COUNTY OF BRANT

CORPORATE SERVICES DEPARTMENT – BRANT COUNTY COUNCIL

TO: To the Mayor and Members of Council

FROM: Michael Bradley, General Manager of Corporate Services

DATE: May 22, 2014

SUBJECT: COU14-13 - Joint Venture and Lease - BGI Retail Solar Project

PURPOSE: For Decision

RECOMMENDATION:

Whereas the County accepted a contract from the Ontario Power Authority through the Feed-in Tariff Program for a 250kW roof mounted solar generating project at the site of BGI Graphics in the Brant 403 Business Park through a joint venture with BGI Graphics and Six Nations of the Grand River, with BGI Graphics owning 55% of the project, Six Nations of the Grand River owning 15% of the project, and the County of Brant owning 30% of the project;

And Whereas staff was directed to finalize a joint venture agreement for these projects;

And Whereas a roof lease between the joint venture partners and BGI Retail is also required for this project;

Be it hereby resolved that the County of Brant enter into the Joint Venture Agreement, herein attached as Appendix 1, and the Lease agreement, herein attached as Appendix 2, with 2325705 Ontario Inc. (BGI Retail) and Six Nations of the Grand River;

And that bylaws be presented to Council authorizing the Mayor and the Clerk to execute the above noted Joint Venture Agreement and Lease.

STRATEGIC PLAN GUIDANCE:

1.1 To develop a revenue acquisition plan from grants, assessment, and non assessment sources that is sufficient to sustain the quality of our current services and assets, and further, to fund a long term strategic growth strategy

1.3 To ensure that our relations, service agreements and boundaries with our neighboring municipalities, particularly the City of Brantford and the First Nations community are mutually beneficial

FINANCIAL CONSIDERATIONS:

This project being funded using long-term debt, with the revenues generated by the project being used to service this debt. The County's share of the project cost is $292,000. Annual revenues of $32,000 after debt servicing and expenses are projected from the project.

BACKGROUND:

The noted project was part of a suite of applications to the Feed-in Tariff (FIT) program in 2012 under the *Green Energy and Economy Act, 2009* in conjunction with Six Nations of the Grand River (Six Nations) around the Brant 403 Business Park. The project is a partnership with BGI Retail and Six Nations, with the BGI Retail building hosting the solar facility. As part of the requirements of the FIT program, partnership projects must have associated joint venture agreements and roof lease agreements that articulate the mechanics of the partnership.

REPORT:

Joint Venture Agreement

This agreement is similar in form the one entered into with the Sustainable Brant Community Energy Cooperative for the solar energy projects being developed at the South Dumfries Community Centre and the Brant Sports Complex. It outlines the following:

- sets a 20 year term for the joint venture partnership
- outlines that all capital costs and future expenses will be shared proportionally based on the joint venture interest of each party
- outlines the liabilities of each party
- outlines how the project will be jointly managed by a Joint Management Team, with each party appointing one member to the team
- outlines how the parties can encumber their joint venture interest or transfer their interest to another party
- outlines how the solar project will be dealt with at the end of the term, with options that include:
    i. allowing BGI Retail to purchase the County and Six Nation's interest in the facility at fair market value
    ii. allowing renegotiation and continuation of the partnership
    iii. allowing the facility to be dismantled and sold
    iv.
- outlines how defaults are addressed and remedied

Lease Agreement for Rooftop

This agreement contemplates that the solar facility owned by the joint venture is situated on the roof of BGI Retail, and therefore establishes lease terms between the joint venture partners and BGI Retail for use of the rooftop. The lease agreement, while not specifically required for the purposes of either the FIT contract or the joint venture, is appropriate in this situation given that the location of facility is on a private, for-profit business establishment that may be subject to ownership changes in the future. The lease agreement outlines the following:

- the 20 year term of the lease
- guarantees that the joint venture partnership will have access to the roof for installation, management, and maintenance of the solar facility
- contemplates that both BGI Retail, and the members of the joint venture, may transfer their interests in their respective assets
- outlines an arbitration process to resolve disputes between the parties

INTERDEPARTMENTAL CONSIDERATIONS:

Not applicable.

Respectfully Submitted,

Michael Bradley
General Manager of Corporate Services

Paul Emerson
Chief Administrative Officer

ATTACHMENTS:

Joint Venture Agreement
Lease

COPY TO:

David Johnston, General Manager of Economic Development and Strategic Initiatives
Bruce Noble, General Manager, Brant Municipal Enterprises

FILE #:

In adopting this report, is a bylaw or agreement required? If so, it should be referenced in the recommendation section.

By-law required	(YES)
Agreement(s) or other documents to be signed by Mayor and /or Clerk	(YES)
Is the necessary by-law or agreement being sent concurrently to Council?	(YES)

JOINT VENTURE AGREEMENT

THIS AGREEMENT (**"Agreement"**) made as of the ____ day of _____ 2013.

BETWEEN:

THE CORPORATION OF THE COUNTY OF BRANT
A body corporate duly incorporated under the *Municipal Act (Ontario)* with offices located at 26 Park Avenue, P.O. Box 160, Burford, Ontario N0E 1A0

(**"Brant County"**)

- and -

SIX NATIONS OF THE GRAND RIVER
A band under the *Indian Act* (Canada) with offices located at 1695 Chiefswood Road, P.O. Box 5000, Ohsweken, Ontario N0A 1M0

(**"Six Nations"**)

- and -

2325705 ONTARIO INC.

A body corporate duly incorporated in the Province of Ontario with offices located at

Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario

(**"Ontario Inc."**)

(each a **"Party"** and collectively the **"Parties"**)

WHEREAS, Brant County, Six Nations and Ontario Inc. wish to form a joint venture for the purpose of developing, owning and operating renewable energy projects, for the term and upon the conditions as set forth in this Agreement (the **"Joint Venture"**).

AND WHEREAS, Ontario Inc. is the owner in fee simple of Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario and the building and rooftop on which a Facility is contemplated to be installed and operated in accordance with the Rooftop Lease Agreement and the terms herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is hereby agreed as follows:

1. Definitions and Schedules

The following words and terms shall have the meaning set out below:

"Aging Assets" has the meaning set out in section 6 herein.

"**Charge**" means assign, pledge, charge, mortgage, hypothecate, or otherwise encumber, as set out in subsection 5.4 herein.

"**Default**" has the meaning set out in section 9 herein.

"Expenses" means all expenses incurred on behalf of the Joint Venture, which have been approved by the parties in accordance with this Agreement.

"Facility" means all the relevant equipment (that may include but is not limited to panels, inverters, racking and wiring), contracts, licenses, and any and all assets necessary for one or more solar facilities to generate electricity and sell it to the Ontario Power Authority under the

Feed-in-Tariff program or otherwise, to be located at the following address, or such other locations as mutually agreed upon in writing from time to time:

a. Brant Business Park BGI Graphics
Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario

"Joint Venture Interest" means the proportion of the Venturer's ownership interest in the Facility and in any other assets of the Joint Venture as described in Schedule "A" hereto.

"Joint Management Team" has the meaning set out in subsection 4.2.

"Prime" means the rate per annum charged on loans by the Bank of Nova Scotia at its principal office in Toronto, Ontario, for loans of Canadian dollars to its customers in Canada, and said to be its **"prime rate"**, as the same is adjusted from time to time.

"Rooftop Lease Agreement" means the rooftop lease agreement(s) signed by the Joint Venture to procure rooftop space for the installation and operation of a Facility and shall be in the form of Schedule 'D' for a Facility at Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario.

"Termination" shall mean termination of this Agreement for any reason whatsoever, including termination pursuant to section 7 herein.

"Transfer" means sale, exchange, lease, re-lease, transfer or abandonment or any other disposition of any Joint Venture Interest.

"Venturer" means a Party to this Agreement.

"Venturers" means all of the Parties to this Agreement unless the context requires otherwise in which case it shall mean two or more Parties to this Agreement.

The following schedules form part of the Agreement:

Schedule “A” - Ownership & Capital Budget;

Schedule “B” - Budget for the First Operating Year of the Facility;

Schedule “C” - Flow of Funds;
Schedule “D” - Rooftop Lease Agreement.

2. Formation and Duration

2.1 **Purpose.** The parties form a joint venture for the purpose of developing, owning and operating the Facility in order to sell clean electricity to the electrical grid under the Ontario Power Authority’s Feed-in-Tariff program.

2.2 **Name**. The Joint Venture shall be known as the ‘Corporation of the County of Brant; Six Nations of the Grand River; 2325705 Ontario Inc. Joint Venture’.

2.3 **Term**. The Joint Venture shall commence as of the date set out above and shall continue in force until Termination in accordance with this Agreement.

2.4 **Approvals and Consents**. The Venturers acknowledge that this Joint Venture is subject to obtaining and maintaining all necessary approvals, including, without limitation, all regulatory, municipal, and corporate approvals for the Facility. The Venturers will jointly identify all approvals required and cooperate with each other in obtaining such approvals. All approvals shall be sought on a timely basis, and with respect to regulatory approvals, on terms acceptable to all Venturers. The costs of such approvals shall be borne by the Venturer requiring such approvals, and if the approvals are required by the Joint Venture, the costs shall be borne proportionally by the Venturers.

2.5 **Title of Property**. Subject to the other provisions of this Agreement, all property subject to this Agreement, including the Facility, the leases for its site, Feed-in-Tariff contract, and intangible rights such as an interest in required licenses shall be taken in the names of the Venturers as tenants-in-common in their respective Joint Venture Interest, recognizing that Ontario Inc. is also the owner of Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario in fee simple.

2.6 **Rooftop Lease Agreement.** Upon the execution of this Agreement the Parties shall also enter into the Rooftop Lease Agreement in the form attached hereto as Schedule ‘D’.

2.7 **Representation and Warranties**. Each of the Venturers represents and warrants to the others that it is either a band under the *Indian Act* (Canada) or a corporation duly incorporated, organized and validly existing under the laws of the Province of Ontario and has all necessary corporate power and will have all governmental approvals required

to carry on the business of the Joint Venture, that the execution, delivery and performance by it of this Agreement are within the Venturer's powers and have been duly authorized by all necessary action on its part, that this Agreement has been duly and validly executed by it and constitutes a legal and binding Agreement enforceable against it in accordance with its terms except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and subject to general principles of equity, and does not contravene or conflict with any of its articles or by-laws or contravene or conflict with or constitute a material violation of any provision of any applicable law abiding upon or applicable to it.

3. Contributions, Distributions and Responsibilities

3.1 **Contributions**. The Joint Venture shall require capital contributions from the Venturers from time to time in proportion to their Joint Venture Interest to pay:

a. Legal costs incurred reasonably and in good faith by Brant County in furtherance of this Joint Venture and/or the preparation and development of the Facility, prior to the date of this Agreement and not exceeding five thousand dollars ($5,000).

b. amounts stipulated by the capital budget and first year operating budget for the Joint Venture, set forth in Schedules "A" and "B" attached hereto.

c. such other costs, expenses and liabilities that may arise from time to time.

3.2 **Contribution-in-kind.** Any and all in-kind contributions must be fully described, including a statement as to the dollar value of such in-kind contribution, for presentation for approval to the Joint Management Team. All proposed in-kind contributions shall be approved by the Joint Management Team, prior to such contribution being made to the Joint Venture.

3.3 **Failure to Make Required Contributions**. If any Venturer fails or refuses to contribute its share of required funds when and as the funds are required as set forth herein, time being of the essence of this requirement,

a. the other Venturers shall have the right, at their sole option, to pay the required sum in proportion to their Joint Venture Interest, or failing that, as otherwise determined by the payer, and upon payment, the non-paying Venturer shall reimburse those Venturers for the amount paid together with interest on such sum from the date of payment to the date of

reimbursement, at a rate equal to Prime plus 2% per annum; and,

b. Any distributions payable to the non-paying Venturer pursuant to this Agreement or otherwise shall not be paid to the non-paying Venturer and shall instead be used to pay any and all outstanding contributions and/or to repay all debts associated with the payment of said contributions; and,

c. subject to the notice and cure period set forth in subsection 9.1(b) the non-paying Venturer shall be deemed to be in default, and the rights of the non-defaulting Venturer pursuant to subsection 9.2 shall apply.

3.4 **Distribution**. Unless otherwise contemplated herein, distributions to the Venturers shall be made in proportion to their Joint Venture Interest, and after all operational, financial, and marketing expenses of the Joint Venture are paid, in accordance to the flow of funds outlined in Schedule "C".

3.5 **Time and Effort**. No Venturer is expected to devote time and effort to operate the Joint Venture other than the time required to be represented on the Joint Management Team at no charge. No compensation shall be paid to any Venturer for its time unless otherwise mutually agreed by the Venturers.

3.6 **Full Disclosure**. Any transactions between the Joint Venture and a Venturer shall be based on a full disclosure of all conditions, good faith and fair dealing.

3.7 **Limited Recourse and Several Liability**. Unless approved by the Venturers, every agreement or instrument entered into by the Venturers creating obligations of the Venturers to third parties and to each other in respect of the Joint Venture, other than any instrument entered into by a Venturer in its separate capacity as contemplated in this Agreement, shall contain provisions to the effect that:

a. only each Venturer's interest in the Joint Venture shall be bound and the obligations are not otherwise personally binding upon nor shall resort be had to any other property of any of the Venturers; and,

b. the rights and obligations of each Venturer shall be several, and not either joint or joint and several and shall be limited to the Venturer's proportion of the aggregate liability that its Joint Venture Interest is of the Joint Venture.

3.8 **Liability to Third Parties Based on Unauthorized Acts**. It is agreed that no Venturer shall act as the agent of the other Venturers without an express written authorization to act as an agent, and any act by a Venturer as an agent, without proper authorization, shall create a separate liability in the Venturer so acting to any and all third parties affected. Any contract entered into by a Venturer that is outside the scope of this Agreement will

not be binding on the other Venturers, and only the Venturer entering into that contract shall be liable to third parties.

3.9 **Actions of Venturers**. In making any decisions with respect to the Facility and the Joint Venture, each Venturer agrees to cause its representatives on the Joint Management Team to act reasonably, promptly, honestly and in good faith and strictly upon the merits of the proposed decision and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3.10 **Marketing Activities**. Each Venturer shall coordinate its marketing activities and all of their communications to the public and the media with the others to ensure that, to the greatest extent possible, such activities complement the activities of the other Venturers. Each Venturer shall use all reasonable efforts to inform the other Venturers of communication to the public and agree with the other Venturers on the contents of such communication.

4. Management and Operation

4.1 **Decisions/Approvals of the Venturers**. All decisions or approvals required to be made by the Venturers in relation to the Facility and the Joint Venture shall be made unanimously by the Joint Management Team.

4.2 **Joint Management Team**. The business and affairs of the Joint Venture shall be managed by a Joint Management Team consisting of three (3) members, with each Venturer designating one (1) member (the **"Joint Management Team"**).

4.3 **Meetings.** The Joint Management Team shall meet not less than annually at such times and at such places as determined by the Joint Management Team. Meetings may be held in person or, provided that all members of the committee give their prior consent, via teleconference or web conference.

4.4 **Special Meetings.** Special meetings of the Joint Management Team may be called by any member at any time.

4.5 **Meeting Notice.** Notice of all meetings of the Joint Management Team shall be sent by mail, or be delivered personally, by telephone, by facsimile or by electronic mail, to each member not later than seven (7) days before the date on which the meeting is to be held, unless notice is waived by all members.

4.6 **Quorum.** All members of the Joint Management Team shall be required to constitute a quorum to transact business.

4.7 **Absence.** If a Venturers' representative misses three (3) consecutive scheduled meetings, at the option of the other Venturer(s), then:

a. that Venturer shall be deemed to be in Default under this Agreement; or,

b. the other Venturer(s) shall be entitled to deal with matters listed on the agenda for those three (3) meetings at a subsequent meeting, even if there are no representatives of the other Venturer present at the subsequent meeting.

4.8 **Joint Management Team Responsibilities**

The Joint Management Team shall have the responsibility of managing and overseeing the Facility including the following:

a. preparing and approving a budget for the Facility including an annual budget, the capital budget for years subsequent to the year covered by the capital budget contained in Schedule "A" to develop the Facility at the inception of the Joint Venture;

b. providing on-going service, management of operation and maintenance of the Facility;

c. if it determines it to be necessary, appointing a manager to manage the daily operation of the Facility and delegate such duties to such manager as it deems appropriate;

d. Obtaining and keeping in force, insurance on such terms and in such amounts as the Joint Management Team deems appropriate.

The member of the Joint Management Team shall be responsible for reporting back to and carrying out the wishes of the Board of the Venturer they represent. The members of the Joint Management Team shall not be required to devote their full time effort to the Joint Venture, but only such time as shall be reasonably necessary to perform their duties under this Agreement.

4.9 **Right to Defer.** Each member of the Joint Management Team may, at their option, defer a vote on a given issue to the next meeting of the Joint Management Committee where it

is necessary for said member to obtain additional approvals from the Board of the Venturer they represent.

4.10 **Financial Year**. The Joint Venture's financial year shall run from January 1 to December 31.

4.11 **Arbitration of Disputes**. If, during the course of the Joint Venture, the Venturers are unable to agree on any matter with respect to which a decision must be made, or if, on termination, no satisfactory arrangement can be made for settlement of each Venturer's interest in the Joint Venture, the dispute or disputes shall be subject to binding arbitration by a single arbitrator. The parties shall each use all reasonable efforts to avoid arbitration, including referring the dispute to senior executives and/or the board of directors of a Venturer for resolution. The Venturers agree that there shall be no appeal from the decision of the arbitrator. The *Arbitration Act, 1991* (Ontario) shall apply.

5. Financial Matters

5.1 **Funds Required for the Joint Venture**. The Joint Venture will pay the relevant costs and expenses, according to the flow of funds described in Schedule "C". No costs or expenses respecting the Joint Venture will be paid except those that have been approved by the Joint Management Team.

5.2 **Indemnities**. The Parties acknowledge and agree that this Agreement in no way represents that the cash flow from Facility power generation will be sufficient to cover costs and/or to repay project financing loans. Each Venturer agrees with the other Venturers to be solely responsible for its proportion of the debts and liabilities (the **"Liabilities"**), arising from or incurred in connection with the Facility whether present or future, provided that the Liabilities have been properly incurred by the Venturers pursuant to this Agreement. Each Venturer shall at all times indemnify and save harmless the other Venturers:

a. from any and all Liabilities to the extent of that portion of all Liabilities which the other Venturer has incurred in excess of its proportionate share of the Liabilities and which has been paid or incurred by the Indemnified Venturer.

b. from any and all actions, proceedings, causes, claims, demands, costs, liability, damages and expenses of every nature or kind whatsoever arising out of the Indemnifying Venturer's separate debts, liabilities, obligations, duties, agreements, costs and expenses, whether present or future.

c. and its affiliates, and its and their directors, officers, employees, and agents from and against the full amount of all damages and other liabilities, (including reasonable legal fees and expenses) suffered by it caused by, or arising, directly or indirectly, from, a claim by a third party relating to:

i. the business or activities of the Venturer in circumstances where the other Venturer is joined as a party solely because of the Venturer's participation in the Joint Venture;

ii. the unauthorized acts of, or contracts outside the scope of this Agreement entered into by, the Venturer;

iii. the Venturer's intellectual property; or,

iv. negligence or misconduct of the Venturer.

in each case, except to the extent that the claims, losses, damages, liabilities, obligations, costs or expenses are determined to have resulted solely from the negligence or intentional misconduct of the indemnified Venturer. This indemnity and all other indemnities contained in this Agreement shall survive Termination of this Agreement.

5.3 Insurance. In addition to the insurance to be obtained by the Joint Management Team pursuant to subsection 4.8(d), each Venturer shall effect and maintain such additional insurance as would be obtained by a prudent owner of a similar Facility having the obligations, including the indemnities, set forth in this Agreement, and shall provide to the other Venturer, upon request, proof that such insurance is in force.

5.4 Charges

No Venturer shall Charge the Facility or its Joint Venture Interest except as specifically and mutually agreed by all Venturers in writing, or as set out in this Agreement. In particular, no Venturer shall Charge its Joint Venture Interest without:

a. first advising the other Venturers in writing, of the amount of the debt giving rise to the Charge, and of the identity of the Chargee;

b. the Chargee agreeing with the Venturers in writing that:

i. the Charge of such Joint Venture Interest shall at all times be subject to all the terms and conditions of this Agreement;

ii. the other Venturer(s) at their sole option have the right, to remedy a default of the Chargor Venturer, or assume the debt of the Chargor Venturer under the Charge, and,

iii. the Charge shall be discharged as against the interest of the Chargor Venturer by the sale by the Chargor of its interest in the Joint Venture to the other Venturer(s) pursuant to this Agreement if the proceeds due on closing to the Chargor are paid in the same manner as they would be on Termination, as set out in subsection 7.1. Notwithstanding the foregoing, if a sale pertains only to Aging Assets, such allocation of funds to the Charge shall only apply if and to the extent that the Charge relates to the Aging Assets.

c. If any Venturer exercises its right in any charging agreement pursuant to subsection 5.4(b)(ii) above, then (1) the non-paying Venturer shall reimburse the Venturer(s) for the amount paid together with interest on such sum from the date of payment to the date of reimbursement at a rate equal to Prime plus 2% per annum and (2), the non-paying Venturer shall be in default under this Agreement pursuant to subsection 9.1, and the rights of the non-defaulting Venturer pursuant to subsection 9.2 shall apply.

6. Disposal of Aging Assets

a. Upon the end of the term of one or more of the Feed-in-Tariff program contract(s), as applicable, it is agreed that Ontario Inc. does hereby have the right, but not the obligation, to purchase from either both Brant County and Six Nations, or exclusively Six Nations, their ownership stake in the affected Facility, or, where only a portion of the Facility is affected, the affected portion thereof, and all related equipment and assets (referred to herein as the **"Aging Assets"**) at fair market value as determined by the purchasing and selling party or parties, as applicable, or if the parties cannot agree, by a third party business valuator jointly selected by the parties, acting reasonably and in good faith (such right referred to in this section as the **"Option"**).

b. Notice of intent to exercise the Option shall be provided by Ontario Inc. to Brant County and Six Nations within sixty (60) days of receipt of notice of the cessation of the applicable Feed-in-Tariff program contract(s) (such period referred to in this section as the **"Option Period"**).

c. Should Ontario Inc. exercise the Option only in respect to Six Nations' Joint Venture Interest, the terms of this Joint Venture Agreement and the Rooftop Lease Agreement shall continue in force and effect with the exception of the removal of Six Nations' future rights and obligations thereunder from the date of sale and purchase closing onward, unless otherwise agreed upon in writing.

d. Should Ontario Inc. fail to provide notice of intent to exercise the Option within the Option Period, the Parties shall have an additional sixty (60) day period to negotiate the terms of any continuing agreement with respect to the Aging Assets (referred to in this section as the **"Negotiation Period"**).

e. At the end of the Negotiation Period, if an agreement has not been reached, this Agreement shall terminate with respect only to the Aging Assets, and such Aging Assets shall be sold with the monies distributed as contemplated in section 7 herein.

7. Termination

7.1 Distribution of Assets on Termination. On the termination of this Joint Venture for any reason other than a purchase of a Venturer's Joint Venture Interest by another Venturer or as a result of one Venturer being in Default, all assets, or with respect to Aging Assets, only the applicable Aging Assets, shall be liquidated, and the proceeds realized from the liquidation shall be distributed according to the following order of priority, except that for Aging Assets all referenced payments of expenses and liabilities shall only apply to those directly related or appropriately apportioned to the Aging Assets:

i. first, to payments of all Joint Venture expenses, including obligations, debts, salaries, and taxes, and expenses necessary to wind up the Joint Venture and the establishment of a reserve for any and all contingent liabilities;

ii. second, to discharge from sums otherwise payable to a Venturer, all sums owing to any Chargee;

iii. third, from monies otherwise payable to a Venturer, payment of all sums owing to the other Venturers under this Agreement;

iv. fourth, to repayment of all sums received as contributions from the Venturers; and,

v. fifth, divided between the Venturers in direct proportion of their capital contributions at the time of Termination.

7.2 Audit on Termination. On Termination, the Venturers shall, if at such time they determine that such action shall be advisable and proper, employ a firm of chartered accountants to make a complete and final audit of the books, records, and accounts so kept by the Joint Venture as in this Agreement provided, and all final adjustments between the Venturers shall be made on the basis of such audit. Should the Venturers disagree about the choice of a chartered accountant, the audit shall be performed by the accountant for the Joint Venture, and accepted by the Venturers.

7.3 Liability for Claims Asserted After Termination. If, after Termination, any claim, liability, or expense shall be asserted against the Joint Venture which was not used in computing the profits and losses of the Venture and which is a proper item of computation, the Venturers shall bear the amount of any such claim, liability, or expense in their proportionate Joint Venture Interest. The Venturers shall cooperate and consult with one another in defending any such claim, or expense and in making any settlement or compromise. For increased clarity, said expenses include, but are not limited to, Joint Venture obligations under the Rooftop Lease Agreement including any obligation to remove the Facility and return the rooftop to a usable condition, as may be applicable.

8. Transfer of Interest / Right of First Refusal

8.1 Validity of Transfer of Interest of Joint Venture

a. A transfer of a Joint Venture Interest under this Agreement shall be subject to the terms and conditions of this Agreement and to any amendment of this Agreement, and assuming all liabilities incurred by the Transferring Venturer to the effective date of Transfer unless otherwise agreed by the Venturers in writing.

b. With the exception of Aging Assets as contemplated in section 6 herein, no partial Transfer of a Joint Venture Interest is permitted.

c. No Transfer of a Joint Venture Interest is permitted within the first five (5) years of this agreement or where (1) such transfer will result, directly or indirectly, in the breach or termination of any agreement entered into in relation to the Joint Venture or the Facility, including but not limited to Ontario Power Authority Feed-in-Tariff contract(s) and/or, (2) that may otherwise result in decreased income to the Joint Venture or from the Facility, including but not limited to loss of price adder under the Ontario Power Authority Feed-in-Tariff program.

d. No Transfer or other disposition permitted under this Agreement shall be valid unless and until the Venturer making such Transfer shall have delivered to the other Venturers a copy of each and every instrument providing for such Transfer, together with the written Agreement of the Transferee or Transferees to be bound by all of the terms and conditions of this Agreement and the applicable lease agreement(s), and any amendment of the Agreement and the applicable lease agreement(s), with the same force and effect as if such Transferee or Transferees had owned the interest so acquired at the date of this Agreement and the applicable lease agreement(s) and had in fact signed this Agreement and the applicable lease agreement(s) as of that time.

e. Notwithstanding the foregoing, upon the written consent of the other parties hereto, which shall not be unreasonably withheld, Six Nations may transfer its entire Joint Venture Interest to a wholly owned subsidiary.

8.2 Right of First Offer to the Other Venturers

a. Any Venturer (referred to in this subsection as the **"Offeror"**) who desires to Transfer all of its Joint Venture Interest shall first offer to Transfer such Interest to the Other Venturers. Notice of the offer (referred to in this subsection as the **"Notice"**) shall be sent to the Other Venturers (referred to in this subsection singly as the **"Other Venturer"** or collectively as the **"Other Venturers"**) and shall set out the Offeror's Joint Venture Interest and shall irrevocably offer to sell the Offeror's Joint Venture Interest, for cash, to the Other Venturers, in proportion to their existing Joint Venture Interest, or, where one party rejects the offer, outright, at the price and on terms set forth in the Notice.

b. Upon the Notice being given, the Other Venturers shall have the right to purchase all, but not less than all, of the Offeror's Joint Venture Interest, either directly or through a separate entity controlled by each of the Other Venturers, respectively, as applicable.

c. Within one hundred and twenty (120) days of having been given the Notice (referred to in this subsection as the **"Offer Period"**) the Other Venturers may give to the Offeror a notice in writing (referred to in this subsection as an **"Acceptance Notice"**) accepting the offer contained in the Notice. Alternatively, the Other Venturers may give a notice to the Offeror in writing rejecting the offer (**"Rejection Notice"**) contained in the Notice at any time during the Offer Period.

d. If the other Venturer(s) give an Acceptance Notice within the Offer Period confirming its agreement to purchase all of the Offeror's Interest, the sale of the Offeror's Interest to such Other Venturer(s) shall be completed within thirty (30) days of the expiry of the Offer Period, and upon completion of the sale the selling Joint Venturer shall have no further claims or rights in respect of the Joint Venture or against the purchasing Venturer(s) and will deliver a release of all such claims upon closing of the sale.

e. If the Offeror receives a Rejection Notice during the Offer Period, or does not receive an Acceptance Notice from the Other Venturer(s) within the Offer Period confirming its agreement to purchase all of the Offeror's Interest, the rights of the Other Venturer(s), except as provided in this subsection, to purchase the Offeror's Interest shall cease and the Offeror may Transfer the Offeror's Interest to any *bona fide* arm's length third party within four (4) months after the expiry of the Offer Period, for a price and on other terms no more favourable to such Person than those set out in the Notice. If a Transfer of the Offeror's Interest is not closed by the end of such four (4) month period on such terms, the rights of the Other Venturers pursuant to this subsection shall again take effect with respect to any Transfer of Interest of the Offeror, and so on from time to time.

f. Notwithstanding the foregoing, before the closing of any Transfer of the Offeror's Interest to any other Person pursuant to the provisions of this subsection, the Other Venturers shall be entitled to require proof that the Transfer was completed at a price and on other terms no more favourable to such Person than those that would have been applicable had the Other Venturer(s) agreed to purchase the Offeror's Interest.

9. Defaults and Remedies for Default

9.1 **Events of Default**. The occurrence or happening of any one or more of the following events shall constitute an event of default on the part of a Venturer (**"Default"**):

a. fails to pay any additional contributions as required and the failure to make additional contribution is not rectified within thirty (30) days of receipt of notice of default from the other non-defaulting party;

b. fails to perform or observe any other material covenant, condition or agreement to be performed or observed by it under this Agreement and such default is not rectified within sixty (60) days of notice from the other non-defaulting party;

c. makes any assignment for the general benefit of creditors or is adjudged insolvent or bankrupt within the meaning of the bankruptcy laws of Canada;

d. if any proposal is made or petition filed by the Venturer under any law having for its purpose the extension of time for payment, composition or compromise of the liabilities of the Venturer;

e. if any resolution is passed for or judgment or order given by any court of competent jurisdiction ordering the dissolution, winding-up or liquidation of the Venturer;

f. if a petition or other application is made for the winding-up of the Venturer, unless and for so long as the Venturer shall be contesting the petition or other application in good faith with all due diligence and by appropriate proceedings;

g. defaults materially on any agreement under which the Venturer's Interest in the Joint Venture is Charged and such defaults are not cured within the time period permitted under such Agreement; or

h. if any material representation of a Venturer in this Agreement is found to be incorrect or untrue at the time it was made.

9.2 **Rights Upon Default**. In the event of Default, the non-defaulting Venturer(s) shall have the right:

a. to bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by the Venturers that damages at law may be an inadequate remedy for a Default, breach or threatened breach of this Agreement;

b. to bring any action at law or in equity as may be permitted in order to recover damages or for such other remedy or remedies as may be available to it; and,

c. at its/their sole option, wind-up the Joint Venture. On a wind-up of the Joint Venture, the non-defaulting Venturer(s) shall have the option of purchasing the property owned by the defaulting Venturer (either directly or through a separate entity controlled by the non defaulting Venturer) at fair market value, as determined by a qualified appraiser appointed and paid for by the non-defaulting Venturer, in proportion to its existing Joint Venture Interest, as applicable, and the insolvent or defaulting party or its successors or legal representatives shall be entitled to be paid, subject to payment of those obligations set forth in subsection 7.1(i) to (iii), for its Joint Venture Interest within one hundred and twenty (120) days of notice of the other party's exercise of this option net of its share of liabilities. The non-defaulting Venturer(s) is/are appointed attorney of the defaulting Venturer for the purpose of Transferring the Property pursuant to this subsection. If the non-defaulting Venturer(s) chooses not to purchase the assets of the Joint Venture, the defaulting Venturer's assets shall be liquidated and the insolvent or defaulting party or it successors or legal representatives shall be entitled to its share, as described above, of the net proceeds.

Where a Default has been rectified prior to a proceeding or action being commenced under subsections 9.2(a) or 9.2(b) herein, or prior to the wind-up of the Joint Venture, provided all of the non-defaulting Venturer's costs of pursuing its remedies, including legal fees and disbursements on a solicitor and his/her own client basis, have been reimbursed by the defaulting Venturer, the right to pursue any remedy under this Agreement for such Default shall cease.

10. Confidentiality and Intellectual Property

10.1 Confidentiality

Each Venturer agrees that all Confidential Information, as defined below, shall be and remain the exclusive property of the Venturer disclosing such information (the **"Disclosing Party"**), or, in respect of information that is developed in the course of the Joint Venture, such information shall

belong jointly and indivisibly to each of the Venturers in proportion to their respective Joint Venture Interest and such jointly owned information shall not be used by any individual party for its own use in competition with the Joint Venture. Any Venturer receiving Confidential Information (the **"Receiving Party"**) shall not disclose, and shall ensure that its representatives shall not disclose, to any third Person, any Confidential Information that it receives relating the Joint Venture, except as expressly authorized and directed by the Other Venturer in writing. Each Venturer agrees not to use any Confidential Information or make copies or notices of any documents, records or materials whether they be printed or in machine readable form, (the **"Records"**) containing or referring to Confidential Information, except as may be authorized in writing by the Disclosing Party. Any Venturer, upon ceasing to be a party to the Joint Venture shall return all Records containing any Confidential Information to the Disclosing Party or, with respect to Confidential Information developed in the course of the Joint Venture, shall return such Records to a party to the Joint Venture, who shall accept such Records on behalf of the Joint Venture. This section shall not prohibit either party from using the Confidential Information for the development of additional renewable energy projects on its own, either within Ontario or elsewhere.

"Confidential Information" means all information with respect to trade secrets, know-how and secret or Confidential Information relating to the Joint Venture, the business of the Joint Venture, customers, operations, financial condition and affairs of the Joint Venture, and similar information about the business and activities of each Venturer (which, notwithstanding the any other provisions in this Agreement, may not be used by the Receiving Party after Termination) not generally known outside the Joint Venture, including without limitation, financial and marketing information, customer lists and information concerning programs, systems, processes and techniques whether patented, patentable or unpatentable. It is understood that the parties shall not have liability hereunder for disclosure or use of any information which:

a. is in or, through no fault of the Disclosing Party or its directors, officers, partners, employees, agents and representatives, comes into the public domain,

b. was acquired by, or was already in the possession of, the Receiving Party from other sources, provided such sources are not, to the knowledge of the Receiving Party, prohibited from disclosing such information by legal, contractual or fiduciary obligation to the other party, or,

c. either party is legally required to disclose.

10.2 **Intellectual Property**. All property of the Joint Venture in copyright, patents, know-how, or other intellectual property, which are acquired or created during the term of this Agreement in relation to the projects of the Joint Venture, shall belong to the Venturers jointly in proportion to their respective Joint Venture Interest, and each Venturer shall be entitled to use such property for its own purposes during and after Termination without payment to the other Venturer and each Venturer agrees to execute such further documentation as may be required to give effect to such rights.

11. Miscellaneous

11.1 **Negation of Partnership**. Nothing contained in this Agreement, or otherwise, shall constitute the Venturers partners, or render them liable to contribute more than their ratable amounts as described above, or entitle them to any participation in the results or profits of the Joint Venture other than as specified in this Agreement. This Agreement is intended to create a Joint Venture, not a partnership.

11.2 **Individual Activities of Venturer**. Joint operations between the Venturers are limited to those operations specified in this Agreement. This Agreement has no relation to any operations conducted by either Venturer as an individual or jointly with others, provided that no Venturer shall participate in any activity, as an individual or jointly with others, where such participation would be contrary to the purposes or activities of the Joint Venture formed under this Agreement.

11.3 **Notice.** Any and all notices provided for in this Agreement shall be given in writing delivered to the address first listed above, or such other address as may be updated from time to time in writing. Notices are deemed to be received on the day of actual delivery in the case of delivery by courier, and on the date transmitted by facsimile if transmission is completed before 5:00 p.m., Toronto time, with a record of transmission showing same. Notices of changes of address and contact person shall be given in accordance with the foregoing.

11.4 **Liability**. The doing of any act or the failure to do any act by any member of the Joint Management Team (the effect of which may cause or result in loss or damage to the Venture) if done or not done pursuant to opinion of legal counsel employed by the Joint Management Team on behalf of the Venture, shall not subject such member of the Joint Management Team to any liability. Further, the members of the Joint Management Team shall not be liable for any error in judgment or any mistake of law or fact or any act done in good faith in the exercise of powers and authority conferred upon them but shall be personally liable only for gross negligence or willful misconduct.

11.5 **Agreement Binding and Further Assurances**. This Agreement shall be binding upon the parties and upon the successors and permitted assigns, and the parties agree for themselves and their respective successors and permitted assigns to execute any and all

instruments in writing which are or may become necessary or proper to carry out the purpose and intent of this Agreement.

11.6 **Severability**. In the event any parts of this Agreement are found to be invalid or unenforceable, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the invalid or unenforceable parts were deleted.

11.7 **Effective Date**. This Agreement shall be effective as of the date first written above.

11.8 **Waiver**. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the person or party.

11.9 **Entire Agreement**. This Agreement is the entire agreement between the parties and supersedes all other agreements on the same matter.

11.10 **Force Majeure**. If, because of a circumstance beyond the control of a Venturer, it is delayed in performing or observing a covenant (other than an obligation to make payment of any monies) or in complying with a condition under the terms of this Agreement that it is required to do by a specified date or within a specified period of time, or with all due diligence, and if the circumstance is neither caused by the default, act or omission of that Venturer, nor avoidable by the exercise of reasonable effort or foresight by that Venturer, the date or period of time by or within which it is to perform, observe or comply will be extended by a period of time equal to the duration of the delay.

11.11 **Reliance**. The Client acknowledges that no reliance is placed on any representation made but not embodied in this Agreement, but neither party excludes liability for any fraudulent misrepresentation. Except as otherwise permitted by this Agreement, no change to its terms will be effective unless it is in writing and signed by persons authorized on behalf of all parties.

11.12 **Jurisdiction**. This Agreement will be construed in accordance with and be governed by the laws of the Province of Ontario and each party agrees to submit to the exclusive jurisdiction of the courts of Ontario.

IN WITNESS the parties have executed this Agreement on the date first written above.

THE CORPORATION OF THE COUNTY OF BRANT

Per: _____ _____

Name: Ron Eddy Witness:

Title: Mayor

Per: _____ _____

Name: Heather Boyd Witness:

Title: Clerk

Authorized Signatories

SIX NATIONS OF THE GRAND RIVER

Per: _____ _____

Name: Witness:

Title:

Authorized Signatory

2325705 ONTARIO INC.

Per: _____ _____

Name: Witness:

Title:

Authorized Signatory

SCHEDULE "A"

OWNERSHIP & CAPITAL BUDGET

BRANT BUSINESS PARK BGI GRAPHICS

Ownership:

Six Nations of the Grand River	15%
The Corporation of the County of Brant	30%
2325705 Ontario Inc.	55%

Capital Budget:

SCHEDULE “B”

BUDGET FOR THE FIRST OPERATING YEAR OF THE FACILITY

BRANT BUSINESS PARK BGI GRAPHICS

SCHEDULE "C"

FLOW OF FUNDS

BRANT BUSINESS PARK BGI GRAPHICS

Disbursement of Net Profits:

Six Nations of the Grand River	15%
The Corporation of the County of Brant	30%
2325705 Ontario Inc.	55%

Payment of Expenses and Liabilities:

Six Nations of the Grand River	15%
The Corporation of the County of Brant	30%
2325705 Ontario Inc.	55%

SCHEDULE “D”
ROOFTOP LEASE AGREEMENT

LEASE

THIS LEASE (the **"Agreement"**) made as of the ____ day of _____ 2013.

BETWEEN:

THE CORPORATION OF THE COUNTY OF BRANT
A body corporate duly incorporated under the *Municipal Act (Ontario)* with offices located at 26 Park Avenue, P.O. Box 160, Burford, Ontario N0E 1A0
(**"Brant County"**)

- and -

SIX NATIONS OF THE GRAND RIVER
A band under the *Indian Act* (Canada) with offices located at 1695 Chiefswood Road, P.O. Box 5000, Ohsweken, Ontario N0A 1M0
(**"Six Nations"**)

- and -

2325705 ONTARIO INC.
A body corporate duly incorporated in the Province of Ontario with offices located at Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario
(**"Ontario Inc."** or the **"Landlord"**)

(each a **"Party"** and collectively the **"Parties"**)

WHEREAS:

A. The Parties entered into the joint venture agreement of _____ ___ 20___ (the **"Joint Venture Agreement"** or the **"Joint Venture"**) for the purpose of developing, owning and operating renewable energy projects (the Joint Venture and the parties thereto are herein referred to as the **"Tenant"**).

B. The Landlord is the registered owner of the building municipally known as Brant 403 Business Park, 3 Adi Dassler Way, Brant, Ontario (the "**Building**") which is situated upon the lands (the "**Lands**") legally described in **Schedule "A"** attached hereto (the Lands and Building being hereinafter collectively referred to as the "**Property**");

C. The Tenant is desirous of leasing the whole of the roof of the Building (the "**Premises**"), for the installation, maintenance, repair, replacement, operation and adjustment of solar electricity generating equipment and related facilities as contemplated in the Joint Venture agreement or otherwise (collectively, the "**Facility**"); and,

D. The Landlord has agreed to lease the Premises to the Tenant, subject to the terms and conditions hereinafter contained.

NOW THEREFORE in consideration of the rent, covenants and agreements herein contained and hereby assumed, the parties for themselves and their respective successors and assigns do hereby covenant and agree with one another as follows:

1. LEASE, ANCILLARY RIGHTS AND USE OF LEASED PREMISES

(1) The Landlord leases to the Tenant, and the Tenant leases from the Landlord, the Premises, to have and to hold for the Term, unless sooner terminated pursuant to this Lease. The Landlord further grants to the Tenant such rights as are reasonably necessary to enable the Tenant to install, maintain, repair, replace, operate and adjust the Facility including, without limitation, the right of access described in Section 1(2), below, as well as the right to use, without additional payment by the Tenant, reasonable quantities of all utilities which serve the Property and the right to tie-into the electrical service equipment serving the Building. The Tenant acknowledges that its right to use electricity, without additional charge, shall be restricted to the Tenant's use during construction/installation of the Facility and post-installation maintenance of the Facility.

(2) Subject to the Landlord's reasonable security requirements and the reasonable security requirements of any tenant or other occupant of the Building, the Tenant shall have the right and license to access the roof of the Building and the interior and exterior of the Property, twenty four (24) hours a day, seven (7) days a week, as is reasonably necessary or desirable to enable the Tenant to install, maintain, repair, replace, operate and adjust the Facility. The Landlord acknowledges that the Tenant shall be permitted to connect the Facility to the electrical distribution grid through the electrical system in the Building (located in the mechanical room or electrical room for the Building, or elsewhere) and the Tenant shall be permitted to run electrical and telecommunication cables over, under and through the Building or the Property for the purpose of connecting the Facility to the electrical distribution grid. Without limiting the generality of the foregoing, such license and right shall include the right to use the parking facilities of the Property. Subject to the Landlord's reasonable security requirements and the reasonable security requirements of any tenant or other occupant of the Building, access keys and codes in respect of the Property shall be provided by the Landlord to the Tenant as reasonably required by the Tenant.

(3) The Tenant will use the Premises only for the installation, maintenance, repair, replacement operation and adjustment of the Facility.

2. TERM

(1) The term of this Lease (the "**Term**") shall be a period of twenty (20) years commencing the date when the Facility is fully operational, connected to the distribution grid, generating electricity into the distribution grid and producing revenue (the "**Commencement Date**").

(2) Upon execution of this Lease and prior to the Commencement Date, the Tenant shall have access to the Premises and Property in order to plan for, or to carry out, the installation of the Facility, or for any other *bona fide* purpose. During such early access period, the Tenant shall not be obligated to pay Gross Rent, but both the Landlord and the Tenant shall be subject to all of the other terms and conditions of this Lease insofar as they are applicable.

(3) If the Tenant is not then in default under this Lease beyond any periods permitted by this Lease to cure or remedy such default, the Tenant shall have the option to extend the Term of the Lease for two further periods of five (5) years each (each an "**Extension Term**"). Each Extension Term shall be upon the same terms and conditions as this Lease unless otherwise agreed upon in writing.

(4) The first Extension Term shall be valid upon the provision of written notice to the Landlord by the Tenant at any time before or within one hundred and twenty days from the date of the expiry of the Lease. For any additional Extension Term, notice of intention to extend must be provided to the Landlord by the Tenant at least sixty (60) days prior to the end of said Extension Term.

3. GROSS RENT

(1) The Tenant will pay to the Landlord, without demand, deduction, set-off or abatement, except as expressly permitted in this Lease, as a gross, all-inclusive rent ("**Gross Rent**"), an annual Gross Rent of seventeen thousand dollars (**$17,000**) per annum, payable in equal quarterly installments in advance of four thousand two hundred and fifty dollars ($4,250) plus sales tax as applicable.

(2) Gross Rent is due and payable on the 1st day of each Quarter throughout the Term. In this Lease, "**Quarter**" means a period of 3 consecutive, 4 calendar-week periods. "**Quarterly**" shall have a corresponding meaning.

(3) In addition to the Gross Rent, the Tenant shall pay to the Landlord, all goods and services tax payable pursuant to the *Excise Tax Act, Canada*, and any provincial harmonized sales taxes or other sales tax payable with respect to such Gross Rent.

(4) Gross Rent payable to the Landlord will be paid to the address set out in Section 16, below, or at any other location which the Landlord designates in writing. If the Tenant defaults in paying Gross Rent, at the Landlord's option, the unpaid Gross Rent bears interest at the rate of Prime plus two percent (2%) per annum from the due date to the actual date of payment. "**Prime**" means the rate of interest per annum established from time to time by the Bank of Nova Scotia at its principle office in Toronto, Ontario as the reference rate of interest to determine interest rates it will charge on Canadian dollar loans to its Canadian customers and which it refers to as its "prime rate".

4. COMPLIANCE WITH LAWS

The Tenant will promptly comply with all applicable laws from time to time in effect which pertain to the Tenant's use of the Premises and the Tenant's installation, maintenance, repair, replacement, operation and adjustment of the Facility.

5. REPAIR, MAINTENANCE, OPERATION AND ALTERATIONS

(1) The Tenant shall, at its sole expense, install, maintain, repair, replace, operate and adjust the Facility in a good and workmanlike manner and so as to ensure the Facility is at all times operating properly. The Tenant shall not be required to perform any repairs to the roof of the Building or any other component of the Building or the Property except for damage caused by the Tenant.

(2) The Landlord, at its own expense, shall maintain and keep the Property and the Building, including the roof and any common areas and facilities necessary for the Tenant's operations in accordance with this Lease, in good order, first class condition and repair, and shall promptly make all needed repairs and replacements. The Tenant acknowledges and agrees that maintenance, repairs and replacement to the roof of which the Premises form part will be required during the Term or Extension Term of this Lease and in that regard the Tenant agrees that the following provisions shall apply:

(i) the Landlord shall give the Tenant not less than thirty (30) days notice, except in the case of emergency, of the commencement of repairs or replacement to the roof and shall designate an area to which the Tenant may temporarily relocate its equipment and improvements, if necessary;

(ii) the Landlord shall have not more than thirty (30) days within which to repair or replace the roof, as the case may be;

(iii) in the event the period of repair or replacement takes longer than the time period provided for herein, the Landlord shall compensate the Tenant for all lost revenue during such additional period of time;

(iv) the Landlord shall, if feasible, repair and/or replace the roof in stages in order to provide the Tenant with an area in which to locate its Facility and both the Landlord and the Tenant shall act reasonably in order to permit the repair or replacement of the roof and the removal and relocation of the Tenant's Facility;

(v) provided any repairs or replacements are not caused or required as a result of the Tenant or any of its employees, agents or licensees, the Landlord shall be solely responsible to repair and replace the roof, at its sole cost and expense; and,

(vi) the Landlord shall take such actions as are commercially reasonable to minimize the frequency and duration of any periods during which it is required to exercise its rights under this Section 5(2).

(3) The Facility may not be installed until reasonably detailed plans and specifications have been approved by the Landlord, such approval may not to be unreasonably withheld, conditioned or delayed. Once installed, the Tenant from time to time may make alterations, modifications, repairs and replacements to the Facility provided that if any such alterations, modifications, repairs or replacements affect the structure or roof of the Building (including the roof membrane or roof deck), the Tenant shall first obtain the Landlord's prior approval therefor, such approval not to be unreasonably withheld, conditioned or delayed.

(4) The Landlord agrees that the Facility shall not become a fixture of the Property (irrespective of the nature and manner of affixation to the Premises or Property) but shall be and remain the property of the Tenant and may be removed from the Premises at any time during the Term or the Extension Term, provided that in any event the Facility shall be removed within one hundred and twenty (120) days after expiration or early termination of this Lease, so long as the Tenant makes good any damage caused by such removal, reasonable wear and tear excepted. In the event the Facility have not been removed within one hundred and twenty (120) days after the expiration or other termination of the Term, the Facility shall be deemed conclusively to have been abandoned by the Tenant and may be appropriated, sold, destroyed or otherwise disposed of by the Landlord without notice or obligation to compensate the Tenant or to account therefore, unless otherwise contemplated in the Joint Venture Agreement.

(5) The Landlord hereby waives, releases and relinquishes any and all rights to any lien, interest or other claim on the Facility, including, but not limited to, any right to levy upon the Facility or to assert any landlord lien, right of distraint or other claim (whether arising by virtue of statute, common law or otherwise) in respect of the Facility.

(6) The Tenant shall pay all of its contractors and suppliers on a timely basis to minimize the possibility of a construction lien or other lien being made or filed against the Property in connection with any work involved in the installation, maintenance, repair, replacement, operation and adjustment of the Facility. If a construction lien is registered as a consequence of work performed by or on behalf of Tenant at its request, and should any such lien be made or filed, the Tenant shall discharge or vacate the same forthwith at the Tenant's expense.

6. ASSIGNMENT

(1) The Tenant may, at any time and from time to time, assign this Lease or may grant any sublease of all or any portion of the Premises, with the prior consent of the Landlord, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Tenant may, without the consent of the Landlord, assign, sublet or otherwise transfer all or any part of its right, title and interest in this Lease and the Premises, at any time and from time to time, to:

(i) a parent, subsidiary, or affiliate corporation of the Tenant (within the meaning of the *Canada Business Corporations Act*);

(ii) a partnership or joint venture of which the Tenant and/or a parent, subsidiary or affiliate of the Tenant is a partner;

(iii) a corporation formed as a result of a merger or amalgamation (within the meaning of the *Canada Business Corporations Act*) of the Tenant and/or a parent, subsidiary or affiliate of the Tenant with another corporation or corporations;

(iv) a public corporation or an affiliate or subsidiary body corporate (as currently defined under the *Canada Business Corporations Act*) of a public corporation whose shares are listed on a recognized North American stock exchange;

(v) a purchaser of the Tenant's business to be carried on at the Premises; or,

(vi) to a lender in connection with a *bona fide* financing of the Tenant's business,

(each a "**Permitted Transfer**").

Upon a Permitted Transfer pursuant to subparagraph (iv) or (v) hereof, the Tenant shall be relieved of all obligations under this Lease from and after the date of such Permitted Transfer provided the assignee or transferee agrees to be bound by the terms of this Lease.

(2) The Tenant shall be entitled from time to time to arrange any financing on the security of the Facility and/or its leasehold interest under this Lease by way of a mortgage, charge, assignment or sublet of its interest in the Facility, this Lease and/or the Premises (each a "**Leasehold Encumbrance**"), and may extend, modify, renew or replace such Leasehold Encumbrance; provided the Landlord shall be given written notice of such financing, together with the name and address of each party in whose favour the Leasehold Encumbrance has been created (the "**Benefiting Party**"). The Landlord hereby agrees for the benefit of the Benefiting Party to be bound by the terms and conditions set out in Schedule "B" attached hereto.

7. INSURANCE

(1) The Tenant will take out and keep in force from and after the date of this Lease: (1) all risks direct damage insurance for the full replacement cost of the Facility; and (2) public liability and property damage insurance with respect to the Tenant's operations in, on or upon the Property; all with responsible insurance companies, and in an amount such as would be carried by a prudent tenant of a similar property and as contemplated in the Joint Venture Agreement.

(2) The Landlord will take out and keep in force from and after the date of this Lease: (1) all risks direct damage insurance for the full replacement cost of the Property and improvements

therein; and (2) public liability and property damage insurance with respect to the Landlord's operations in, on or upon the Property; all with responsible insurance companies, and in an amount such as would be carried by a prudent owner of a similar property and as contemplated in the Joint Venture Agreement.

8. LOSS OR DAMAGE

(1) Notwithstanding anything to the contrary in this Lease or otherwise, each of the Landlord and Tenant hereby releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to all occurrences insured against or required to be insured against by the releasing party under a policy of physical property damage, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible. Such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party and proceeds which would have been received if the releasing party obtained all insurance required to be obtained by it under this Lease and for this purpose deductible amounts and amounts for occurrences which are self-insured shall be deemed to be proceeds of insurance received. Further, in respect of any indirect, consequential, or special damages, the Landlord shall not make any claim against the Tenant and the Tenant shall not make any claim against the Landlord related to any such damage or loss regardless of any act, default or negligence on the part of the released person.

(2) To the extent not released as above provided in Section 8(1), each party shall indemnify and save harmless the other from all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising out of:

(i) any breach, violation or non-performance by the indemnifying party of any covenant, condition or agreement in this Lease;

(ii) any loss, cost or expense arising from or occasioned by the act, default or negligence of the indemnifying party, its officers, agents, servants, employees, contractors, customers, invitees or licensees; and

(iii) any obligation of the indemnifying party arising or outstanding upon the expiration or earlier termination of this Lease.

9. LANDLORD'S OBLIGATIONS

(1) The Landlord will pay realty taxes in respect of the Property on or before their due date.

(2) If the Tenant's use and occupation of the Premises causes any increase in any realty taxes, that are levied, rated, charged or assessed against the Property, the Tenant shall pay any such increase as additional rent within ten (10) days after a bill for such additional taxes shall be rendered by the Landlord. In determining whether such increased taxes are a result of the Tenant's use and occupancy of the Premises, any assessment statement or notes issued by the organization(s) which established the tax rates or assessed value of the Property, shall be used.

Any dispute between the parties regarding the Tenant's contributions pursuant to this Section shall be settled by arbitration pursuant to Section 29 of this Lease.

(3) The Landlord shall, whenever requested by the Tenant, execute or join in reasonable documents (provided that such documents shall be subject to any reasonable amendments required by the Landlord) necessary for the Tenant to secure services or other similar privileges or advantages from any municipal or other public authority or public utility. Notwithstanding the foregoing, the Landlord shall not be required to execute or join any such documents if the document would materially adversely affect the Landlord's reversionary interest following the expiry or earlier termination of this Lease.

10. INTERFERENCE

(1) The Landlord covenants and agrees that the Landlord may not take any action, or permit any action, which will interfere with or impair the availability or accessibility of sunlight or solar energy on, over or above the Premises. For clarity the Landlord's obligations under this provision shall relate only to such matters which are within the control of the Landlord or a parent, subsidiary, or affiliate corporation of the Landlord (within the meaning of the *Canada Business Corporations Act*).

(2) In the event that any building, structure, object or works of any nature or kind whatsoever, is erected, installed or discovered in the vicinity of the Premises (including, without limitation, on the Property or on any adjoining properties) which interferes with or impairs the availability or accessibility of sunlight or solar energy, or should the operation of the Facility become technologically or economically impractical or infeasible by reason of any law, regulation, by-law, or any other reason, or should there be damage to or destruction of the Facility or the Building, the Tenant may, in its sole discretion, terminate this Lease by giving thirty (30) days prior written notice to the Landlord.

11. DAMAGE AND DESTRUCTION/EXPROPRIATION

(1) It is hereby expressly agreed, that in the event of damage or destruction by fire, lightning, tempest, explosion, impact, sabotage, vandalism or other casualty, then in every such event the following rules shall apply:

(i) In the event of damage and destruction to the Property but not damage or destruction which prevents the Tenant from operating the Facility in accordance with this Lease, there shall be no abatement or reduction in Gross Rent whatsoever,

(ii) In the event of damage or destruction to the Property which prevents the Tenant from operating the Facility, then the Gross Rent shall abate for the period commencing on the date of the damage or destruction and ending on the date which is sixty (60) days after such damage or destruction has been repaired, or the Property has been restored (being the estimated period of time required by the Tenant to repair and/or replace the Facility

and resume the production of electricity therefrom), by the Landlord to the extent reasonably necessary to allow the Tenant to commence and proceed with the repair or restoration of the Facility without interference or delay, and to thereafter re-commence the operation of such Facility. Provided that if such damage or destruction is such that

(A) the Property cannot be repaired or restored within one hundred and eighty (180) days from the commencement of the repair or restoration; or,

(B) such damage or destruction occurs in the last two (2) years of the Term or Extended Term and cannot be repaired or restored within sixty (60) days from the date of the damage or destruction,

either of the Landlord or the Tenant may terminate this Lease.

(iii) The decision of the Landlord' s architect as to the time within which the Property can or cannot be repaired or restored shall be final and binding on the parties hereto.

(iv) In the event that either party wishes to terminate this Lease as provided for in this Section, then either the Landlord or the Tenant may, within ten (l0) days following the delivery of the architect's opinion as aforesaid, terminate this Lease by giving to the other notice in writing of such termination, in which event this Lease and the Term shall cease and be at an end as of the date of such destruction or damage and all Gross Rent and other payments for which the Tenant is liable under the terms of this Lease shall be apportioned and paid in full to the date of such destruction or damage.

(v) In the event neither party has elected to terminate this Lease, the Landlord shall at its expense commence and diligently repair and restore the Property, and upon completion by the Landlord of such repair and restoration work to the extent reasonably necessary to allow it to do so without interference or delay, the Tenant shall at its expense commence and diligently repair and restore the Facility.

(2) Both the Landlord and the Tenant agree to co-operate with the other regarding an expropriation of the Premises or the Property, or any part thereof, so that each may receive the maximum award to which they are respectively entitled to.

12. TENANT DEFAULT

The Landlord shall have the right to terminate this Lease:

(1) if the Tenant fails to pay any Gross Rent or other sums due hereunder on the day or dates appointed for the payment thereof and such Gross Rent or sums remain unpaid for a period of thirty (30) days following written notice of non-payment given by the Landlord to the Tenant; or,

(2) if the Tenant fails to observe or perform any of the other terms, covenants or conditions of this Lease to be observed or performed by the Tenant, provided the Landlord first gives the Tenant thirty (30) days' written notice of any such failure to perform specifying the nature of the failure and the action required to be taken by the Tenant to cure the default, and the Tenant within such period of thirty (30) days fails to cure any such failure to perform (unless the Tenant has commenced diligently to cure within the thirty (30) day period, and is proceeding diligently to cure within a reasonable time thereafter and actually cures the default within a reasonable period of time); or,

(3) if the Tenant abandons the Premises (meaning the Tenant ceases to operate from the Premises and ceases to pay all Gross Rent): or,

(4) in the event of a bankruptcy, insolvency or winding-up of the Tenant under the *Bankruptcy and Insolvency Act (Canada)* or the *Companies' Creditors Arrangement Act (Canada).*

13. OVERHOLDING

If the Tenant overholds the Premises beyond the Term, the Tenant may continue such holding over and the Tenant will be deemed to be occupying the Premises as a tenant from month-to-month at a monthly Gross Rent equal to one hundred and twenty-five (125%) percent of the monthly amount of Gross Rent payable during the last month of the Term and otherwise, upon the same terms, covenants and conditions as are set forth in this Lease so far as these are applicable to a monthly tenancy.

14. QUIET ENJOYMENT

Subject to the terms of this Lease, the Landlord covenants with the Tenant for quiet enjoyment of the Premises without any interruption or disturbance from the Landlord or any person, firm, corporation or other entity claiming through the Landlord.

15. MODIFICATION

No change or modification to this Lease shall be valid unless it is in writing and is duly executed by the parties hereto.

16. REGISTRATION AND NON-DISTURBANCE

(1) This Lease shall not be registered against title to the Lands. However, the Tenant may register a notice of lease after the form and terms of such notice of lease have been approved by the Landlord, such approval not to be unreasonably withheld, conditioned or delayed. The Landlord shall, if requested, join in the execution of a notice or so-called "short form" of this Lease for the purposes of registration. Said notice or short form of this Lease shall only describe the parties, the Premises and the Term of this Lease and such other matters as may be prescribed by law, and shall be prepared by the Tenant's solicitors and shall be registered at the Tenant's expense.

(2) This Lease is subordinate to (or at the Landlord's option, has priority over) every existing and future mortgage, charge, trust deed, financing, refinancing or collateral financing against the Property and any renewals or extensions of or advances under them (collectively "**Encumbrances**"). The Landlord will obtain from the holder of such Encumbrances a non-disturbance agreement on terms satisfactory to Tenant, acting reasonably (a "**Non-Disturbance Agreement**") permitting the Tenant to remain in possession of the Premises notwithstanding any default by Landlord under the Encumbrance (and, in this regard, a Non-Disturbance Agreement will be executed concurrently with the execution of this Lease if there is an Encumbrance on title to the Property as of the date hereof). The Tenant will, on request, attorn to and recognize as landlord the holder of any such Encumbrances or any transferee or disposee of the Property or of an ownership or equity interest in the Property. The Tenant will, within fifteen (15) days after the request, sign and deliver any reasonably requested priority, postponement, subordination or attornment document. Notwithstanding anything to the contrary, the Tenant shall not be required to subordinate or attorn to any future Encumbrance unless and until Tenant receives a Non-Disturbance Agreement.

(3) Within five (5) business days after written request therefor by the Landlord or the Tenant, the Landlord or the Tenant, as the case may be, hereby covenant and agree to deliver in the form supplied by the other party and to such person, or such persons as it may designate, a certificate stating (if such be the case) that:

(i) this Lease is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified and identify the modification agreements, if any);

(ii) the date of the commencement of the Term;

(iii) the date to which the rent has been paid under this Lease; and,

(iv) whether or not there is any existing default by the Tenant in the payment of any rent or other sum of money under this Lease, and whether or not there is any other existing default by either party under this Lease with respect to which a notice of default has been served, and if there is any such default, specifying the nature and extent thereof.

Each of the parties hereto shall pay their own costs for preparation and execution of any such certificate.

17. NOTICE

(1) Any notice, demand, consent or request under this Lease will be in writing and will be delivered in person or sent by registered mail postage prepaid to the address listed on the first page of this Lease or such other address as may be provided by a Party to the other parties hereto in writing from time to time.

(2) A notice will be considered to have been given or made on the day that it is delivered, or, if mailed, provided postal service is not, or is not expected to be interrupted, three (3) days after the date of mailing. If there is more than one Landlord or Tenant, it will suffice if the Landlord or Tenant, as the case may be, delivers or mails a notice to only one of them. Either party hereto may change its aforesaid address for notices in accordance with the provisions of this Section.

18. TIME OF THE ESSENCE

Time shall be of the essence of this Lease.

19. BINDING AGREEMENT

This Lease shall be binding upon and shall ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and subsequent purchasers.

20. GOVERNING LAW

This Lease shall be construed in accordance with and governed by the laws of the Province of Ontario.

21. ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties hereto with respect to the Premises and the Facility and there are no prior representations, either oral or written, between them other than those set forth in this Lease. This Lease supersedes and revokes all previous negotiations, arrangements, letters of intent, memoranda of understanding, options to lease, representations and information conveyed, whether oral or written, between the parties hereto. The Landlord acknowledges and agrees that it has not relied upon any statement, representation, agreement or warranty except such as are expressly set out in this Lease.

22. SEVERABILITY

If a part of this Lease or the application of it is unenforceable or illegal to any extent, that part: (i) is independent of and severable from the remainder of this Lease, and its unenforceability or illegality does not affect the remainder of this Lease; and (ii) continues to be enforceable to the fullest extent permitted by law. No part of this Lease will be enforced against a person, firm,

corporation or other entity, if, or to the extent that by doing so, the person, firm, corporation or other entity is made to breach the law, rule, regulation or enactment.

23. WAIVER

The waiver by the Landlord or the Tenant of a default under this Lease is not a waiver of any subsequent default. No obligation or term of this Lease will be considered to have been waived by the Landlord or the Tenant unless the waiver is in writing.

24. FORCE MAJEURE

Despite anything to the contrary, if the Landlord or the Tenant is, in good faith, prevented from doing anything required by this Lease because of Force Majeure, the doing of the thing is excused for the period of the Force Majeure and the party prevented will do what was prevented within the required period after the Force Majeure, but this does not excuse either party from payment of amounts they are required to pay at the times specified in this Lease. For the purpose of this Lease, "**Force Majeure**" means a strike, labour trouble, inability to get materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God or any other similar reason, that is not the fault of the party asserting it.

25. COMMISSIONS

The Landlord represents and agrees that it has not entered into any agreement or incurred any obligation and does not know of any fact which might result in an obligation to pay sales or brokerage commissions or a finder's fee in respect of this Lease. The Tenant shall be solely responsible for the payment of any sales or brokerage commissions or finder's fee payable by it pursuant to any agreement made by it with any person in respect of this Lease.

26. CONFIDENTIALITY

Subject to Section 16(1), the terms of this Lease and all information issued, disclosed or developed in connection with this Lease are to be held in strict confidence between the parties hereto. The Landlord, its agents and employees agree not to use, reproduce or divulge the same to third parties unless it is with the prior written consent of the Tenant and to take all reasonable precautions for protection of such information from disclosure.

27. COUNTERPARTS AND FACSIMILE EXECUTION

This Lease may be executed in counterpart in which case all of the counterparts taken together shall constitute the Lease and may be executed by facsimile signature. In such case, the parties will promptly cooperate to produce fully executed originals of this Lease.

28. PLANNING ACT

This Lease is conditional upon compliance with the subdivision control provisions of the *Planning Act, Ontario*, if applicable. Pursuant to Sections 50(3)(d.1) and 50(5)(c.1) of the

Planning Act, Ontario, the parties hereto confirm that the Tenant is acquiring the right to use the Premises for the purpose of the installation and operation of a renewable energy generation facility.

29. ARBITRATION

Whenever in this Lease it is provided that any matter in dispute or to be agreed between the Landlord and the Tenant, if not settled or agreed between them, is to be determined by arbitration, then the following provisions shall apply:

(1) either party may commence arbitration proceedings by giving written notice to the other party of its desire to arbitrate;

(2) forthwith after the giving of such notice, the parties or their designated representatives shall meet in good faith for the purpose of agreeing, or attempting to agree, upon an arbitration procedure. If such agreement is arrived at, the matter in dispute shall be arbitrated and settled in accordance with the agreed procedure (and which agreed procedure shall constitute a submission to arbitration within the meaning of the *Arbitration Act, 1991 (Ontario*)), failing such agreement the matter shall be arbitrated and settled in accordance with the procedure set out in subsection (4) of this section;

(3) the parties recognize that, in many instances of disputes or disagreements which might arise under this Lease, the dispute or disagreement may involve, and depend for its resolution upon, technical matters or matters which involve expert knowledge and judgment, where it is in the interests of a prompt and equitable solution of the matter for the parties to agree upon an independent expert having the appropriate specialized knowledge as the sole arbitrator. In any such situation the parties shall negotiate in good faith and act reasonably with a view to reaching agreement upon an appropriate independent expert as a sole arbitrator. If such a sole arbitrator is agreed upon by the parties, the dispute shall be arbitrated and determined in accordance with the following procedure (and which shall constitute a submission to arbitration within the meaning of the *Arbitration Act, 1991 (Ontario)*):

(i) such sole arbitrator shall proceed to determine the dispute, having regard to the provisions of this Lease and the terms of the submission to arbitration;

(ii) the arbitration shall, subject to any submission to arbitration or other agreement of the parties affecting the same, be conducted in accordance with the provisions of the laws of Ontario applicable thereto and the provisions of the *Arbitration Act. 1991 (Ontario)* shall apply thereto;

(iii) the costs of the arbitration shall be awarded in the discretion of the sole arbitrator; and,

(iv) if such sole arbitrator fails to hear and determine the matter in dispute and render a decision in writing to the parties within thirty (30) days after the

parties agree upon such sole arbitrator, either party may, by notice to the other, cancel the appointment of such sole arbitrator, in which case either party may initiate new arbitration proceedings pursuant to this section (subject to the agreement of the other party to the commencement of new arbitration proceedings) or proceed in the courts to have the dispute determined as if no agreement for a submission to arbitration existed between the parties.

(4) if, within 5 days after the giving of the notice referred to in subsection (1) of this section an arbitration procedure shall not have been agreed upon between the parties, either party may give written notice to the other requiring the dispute to be arbitrated and determined in accordance with the following procedure (and which shall constitute a submission to arbitration within the meaning of the *Arbitration Act, 1991 (Ontario)*):

(i) the party giving the notice referred to above in this subsection shall, in such notice, give notice of the appointment and the name of the arbitrator chosen by the party giving such notice;

(ii) the party receiving the notice given under paragraph (i) shall, within 10 days after the receipt thereof, give a written notice to the party giving the first notice of the appointment and the name of the arbitrator chosen by the party giving the notice under this paragraph (ii);

(iii) the two arbitrators so chosen shall jointly appoint a third arbitrator and give written notice of the appointment and the name of such arbitrator to the parties;

(iv) if a party required to appoint an arbitrator fails to do so and give notice thereof as required by paragraph (ii) within the period of 10 days provided thereby, or if each party has appointed an arbitrator and the two arbitrators so chosen fail to agree upon a third arbitrator and give notice thereof as required by paragraph (ii) within 15 days after both have been appointed, then any party not in default may apply to a judge of the Ontario Superior Court of Justice pursuant to the provisions of the *Arbitration Act, 1991 (Ontario)* for the appointment of an arbitrator on behalf of the party in default, or the appointment of the third arbitrator, as the case may be;

(v) the three arbitrators appointed pursuant to the preceding provisions shall proceed to determine the dispute or disagreement having regard to the provisions of this Lease and the terms of the submission to arbitration and any other agreements the parties may have made respecting the arbitration or the matter in dispute and the decision of any two of them shall bind the parties;

(vi) the arbitration shall, subject to any express provisions herein or in any submission to arbitration or other agreement of the parties affecting the

same, be conducted in accordance with the provisions of the laws of Ontario applicable thereto and the provisions of the *Arbitration Act 1991 (Ontario)* shall apply thereto;

(vii) the costs of the arbitration shall be awarded at the discretion of the arbitrators;

(viii) a party shall be entitled to prejudgment and postjudgment interest on any award for the payment of money and in connection with any award in the nature of a declaration relating to payments under this Lease. Such prejudgment and postjudgment interest shall be at the prejudgment and postjudgment interest rate that would be applicable under the *Courts of Justice Act (Ontario)* or successor legislation. The arbitrator or arbitrators, as the case may be, shall include an award for such prejudgment and postjudgment interest in his or their final award; and

(ix) if the arbitrators appointed under the preceding provisions shall fail to hear and determine the matter in dispute and render a decision in writing to the parties within thirty (30) days after the appointment of the third arbitrator, either party on notice to the other may cancel the appointments of all the arbitrators previously made, in which case either party may initiate new arbitration proceedings pursuant to this section (subject to the agreement of the other party to the commencement of new arbitration proceedings) or proceed in the courts to have the dispute determined as if no agreement for a submission to arbitration existed between the parties.

(5) the provisions of this Lease and of this section requiring the determination of certain disputes by arbitration shall not operate to prevent recourse to the courts by any party as permitted by the *Arbitration Act, 1991 (Ontario)* or whenever enforcement of an award by the sole arbitrator or arbitrators, as the case may be, reasonably requires access to any remedy (such as mandamus, injunction, specific performance, declaration of right, order for possession, damages or judicial enforcement) which an arbitrator has no power to award or enforce. In all other respects an award by the sole arbitrator or arbitrators, as the case may be, shall be final and binding upon the parties and there shall be no appeal from the award of the arbitrator or arbitrators, as the case may be, on a question of law or any other question.

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IN WITNESS the parties have executed this Lease on the date first written above.

THE CORPORATION OF THE COUNTY OF BRANT

Per: _____
Name: Ron Eddy
Title: Mayor

Per: _____
Name: Heather Boyd
Title: Clerk
Authorized Signatories

SIX NATIONS OF THE GRAND RIVER

Per: _____
Name:
Title:
Authorized Signatory

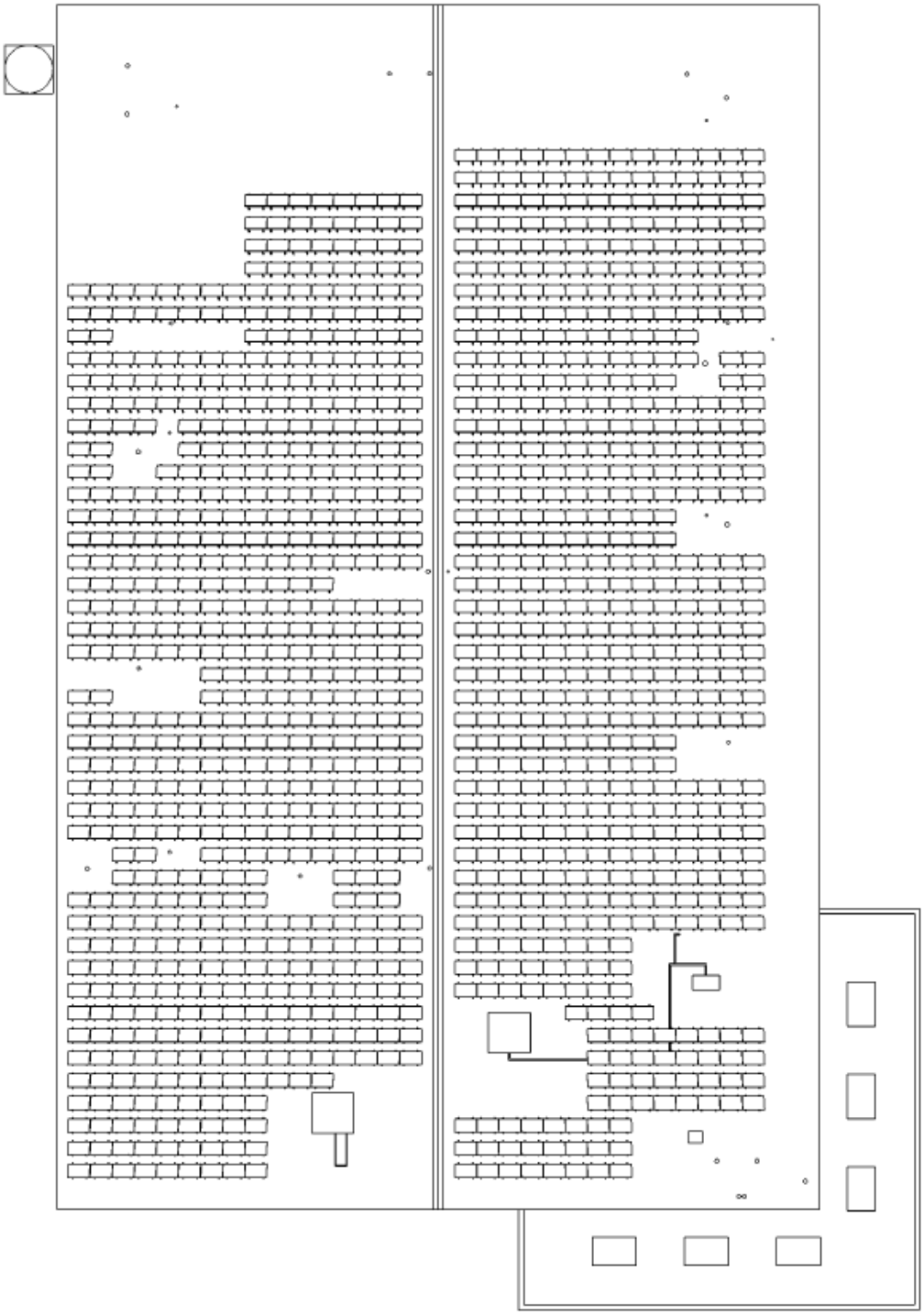
2325705 ONTARIO INC.

Per: _____
Name:
Title:
Authorized Signatory

SCHEDULE "A"
LEGAL DESCRIPTION OF PROPERTY

Part Lot 9, Concession 2, Former Township of Brantford, County of Brant, described more particularly as Part 1 of Reference Plan 2R-7452; PIN 32054-0655(LT)

SCHEDULE "A-I"
DESCRIPTION/ILLUSTRATION OF LEASED PART(S) OF ROOF



SCHEDULE "B"
LEASEHOLD MORTGAGE

1. The Landlord will give to the Benefiting Party (as such term is defined in Section 6(2) of the Lease) simultaneously with service on the Tenant a duplicate of any and all notices or demands given by the Landlord to the Tenant from time to time.

2. The Benefiting Party shall have the privilege of performing any of the Tenant's covenants under this Lease or of curing any default by the Tenant under this Lease or of exercising on behalf of the Tenant any election, option or privilege conferred upon the Tenant by the terms of this Lease.

3. The Landlord shall not terminate this Lease or the Tenant's right of possession for any default of the Tenant if within a period of thirty (30) days after the expiration of the period of time within which the Tenant might cure such default such default is cured or caused to be cured by the Benefiting Party, or if within a period of thirty (30) days after the expiration of the period of time within which the Tenant might commence to eliminate the cause of such default, the Benefiting Party commences to eliminate the cause of such default and proceeds therewith diligently and with reasonable dispatch.

4. No amendment, change or alteration to this Lease or termination of this Lease, in each case, consented to voluntarily by the Tenant shall be effective as against the Benefiting Party unless the Benefiting Party provides its written consent thereto.

5. Except in the case where the Benefiting Party has by written notice to the Landlord assumed the position of the Tenant, no liability for the payment of rent or the agreements hereunder shall attach to or be imposed upon any Benefiting Party, all such liability being hereby expressly waived by the Landlord.

6. No taking of possession by a Benefiting Party either directly or through the appointment of any receiver or other representative will be considered a default under this Lease, and the Premises may be occupied, leased or this Lease assigned by the Benefiting Party in accordance with the terms and conditions of this Lease.

7. If this Lease is terminated without the consent of the Benefiting Party, the Benefiting Party will have the right, within thirty (30) days of receipt of notification of the termination, to obtain a new lease on the same terms and conditions as this Lease and with the same priority, for a term commencing on the date of termination of this Lease and extending for the remainder of the Term that would have remained but for the termination, provided that any monetary defaults

and other curable defaults outstanding under this Lease are cured at the time the new lease is granted.

8. Within 10 days of request therefor, the Landlord shall execute and deliver to the Benefiting Party an agreement containing the provisions of this Schedule "B" or such other form as requested by the Benefiting Party, and accepted by the Landlord, both acting reasonably, which gives effect to the agreements contained in this Schedule "B" and sets out such additional rights of the Landlord and the Benefiting Party as may be reasonable in connection with such security.