIPPING ACT)

CanTerm Canadian Terminals Inc.
(Oil Handling Facility Operator)
2775 Georges V. Avenue
Montreal-East (Quebec) H1L 6J7
(Oil Handling Facility Operator Mailing Address)

Facility Address: _____
Montreal Terminal
(see schedule A)

Mark S. Kaneb
(Person Authorized to Implement Arrangement)
9997 Hochelaga Street
Montreal-East (Quebec) H1L 6J7
(Address of Person Authorized to Implement Arrangement)

Term of Coverage: 1 year
Effective Date: _____
End Date: _____

(514) 645-6526 (Ext. # 307)
(Tel. No. of Person Authorized to Implement Arrangement)
(514) 645-8048
(Fax No. of Person Authorized to Implement Arrangement)

Geographic Area of Response:
For purposes of this document, geographic area of response means the Waters of James Bay, Hudson Bay and Ungava Bay and the Waters in the Province of Quebec (including the St. Lawrence River from the Western border of the primary area of response of Montreal to the Gulf of St. Lawrence) and in the Atlantic Provinces, excluding the Waters north of the 60th parallel of latitude and the primary areas of response of Saint John, N.B. and Point Tupper, N.S., as more fully described in the Response Organizations Standards issued pursuant to Subsection 660.6(1) of the Act. "Waters" has the meaning ascribed to it in Section 660.2 of the Act, as amended from time to time.

This document confirms that, effective upon execution of an agreement between Eastern Canada Response Corporation Ltd. ("ECRC") and Oil Handling Facility Operator ("Effective Date"), and subject to the terms of that agreement, Oil Handling Facility Operator shall, in accordance with the terms of Section 660.2(4) of the Canada Shipping Act (as amended) (the "Act") and in respect of the facility named above, have an arrangement with ECRC, a certified response organization with a 10,000 tonne rated capability.


THE TERMS AND CONDITIONS OF THIS ARRANGEMENT ARE SET FORTH IN AN OIL HANDLING FACILITIES MEMBERSHIP AGREEMENT BETWEEN ECRC AND OIL HANDLING FACILITY OPERATOR AND CONSTITUTE AN INTEGRAL PART OF SUCH AGREEMENT.

EASTERN CANADA RESPONSE CORPORATION LTD.

By: _____
(Authorized Signatory)

(Print Name)

(Date)

(Oil Handling Facility Operator)
By: 
(Authorized Signatory)
Mark S. Kaneb, President &
(Print Name) C.O.O.
December 28th, 2000
(Date)

SCHEDULE A

PAYMENT INFORMATION

The following bank information may be used to transfer funds directly into our account.

EASTERN CANADA RESPONSE CORPORATION LTD

Toronto Dominion Bank
106 Sparks Street
Ottawa, Ontario
CANADA K1P 5S8

Wire Transfer c/o
Swift Address TDOMCATTOR
Transit 32326-004
Bank Account # 0260-5208163

OR

You may make cheques or money orders payable as follows:

Eastern Canada Response Corporation Ltd.

NOTE:

For all payments please be sure to indicate which vessel your cheque or wire transfer pertains to.

Please be sure that sufficient funds are sent to cover all fees charged to execute the wire transfer



Eastern Canada Response Corporation Ltd.

Mr. Martyn John Cully
Canterm Canadian Terminals Inc.

October 15, 2005

9997 rue Hochelaga

Montréal-Est, QC CANADA H1L 2S1

Fax: 1-514-645-5923

Contract: E003-00012

Expiration Date: December 8, 2005

Dear Mr. Cully

The above Membership Agreement currently in effect between The Eastern Canada Response Corporation Ltd. "Quebec/Maritimes Region & Newfoundland Region" and the Company named above will expire as indicated.

In accordance with the provisions of the Agreement, it shall be automatically renewed for successive one-year terms unless:

- (a) One party gives notice to the other at least 60 days prior to the date on which either the initial or any subsequent one-year term is due to expire that such party does not wish to renew the Agreement, or
- (b) Owner has failed to pay any fees when due.

Accordingly, kindly forward the following:

1. A completed renewal form by fax (we do not require an original ink copy) making any modifications directly on the form, and
2. The required amount made payable to ECRC based on the annual registration fee of \$450.00 CAD plus applicable taxes per facility listed in the attached renewal form. Payment can be forwarded via Canadian Cheque, Bank Draft or Bank Wire Transfer.
*** Our banking details can be viewed via our website: <http://www.ecrc.ca/en/pdf/memfees/BankInfo.pdf>

Please note that the "Person Authorized to Implement Arrangement" must have a 24-hour phone number. Also, it would be helpful to have more than one Person Authorized to Implement Arrangement.

The renewal will be confirmed by fax upon receipt of the completed renewal form and payment in full.

We look forward to providing your company with continued service. Please do not hesitate to contact us at 613-230-7369 Ext. 308 if you have any questions or require additional information.

Sincerely,

Marie-Dunlop Ann Therrien
Contracts Administrator

~~mdunlop@ecrc.ca~~ atherrien@ecrc.ca

RENEWAL FORM

This renewal form is incorporated into and forms an integral part of Contract **E003-00012**

The parties agree that an Agreement shall be granted by The Eastern Canada Response Corporation Ltd. "Quebec/Maritimes Region & Newfoundland Region" in respect to the following facility(ies) and that, in all respects, the terms of the Agreement shall apply to such facility(ies):

<u>Facility(ies)</u>	<u>Authorized to Implement Arrangement</u>	<u>Authorized Telephone No.</u>
MONTREAL TERMINAL, 9894 STE-JULIE, SECTION 94 DU PORT DE MONTREAL	Mark S. Kaneb	1-514-845-6526 1-418-660-6526
	Martyn John Cully	1-514-845-6525 ext 310 1-514-912-7899
QUEBEC TERMINAL SECTION 51, RUE MONTEE DES 50, BATTURES DE BEAUPORT QC	Mark S. Kaneb	1-514-845-6526 1-418-660-6526
	Martyn John Cully	1-514-845-6525 ext 310 1-514-912-7899

Term of Coverage:

Renewal Effective Date: December 9, 2005
Expiration Date: December 8, 2006

Applicable





Montréal, 6 décembre, 2005

M. Richard Pouliot
CanTerm Canadian Terminal Inc.
2775 avenue Georges V
Montréal-Est, (Québec)
H1L 6J7

Monsieur Pouliot

La présente est pour vous informer qu'ONYX offre en plus des services de nettoyage industriel tel que nettoyage de réservoirs de tous genres avec des unités de vacuum et haute pression, le nettoyage de lignes avec la haute ou basse pression, disposition de matières dangereuses, boues etc. nous offrons aussi les services d'intervention d'urgence.

Ce service est disponible sept jours semaine et 24 sur 24 en composant le 800-465-0911. Nous couvrons tous les genres de produits sauf : les explosifs, les gaz et les produits radioactifs.

Notre équipe d'intervention est composée de techniciens Haz-Mat formée selon les normes NFPA 471.

Je vous joins aussi notre liste de prix pour 2006, qui est sujet à changement.

Espérant le tous conforme à votre satisfaction.

A handwritten signature in black ink, appearing to read "Pierre Richard", written over a horizontal line.

Pierre Richard
Directeur des urgences
et de la conformité

Cc. Pascal Conac

ANNEXE C

ANNEXE C

Fiche de calcul pour le scénario normalisé lié à l'inflammabilité (explosion d'un nuage de vapeur) impliquant l'éthanol

Données :

- Produit impliqué : Éthanol
- Capacité opérationnelle = 150 000 barils = 23 850 000 litres
- Facteur de densité = 0,61
- Densité de l'éthanol = 0,79 kg/l
- Facteur de liquide à température ambiante : 0,007
- Surface du merlon : 25 820 m²
- Volume d'éthanol plus petit que le volume du merlon

Conditions atmosphériques :

- Vitesse du vent = 1,5 m/s
- Stabilité atmosphérique = F

Surface maximale de la nappe pouvant être créée : 25 338 000 pi²

Taux d'émission calculé avec la superficie du merlon = 2 720 lb/min

Quantité émise en 10 minutes = 27 200 lb

Rayon d'impact se rapportant à une surpression de 1 psi suite à l'explosion d'un nuage de vapeurs inflammables = **383 m**

ANNEXE C (suite)

Fiche de calcul pour le scénario normalisé lié à l'inflammabilité (explosion d'un nuage de vapeur) impliquant le méthanol

Données :

- Produit impliqué : Méthanol
- Capacité opérationnelle = 150 000 barils = 23 850 000 litres
- Facteur de densité = 0,61
- Densité du méthanol = 0,79 kg/l
- Facteur de liquide à température ambiante : 0,011
- Surface du merlon : 25 820 m²
- Volume de méthanol plus petit que le volume du merlon

Conditions atmosphériques :

- Vitesse du vent = 1,5 m/s
- Stabilité atmosphérique = F

Surface maximale de la nappe pouvant être créée : 25 338 000 pi²

Taux d'émission calculé avec la superficie du merlon = 4 280 lb/min

Quantité émise en 10 minutes = 42 800 lb

Rayon d'impact se rapportant à une surpression de 1 psi suite à l'explosion d'un nuage de vapeurs inflammables = **445 m**

ANNEXE D

ANNEXE D

Selon la méthode du calcul du CRAIM (basée sur la méthode RMP-Comp de l'EPA), les scénarios normalisés n'incluent pas les rayons d'impact suite à l'explosion d'un nuage de vapeur. La méthodologie pour calculer un rayon d'impact dans le cas d'un scénario normalisé pour un produit inflammable est selon l'US EPA (General guidance on risk management programs for chemical accident prevention (40CFR Part 68), Chapter 4, Worst-case releases of flammable substances, p. 4-9, April 2004).

"For the worst-case scenario involving a release of a regulated flammable substance (a flammable gas or volatile flammable liquid), you must assume that the quantity of the flammable substance is released into a vapour cloud and that a vapour cloud explosion results. You must estimate the distance to an endpoint to an overpressure level of 1 pound per square inch (psi) from the explosion of the vapour cloud."

Afin de comparer des données, il faudrait utiliser le calcul d'un scénario alternatif impliquant la rupture complète et subite du plus grand réservoir de produit inflammable, ce qui n'est pas conforme à la méthode et qui implique l'utilisation de paramètres (ex. : conditions météorologiques) différents. C'est pourquoi nous croyons que l'on ne peut faire la comparaison demandée, mais qu'il faut plutôt se rapporter à la définition fournie avec la méthode selon laquelle le plus grand rayon d'impact pour un produit inflammable correspond à l'impact d'une explosion du nuage de vapeur au-dessus du produit déversé.