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PRESIDENTIAL PERMIT
AUTHORIZING THE LAKEHEAD PIPE LINE COMPANY, INC. (^X"LAKEHEAD")
TO CONSTRUCT, OPERATE, MAINTAIN, AND CONNECT FACILITIES FOR THE
TRANSPORTATION AND EXPORTATION TO CANADA OF OIL

By virtue of the authority vested in me as President of the United States, and subject to the acceptance of the conditions, provisions, and requirements hereinafter set forth, permission is hereby granted to the Lakehead Pipe Line Company, Inc. ("Lakehead"), a Delaware corporation, having its principal place of business at Superior National Bank Building, Superior, Wisconsin (hereinafter sometimes referred to as the "Permittee"), to construct, operate and maintain facilities more specifically described below extending from a point approximately $1\frac{1}{2}$ miles south of the common boundary between the cities of Port Huron and Marysville, Michigan to a point of connection in the St. Clair River at the international boundary line between the United States and Canada with the pipeline facilities of Interprovincial Pipe Line Company, a corporation incorporated by a Special Act of the Parliament of Canada, 13 George VI, Chapter 34 (known as "Interprovincial") and at that point to connect same for the transportation of oil to Canada, subject to such conditions as may be imposed by the Department of the Army under existing legislative authority, subject further to the condition that the Permittee shall comply with such requirements as may be imposed by the Canadian Government with respect to the construction of that portion of the said pipeline which will lie on Canadian soil and subject to the following conditions:

Article 1.

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Article 1. It is expressly agreed by the Permittee that the facilities and operations herein described shall be subject to all the conditions, provisions, and requirements of this permit; Permittee agrees that this permit may be terminated at the will of the President of the United States and that it may be amended by the President of the United States upon proper application therefor.

Article 2. The facilities covered by and subject to this Permit are described as follows:

A 30" OD crude oil pipe line from a point approximately 1-1/2 miles south of the common boundary between the cities of Port Huron and Marysville, Michigan, to a point in the St. Clair River on the international boundary between the United States and Canada, as more fully set forth in the application for a Presidential license of the Lakeshead Pipe Line Company, Inc., dated March 9, 1953, and Exhibit B attached thereto.

No substantial change shall hereafter be made in the location of the facilities and operations authorized by this Permit until such change shall have been approved by the Department of the Army.

Article 3. The construction, operation, maintenance, and connection of the aforesaid facilities shall be subject to the inspection and approval of a representative of the Department of the Army, who shall be the authorized representative of the United States for such purposes. The Permittee shall allow officers and employees of the United States showing proper credentials free and unrestricted access into, through, and across the land occupied by said facilities in the performance of their official duties.

Article 1

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Article 4. The Permittee shall be liable for all damages occasioned to the property of others by the construction, operation, or maintenance of the aforesaid facilities and connections, and in no event shall the United States be liable therefor. The Permittee shall do everything reasonable within its power to prevent or suppress fires on the land occupied under this permit.

Article 5. Permittee agrees to file with the Interstate Commerce Commission, under oath, and in such detail as the Commission may require, such statements or reports with respect to the crude oil transported or the facilities described herein, as the Commission may, from time to time, request. Such information may be made available to any Federal, State, or local agency requesting such information.

Article 6. Neither this permit nor the facilities and connections, nor any part thereof, covered by this permit shall be voluntarily transferred in any manner otherwise than to the Chase National Bank of the City of New York as Trustee under, or upon enforcement of, the Mortgage and Deed of Trust, dated as of October 1, 1949, but the permit shall continue in effect temporarily for a reasonable time in the event of the involuntary transfer of the facilities and connections used hereunder by operation of law (including transfers to receivers, trustees, or purchasers under foreclosure or judicial sale) pending the making of an application for a permanent permit and decision thereon, provided notice is promptly given in writing to the Department of State accompanied by a statement that the facilities and

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connections authorized by this permit remain substantially the same as before the involuntary transfer. The Permittee shall maintain the facilities and connections, and every part thereof, in a condition of repair for the efficient operation of said facilities and connections in the transportation of crude oil, and shall make all necessary renewals and replacements.

Article 7. The construction, operation, maintenance, and connections hereby permitted of facilities for the transportation of crude oil, it is understood, shall be in all respects subject to the power of Congress under its authority to permit or prohibit the maintenance and operation of such facilities and to regulate commerce as applied to the business of this Permittee.

Article 8. Upon the termination, revocation, or surrender of this permit, the transportation facilities herein authorized shall be removed within such time as the Secretary of the Army may specify, and at the expense of the Permittee. Upon failure of the Permittee to remove such transportation facilities or any portion thereof, the Secretary of the Army may direct that possession of the same be taken and the facilities be removed, at the expense of the Permittee, and the Permittee shall have no claim for damages by reason of such possession or removal.

Article 9. The Permittee agrees that when, in the opinion of the President of the United States, evidenced by a written order addressed to it as holder of this permit, the safety of the United States demands it, the United States shall have the right to enter upon and take possession

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of any of the facilities, or parts thereof, maintained or operated under this permit, and all contracts of the Permittee covering the transportation or sale of crude oil by means of said facilities, to retain possession, management, and control thereof for such length of time as may appear to the President to be necessary to accomplish said purposes, and then to restore possession and control to the Permittee; and in the event that the United States shall exercise such right it shall pay to the Permittee just and fair compensation for the use of said facilities upon the basis of a reasonable profit in time of peace, and the cost of restoring said facilities to as good condition as existed at the time of taking over thereof, less the reasonable value of any improvements that may be made thereto by the United States and which are valuable and serviceable to the Permittee.

Article 10. This permit is subject to any action which the Government of the United States may in the future deem expedient or necessary to take in case any part of the aforesaid facilities comes into the control of any foreign government.

Article 11. The Government of the United States shall be entitled to the same or similar privileges as may by law, regulations, agreement, or otherwise, be granted by the Permittee to any foreign government.

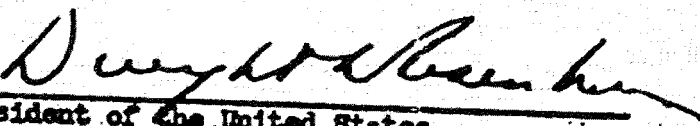
Article 12. This permit is subject to the limitations, terms, and conditions contained in any orders issued by the Interstate Commerce

Commission

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Commission or the Treasury Department or the Department of the Army with respect to the Permittee, and shall continue in force and effect only so long as Permittee shall continue the operations thereby authorized in exact accordance with such limitations, terms, and conditions.

IN WITNESS WHEREOF, I, DWIGHT D. EISENHOWER, have hereunto signed my name this 28 day of April, 1953, in the City of Washington, District of Columbia.


President of the United States