

V. Elizabeth Dowdeswell



Ontario

Province of Ontario
Province de l'Ontario

Elizabeth the Second, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith.

Elizabeth Deux, par la grâce de Dieu, Reine du Royaume-Uni, du Canada et de ses autres royaumes et territoires, Chef du Commonwealth, Défenseur de la Foi.

To all to whom these Presents shall Come, Greeting:

À tous ceux et celles qui prendront connaissance des présentes :

Number/Numero MT192658
CERTIFICATE OF RECEIPT
CERTIFICAT DE RÉCÉPISSÉ

NOV 24 2017 09:12

Land Registrar
Registraireur

Katherine Cice

Muskoka
#35

NEW PIN 48029-0690, 48029-0691
NO EXECUTIONS 48029-0692, 48154-1188,
48154-1189

UNDER the PUBLIC LANDS ACT and the regulations and subject to the limitations thereof, and in consideration of the sum of THREE HUNDRED DOLLARS (\$300.00) now paid by the Lessee to the Lessor, the receipt whereof is hereby acknowledged and the rents, conditions and provisions hereinafter reserved and contained, the Lessor, by these Presents does demise and lease unto SWIFT RIVER ENERGY LIMITED, incorporated under the laws of Ontario, hereinafter called the "Lessee";

leased premises

ALL those Parcels or Tracts of land situate, lying and being in the Geographic Townships of Medora and Wood, in the Municipal Township of Muskoka Lakes, in the District Municipality of Muskoka and Province of Ontario more particularly described in the attached Schedule, hereinafter referred to as the "premises".

term

TO HAVE and TO HOLD the premises for the lesser of a period of five years and four months to be computed from the first day of September, 2017 to and including the last day of December, 2022 or upon the execution of a Waterpower Lease Agreement.

fee

YIELDING and PAYING for the period of four months the sum of \$333.33 of lawful money of Canada, receipt whereof is acknowledged, and for a further period of five years, in advance yearly and every year during the said period, unto the Lessor, hereinafter represented by the Minister of Natural Resources and Forestry or his delegate, subject to the following paragraph, the rent or sum of \$ 1,000.00 of lawful money of Canada, free and clear from all manner of deductions whatsoever, each of such payments to be payable on the first day of January in each and every year during the said period.

rent adjustment The rent mentioned in the foregoing paragraph is subject to annual review and adjustment during the period of this lease, each such adjustment shall take effect on the first day of January in the year next following; the adjusted rent shall be determined by the Lessor. It is agreed that this lease is not subject to rent review legislation.

definitions 1. In this lease:

- (a) "District Manager" means the District Manager of the Administrative District of Parry Sound of the Ministry of Natural Resources and Forestry;
- (b) "Minister" means the Minister of Natural Resources and Forestry, unless otherwise specified;
- (c) "year" means calendar year;
- (d) "works" means all buildings, dams, weirs, tunnels, races, flumes, sluices, pits (other than those defined by section 1(1) of the Aggregate Resources Act), wingwalls, spillways, control gates, intake headwork, fish passages, fish guards, by-pass channels and other structures constructed or erected on the premises together with all plant, machinery and equipment affixed thereto.

2. The Lessee covenants with the Lessor, and it is understood that the obligations hereunder are deemed to be annexed to and run with the premises:

rent (a) to pay rent;

taxes (b) to pay all taxes, rates, duties, assessments and outgoings whatsoever, whether municipal, parliamentary or otherwise, now charged or hereafter to be charged upon the premises or upon the Lessee on account thereof or upon the interest of the Lessee therein, including municipal taxes for local improvements and works assessed upon the property benefited thereby;

restrictions on use of premises (c) to use the premises only for the purpose of a site for constructing, maintaining and operating a hydro-electrical generating facility and for any roads or other structures necessary for the maintenance or operation of such a facility and will not use the premises for any illegal purpose;

plans/ construction (d) (i) that any building, structure, or works to be erected on the premises or any alteration, renovation, enlargement or reconstruction of improvements, whatsoever, must be approved in writing by the Lessor, and any other applicable agencies or authorities prior to the commencement of any work; the application to the Lessor for approval must contain a written description of the work, a sketch or plan of the work, and the Lessee's evaluation of the cost of the work; all work on the premises must be in accordance with the approved description of the work and the approved sketch or plan of the work;

(ii) that before the Lessee constructs any such improvements, the Lessee covenants and agrees to submit its plans and specifications to the Regional Engineer for written approval.

(iii) to construct such additional works and repair, reconstruct, or make improvements to existing works in order to construct a hydro-electrical generation facility on the premises to a serviceable level, and in doing so will

(a) comply with the provisions of all applicable legislation and regulations made thereunder and of all environmental, zoning and building laws and all other statutory requirements including health, fire, and other environmental regulations relating to the premises;

(b) obey all orders, directives and requests made by municipal and other public authorities to carry out repairs or effect changes to the premises in order that they will comply with applicable health, environmental safety, fire, zoning, building and other requirements authorized by law; and

(c) will maintain the premises in a environmentally safe, clean, sanitary and fire safe condition and will dispose of all garbage in an approved manner;

Inspection of works (e) that the Lessee has inspected and is familiar with the physical attributes and conditions of the premises and the existing works at the date of this lease and the Crown has made no representations of any kind with respect to the lands or the existing works, including but not limited to the work's physical condition or fitness for producing, generating, utilizing and transmitting power, and the Crown is not liable for any defects in the existing works, either latent or patent or for the existence of any circumstances not expressly warranted or represented in this lease, and in particular the Crown is not responsible or liable for want of repair of the existing works and that the Lessee is taking the existing works under this lease on an "as is" basis.

Maintain works (f) (i) to maintain and repair any and all works on the premises on notice from the Crown in accordance with such notice or in the event of the absence of such notice to maintain and repair all and any works so that such works comply with the provisions of all applicable legislation and regulations made thereunder and of all environmental, zoning and building laws and all other statutory requirements including health, fire, and other environmental regulations relating to the premises and/or comply with all orders, directives and requests made by provincial, municipal and other public authorities to carry out repairs or effect changes to the premises in order that they will comply with

applicable health, environmental safety, fire, zoning, building and other requirements authorized by law; and that they will maintain the premises in a environmentally safe, clean, sanitary and fire safe condition.

- (ii) If the Lessee fails to comply with clause (i) within such period as the Crown specifies in writing having regard to the nature of the maintenance or repairs required and the consequence of failing to carry out such repairs or maintenance in a timely manner, the Crown may enter the premises and take such steps as necessary to carry out such maintenance or effect such repairs and recover the costs as rent in arrear.

Operation

- (g) the Lessee covenants and agrees that it will, while operating the dam structure,
 - (i) comply, where applicable, with direction from the District Manager for the operation of the dam to ensure coordination with the operation of upstream and downstream dams.
 - (ii) give priority to water level control over the production of power during the spring runoff and/or flood periods to minimize upstream and downstream flooding.
 - (iii) during the term of this lease, operate and maintain the works on the premises in accordance with all federal, provincial and municipal legislation, in particular, laws related to health, safety and the environment as well as the requirements of the Ministry of Natural Resources dam safety standards, and any applicable dam operating plan and/or any applicable water management plan approved by the Minister.

pay
accounts

- (h) to pay all accounts and expenses for labour performed upon, and materials incorporated into, any building, structure, or works, to be erected on the premises or any alteration, renovation, enlargement, or reconstruction of improvements whatsoever and appurtenances as the same fall due;

maintain in
a clean,
safe condition

- (i) to obey all orders, directives and requests made by municipal and other public authorities to carry out repairs or effect changes to the premises in order that they will comply with applicable health, safety, fire, zoning, building and other requirements authorized by law; and will maintain the premises in a clean, sanitary and fire safe condition and will dispose of all garbage in an approved manner;

water level

- (j) notwithstanding anything in this lease, the Lessor may direct the Lessee to operate the works and control the level of water impounded thereby, in such a manner as the Lessor sees fit where the Lessor considers it desirable in the public interest to do so;

- debris (k) where any tree, floodwood, part of a tree, refuse, debris, substance or matter has been thrown or deposited in a lake or river or any water on the premises or on the bed, shores or banks thereof, by the Lessee or as a result of the activity by the Lessee, the Lessor may order the Lessee to take such steps within the time specified in the order as are necessary to remove the tree, floodwood, part of a tree, refuse, debris substance or matter from the lake or river or from the bed, shores, or banks thereof;
- failure to remove debris (l) where the Lessee fails or neglects to comply with an order made pursuant to paragraph (k) stated above, the Lessor may effect the removal of the tree, floodwood, part of a tree, refuse, debris, substance or matter from the lake, river or any water or from the bed, shores, or banks thereof, and the costs and expenses incurred by the Lessor in so doing shall be a debt owing by the Lessee to the Crown;
- access road (m) access roads to the dam, and culverts and bridges on that access road are the responsibility of the Lessee;
- heritage values (n) heritage values and artifacts shall be identified documented and preserved in accordance with Ministry of Tourism, Culture and Sport protocols, technical manuals, policies and guidelines;
- mitigation measures (o) mitigation measures must be co-ordinated with the Ministry of Tourism, Culture and Sport prior to any disturbances of heritage sites with copies of relevant correspondence being forwarded to the District Manager;
- human remains (p) the Lessee must immediately notify the Lessor and the Registrar of the Cemeteries Regulation Unit, Ministry of Government and Consumer Services in the event that human remains are encountered during operation;
- procedure (q) (i) in the event that human remains are encountered, the Lessee agrees to assume all obligations of the Crown under the Cemeteries Act (Revised) as land owner; and
(ii) any site disposition agreement negotiated by the Lessee pursuant to sub-paragraph (q) (i) must be approved by the Lessor;
- heritage consultant (r) the Lessee shall ensure the employment of qualified heritage consultants to deal with heritage resource matters or issues that may arise from time to time;
- assigning, subletting (s) (i) not to assign or sublet the premises or any part thereof, either for the whole or any part of the period, without first obtaining the written consent of the Lessor;

- transfer, sale (ii) not to transfer or sell the buildings, assets or other improvements located thereon or the balance of the period of the lease without first obtaining the written consent of the Lessor;
- mortgage or charge (iii) that the Lessee will not mortgage or charge or grant security in the works for the balance of the term of the lease without first obtaining the consent of the Crown and the granting of such consent shall be within the discretion of the Crown; and
- obligation to provide information (iv) to furnish the Lessor with a statutory declaration containing a full, fair and open disclosure of all the important details relating to the proposed transaction, so as to enable the Lessor to properly consider the application, and shall also furnish such additional information by way of statutory declaration or otherwise, and materials as the Lessor may request for this purpose and shall pay such fee for assignment, subletting, transfer or sale as is fixed from time to time by the regulations; all of these transactions shall be framed in a form which is acceptable to the Lessor and is also acceptable for registration in the proper Land Registry Office, and shall not be valid until also executed by the Lessor and furthermore shall contain a covenant by the assignee, sub-lessee, transferee or purchaser as the case may be, directly with the Lessor, to observe and perform the covenants and be subject to the provisos herein contained; a copy of the original registered copy of all such transactions shall be furnished to the Lessor within 14 days of the conclusion of each transaction with registration particulars endorsed thereon;
- (t) in the case of a charge or mortgage, the Lessor agrees that if the mortgagee or chargee assumes possession or control of the premises, the mortgagee or chargee shall observe and perform the terms and conditions of this lease and be subject to the provisos herein contained for so long as the mortgagee or chargee shall continue in possession or control of the premises, providing that there has been no breach of the lease while the mortgagee or chargee has been in possession;
- utilities (u) to pay all rates and charges for public and other utilities including water, gas, electricity, telephone and fuel;
- executions, liens (v) to immediately discharge any sheriff's executions filed against the premises for which it is responsible, by payment into court or otherwise and also any liens or other charges attaching thereto by reason of any act or omission on its part, whether caused by any work, services, or materials which it has had performed or supplied in connection with any building or improvement on the premises, or by failure to pay any sales, corporation, or estate tax or any succession duty for which it or its successor is responsible;

lessee to
indemnify
lessor

(w) the Lessee shall assume all liability and obligation, if any, and all loss, damage or injury including death, to persons or property that would not have happened but for this lease or anything done or omitted to be done or maintained by the Lessee thereunder or intended so to be and the Lessee shall at all times indemnify and save harmless the Lessor from and against all such loss, damage or injury, and all actions, suits, proceedings, costs, charges, damages, expenses, claims or demands arising therefrom or connected therewith. This subsection shall survive the expiry or earlier termination of this Lease; and

insurance

(x) that the Lessee shall throughout the term of this lease provide and keep in force for the benefit of the Crown and the Lessee general liability insurance in an amount of not less than ten million dollars (\$10,000,000.00) in respect of injury to or death of any persons or property damage.

The Lessee shall, throughout the term of this lease, put in effect and maintain, at its own cost and expense, with insurers having a secure A.M. Best rating of B + or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person in the business of the Company would maintain, including but not limited to, the following:

(a) commercial general liability insurance on an occurrence basis for third-party bodily injury, personal injury and property damage, to an inclusive limit of not less than Ten Million Dollars (\$10,000,000.00) Canadian (CAD) per occurrence.

Insurance coverage must be endorsed:

- (i) to name the Indemnified Parties as additional insureds with respect to liability insurance;
- (ii) to provide cross-liability and severability of interest clauses;
- (iii) to provide 30 day written notice of cancellation;
- (iv) to provide contractual liability coverage, and
- (v) to provide products and completed operation.

All such insurance shall be primary and not require the sharing of any loss by any insurer of any Indemnified Party.

Proof of Insurance

The Lessee shall provide the District Manager with proof of the insurance required by this lease in the form of valid certificates of insurance that reference this lease and confirm the required coverage, within one (1) day of the issuance of this lease, and renewal replacements on or before the expiry of any such insurance. Upon the request of the Crown, a copy of each insurance policy shall be made available to it. The Lessee shall ensure that each of its subcontractors obtains all the necessary and appropriate insurance that a prudent person in the business of the subcontractor would maintain and that the Indemnified Parties are named as additional insureds with respect to any liability arising in the course of performance of the subcontractor's obligations under any subcontract for operation, repair or maintenance of the dam.

- destruction of building structure or works
3. In the event that any building, structure or works erected on the premises or any alteration, renovation, enlargement or reconstruction of improvements required for the purpose of this lease should be destroyed by fire or other calamity, or be demolished, or by reason of any other occurrence become incapable of being decently utilized for the purpose of this lease, then unless the Lessee shall, within 120 days of the happening of any such event, give to the Lessor written notice of his intention to rebuild, replace or reinstate the building, structure or works, or the alteration, renovation, enlargement or reconstruction of improvements so destroyed, demolished or rendered unusable, in a manner and in accordance with a standard which will satisfy the Lessor and actually carry such proposal through to completion to the Lessor's satisfaction within 24 months of the date of the notice referred to in this paragraph then the Lessor may at his option terminate this lease.
- remedies for failure to pay rent
4. Provided that if and whenever the rent hereby reserved, or any part thereof shall be unpaid for 10 days after any of the days on which the same becomes due, the Lessor may forward notice in writing to the Lessee demanding that the sum so in arrears be paid forthwith, and if the Lessee fails to pay the arrears within 30 days following delivery of such notice, then the Lessor may at his option exercise a right of distress and/or terminate this lease.
- power to inspect premises
5. It is expressly agreed that any authorized official of the Ministry of Natural Resources and Forestry may enter the premises at any reasonable time, and upon giving the Lessee 48 hours notice may enter any building or structure thereon.
- insolvency, or seizure of leasehold
6. Provided also that if the term hereby granted shall at any time be seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make an assignment for the benefit of creditors, or becoming bankrupt or insolvent shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, then in every such case any prepaid rent may be retained by the Lessor as liquidated damages and the said term shall, at the option of the Lessor, forthwith become forfeited and be determined.
- cutting trees
7. It is a condition of this lease that the Lessee will not cut or remove any trees or timber standing, being or hereafter found growing on the premises without the written consent of the Lessor, except as is necessary for the approved erection and protection of any building, structure, or works, to be erected on the premises or any alteration, renovation, enlargement, or reconstruction of improvements required for the purpose of this lease.
- waiver of Lessor's rights must be written
8. It is expressly agreed that any failure by the Lessor to enforce, either in part or in whole, the rights and remedies available to the Lessor under these presents for any breach or failure by the Lessee to observe the provisions of any covenant or

other matter herein contained shall not be deemed to be a waiver or acquiescence of same on the part of the Lessor, nor shall such failure preclude the Lessor from enforcing such rights and remedies against the Lessee for any subsequent breach or non-observance. Any waiver of any of the Lessor's rights under the lease shall not have any force or validity unless the Lessor has consented thereto in writing.

removal of
assets on
termination
of lease

9. Upon the expiration or earlier determination of this lease, other than upon the entry into a long term Waterpower Lease Agreement between the parties hereto:
- (a) the premises shall be left in a clean and safe condition, and where a notice to remove is given by the Lessor to the Lessee, restored as much as possible to its original state;
 - (b) unless notice to remove is given by the Lessor to the Lessee, upon the expiration or earlier determination of this lease, all buildings, structures, improvements or other assets remaining on the premises automatically become the property of the Crown unless expressly rejected by the Lessor, or his delegate, and in either case, the Crown has no obligation whatsoever to pay compensation for them;
 - (c) where the Lessee fails to remove the buildings, structures, improvements or other assets where notice to remove was given by the Lessor to the Lessee or fails to restore the premises to a clean and safe condition within 12 months from the expiration or earlier determination of this lease, the Lessee will pay to the Lessor a sum of lawful money of Canada sufficient to cover the costs, if any, incurred by the Lessor in selling, disposing of or destroying the buildings, structures, improvements or other assets and in restoring the premises to a clean and safe condition; and these costs shall be a debt due the Lessor and may be recovered at the suit of the Lessor in any court of competent jurisdiction.

interpre-
tation

10. Wherever in this lease the word "Lessor" occurs, it shall be construed as including the Heirs and Successors of the Lessor and any person, corporation or commission hereafter exercising the powers now vested in the Lessor and wherever in this lease the word "Lessee" occurs it shall be construed as including assigns, heirs, executors, administrators, corporations, successors and other legal representatives of the Lessee; and this lease is to be read with all changes in gender or number as required by the context. The marginal descriptions contained on this lease are intended to facilitate the interpretation of this lease and are not to be used in the interpretation of this lease. It is agreed that every covenant, proviso and agreement herein contained shall enure to the benefit of and be binding upon the parties hereto.

right to
terminate

11. (a) If the Lessee is in breach of any condition, agreement, affirmative covenant, negative covenant or any other obligation contained

herein, the Lessor shall give written notice of the breach and shall specify a reasonable time within which the breach must be remedied taking into account the nature of the breach and the consequences thereof.

- (b) If the Lessee fails to remedy the breach within the time specified in the notice:
 - (i) The Lessee may be subject to prosecution pursuant to section 69.1 of the Public Lands Act; and/or,
 - (ii) The Crown shall have the right, but not the obligation to remedy the breach and take steps to rectify or mitigate the consequences of the breach, and recover its reasonable expenses in relation thereto from the Lessee as additional rent; and/or
 - (iii) The Crown may exercise a right of re-entry and may terminate the lease agreement.
- (c) The Lessee shall have the right to terminate this lease upon one year's prior written notice to the Lessor, provided the removal complies with the conditions set out in clause 9.

access to premises lessee's responsibility 12. It is agreed that access to the premises, and the quality of that access is strictly the responsibility of the Lessee unless otherwise provided herein. Prior written approval from the Lessor must be obtained before any construction of any road or other access facilities. The Lessor reserves the right to use any access facilities without any compensation.

Waterpower Lease Agreement 13. The parties agree to enter into a Waterpower Lease Agreement substantially in the form attached as Appendix A, comprised of an initial term of thirty (30) years. After the first twenty (20) years the lease agreement may be extended for an additional ten (10) year period upon the same terms and conditions. At each subsequent date when only ten years remain on the term, the term can be extended for an additional ten (10) year period upon such terms and conditions as the Minister considers appropriate subject to the following:

- (a) the Lessee has fully complied with the provisions of the Waterpower Lease Agreement; and
- (b) the terms and conditions of the said Waterpower Lease Agreement are approved by the Minister pursuant to subsection 42.(1) of the *Public Lands Act*, R.S.O. 1990 Chapt. P.43, 2009.

lease confers no future rights 14. The Lessee agrees and confirms that in the event that the conditions set out in paragraph 13 are not met or upon early determination of this lease that:

- (a) upon the expiration or earlier determination of this lease, the decision to issue a new lease

is within the Lessor's absolute discretion; the Lessee has no right to, nor reasonable expectation for the granting of a new lease based on prior use of the premises;

(b) nothing contained herein grants the Lessee more than a leasehold interest in the premises for the period specified, and that period is subject to compliance with the terms of this lease; the successive granting of a lease for the use of the premises will not create any future rights or interest whatsoever in the premises for the benefit of the Lessee or anyone else;

(c) should any improvements whatsoever be made to or on the premises this will not confer upon the Lessee any right to use of the premises other than within the terms of this lease nor will it give the Lessee any right to, or any expectation of, future leases;

(d) there are no representations or warranties between the Lessor and the Lessee for the use of the premises other than contained herein; and

(e) there are no conditions, covenants, agreements, or obligations, other than those imposed by law, regulation, or the terms of this lease, between the Lessor and the Lessee for the use of the premises.

address for payable rental payment 15. All rent due under this lease shall be sent to the Lessor at the address specified in the rental notice, or in such other manner or place as the Lessor may from time to time in writing direct.

16. The Lessor specifically reserves its rights under Section 65 of the Public Lands Act, R.S.O. 1990, Chapt. P. 43.

existing roads 17. Saving, excepting and reserving unto Us, Our Heirs and Successors the surface rights only in and over any public or colonization roads or any highways crossing the said premises at the date of this lease.

future roads 18. Also saving, excepting and reserving the surface rights only in ten percent of the acreage hereby granted for roads and the right to lay out the same where the Crown or its officers may deem necessary.

reservation of minerals 19. Also saving, excepting and reserving all ores, mines or minerals which are or shall hereafter be found on or under the premises hereby granted.

20. Also saving, excepting and reserving all trees, of any species, which are or shall hereafter be found on the said premises hereby granted.

21. Also saving, excepting and reserving all aggregates, as defined in section 1(1) of the *Aggregate Resources Act*, which are or shall hereafter be found on or under the premises hereby granted.

- water rights
22. Also saving, excepting and reserving the free use, passage and enjoyment of, in, over and upon all navigable waters which shall or may hereafter form any part of the premises hereby granted, and reserving also the right of access to the shores of all rivers, streams and lakes for all vessels, boats and persons, and the right to pass over existing portages.
- lessor's right to control navigation water levels and the right to flood
23. It is further agreed that this lease is granted subject to:
- (a) the right of Her Majesty the Queen in right of Canada to control navigation and shipping; and
 - (b) the right of Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Ontario, or any competent Board, Commission, Corporation or person, to control water levels, flood and overflow the premises without compensation.
24. These Lease Letters Patent are also subject to Grant of Easement No. 518 in favour of The District Municipality of Muskoka for a municipal water line over Parts 7 and 14, Plan 35R-25482, Geographic Townships of Wood and Medora, Municipal Township of Muskoka Lakes, District Municipality of Muskoka, registered as Instrument No. LT237667.
25. These Lease Letters Patent are also subject to Grant of Easement No. 561 in favour of The District Municipality of Muskoka for a municipal sewage pipeline over Parts 7 and 14, Plan 35R-25482, Geographic Townships of Wood and Medora, Municipal Township of Muskoka Lakes, District Municipality of Muskoka, registered as Instrument No. LT244690.
26. These Lease Letters Patent are also subject to an Easement in favour of Canadian Pacific Limited over Part 1, Plan 35R-10794, Geographic Township of Wood, Municipal Township of Muskoka Lakes, District Municipality of Muskoka, as described in Instrument No. DM205426.
27. It is further agreed that this lease is granted subject to the reserved right of the Lessor to grant utility and similar infrastructure easements on, over, under and above the premises without the prior consent of the Lessee, provided that such easements do not materially interference with the Lessee's use of the premises. Such reserved right includes, without limitation, the right of the Lessor to grant an easement to The District Municipality of Muskoka ("Muskoka") over Parts 18, 21 and 24 on Plan 35R-25482 for the purposes of installing, operating, maintaining, repairing and replacing from time to time the sewer and water infrastructure of Muskoka located thereon and therein, which the Lessee acknowledges and agrees does not materially interfere with the Lessee's use of the premises and this acknowledgment may be pleaded by the Lessor or any other party as an estoppel. This lease shall be subordinate in all respects to any such easements granted and the Lessee shall promptly execute any required postponements required by the Lessor to evidence the foregoing.

notice

27. Whenever in this lease notice is to be given by the:

- (a) Lessee to the Lessor, such notice shall be given in writing and forwarded by registered mail addressed to:

District Manager
Ministry of Natural Resources and
Forestry
7A Bay Street
Parry Sound, Ontario
P2A 1S4

or served personally to the District Manager;

- (b) Lessor to the Lessee, such notice shall be given,

- (i) in writing and forwarded by registered mail addressed to the Lessee at:

300 - 60 St. Clair Avenue East
Toronto, Ontario
M4T 1N5

or

- (ii) by delivering it to the Lessee personally;

- (c) any notice under this lease shall be validly received on the date of such personal service, or if mailed, on the third business day after the mailing of the same in Canada or delivery.

The above addresses for notice may be changed from time to time by either party serving notice as provided above.

SCHEDULE

Part of Location CL 18157,

Being part of Lot 260, Registered Plan 26,

Part of Block M, Registered Plan 20, and

Part of the bed of the Muskoka River, in front of Lot 14,
Concession A,

Geographic Township of Medora, and,

Being part of Lot 33, Concession 7, and

Part of the Bed of the Muskoka River, in front of Lot 33,
Concession 7,

Geographic Township of Wood,

Municipal Township of Muskoka Lakes,

District Municipality of Muskoka,

Containing 0.9263 hectare, more or less,

Designated as Parts 1 to 19 (inclusive) and 21 to 26 (inclusive),
on Reference Plan 35R-25482.

Appendix A

PROVINCE OF ONTARIO
MINISTRY OF NATURAL RESOURCES AND FORESTRY
WATERPOWER LEASE AGREEMENT

NO. <>

THIS LEASE AGREEMENT made in duplicate as of the <> day of <>, 20<>, pursuant to the *Public Lands Act*,

BETWEEN:

HER MAJESTY THE QUEEN in right of Ontario, as represented by the Minister of Natural Resources and Forestry for the Province of Ontario, hereinafter referred to as the "Crown"

OF THE FIRST PART

- and -

<< >> incorporated under the laws of <>, hereinafter referred to as the "Company",

OF THE SECOND PART

WHEREAS the Company desires to lease from the Crown certain waterpowers or privileges, existing works, and the public lands and lands under water necessary for the development thereof;

AND WHEREAS the Company represents that it has the technical and financial ability to construct, repair, maintain and operate a hydro-electric generating facility on the premises hereinafter described;

AND WHEREAS the Crown has agreed to lease the said premises and existing works and to grant a waterpower or privilege described to the Company on the terms and conditions herein contained;

WITNESSETH that in consideration of the premises and mutual agreements and undertakings reserved and contained herein, the Crown and the Company agree to and with each other as follows:

1. In this lease agreement,
 - (a) "Affiliate" means an affiliate body corporate within the meaning of subsection 1(4) of the Business Corporations Act (Ontario), as amended from time to time;
 - (b) "gross revenue" means the amount received, or deemed to be received, by the producer for hydro-electric production, excluding any revenue attributable to transmission and distribution, but before any other adjustment for any cost, fee or charge, as set out below:

- (i) For sales of hydro-electricity through the Independent Electricity System Operator (IESO), gross revenue means the actual amount received or receivable by the producer for such production;
 - (ii) For sales through bilateral contracts, gross revenue means the amount received or receivable under the contract for such power;
 - (iii) For hydro-electricity produced for own use, gross revenue means the amount that would have been received if the power were purchased from a third party at the average annual price as determined by the IESO;
 - (iv) For bilateral contracts between related parties, gross revenue means the higher of the amounts determined under (ii) and (iii).
- (c) "Minister" means the Minister of Natural Resources and Forestry;
- (d) "rental year" means calendar year;
- (e) "production" means the amount of hydro-electric power, measured in gigawatt hours, generated in Ontario by the hydro-electric generating station; plus,
- (i) The amount of electricity or other equivalent compensation received from other producers, including those in other jurisdictions, in compensation for the use of the water associated with the Ontario hydro-electric generating station; less,
 - (ii) The amount of electricity or other equivalent compensation delivered to other producers, including those in other jurisdictions, in compensation for the use of the water associated with the other producers hydro-electric generating station.
- (f) "water rental charge" means the waterpower rental charge calculated in accordance with paragraphs 3 and 4 of this lease agreement;
- (g) "works" means all buildings, dams, weirs, tunnels, races, flumes, sluices, pits, wing walls, spillways, control gates, intake headwork, fish passages, fish guards, by-pass channels and other structures constructed or erected on the premises together with all plant, machinery and equipment affixed thereto.
2. The Crown, pursuant to the Public Lands Act as amended from time to time, and the regulations made thereunder and subject to the limitations thereof, and in consideration of the sum of THREE HUNDRED DOLLARS (\$300.00) now paid by the Company to the Crown, the receipt whereof is hereby acknowledged, doth DEMISE AND LEASE unto the Company, its successors and assigns for the purpose of production of hydro electric power thereon ALL AND SINGULAR those certain parcels or tracts of land and land under water situate, lying and being in the Township of <>, in the Territorial District of <> and Province of Ontario, more particularly described in the Schedule attached hereto, heretofore and hereinafter referred to as the "premises", including all works located thereon;

TOGETHER WITH the right or privilege to develop the waterpower thereon for the generation of electrical energy and for such purpose to construct, operate, maintain and repair, in accordance with the provisions hereof, all necessary works;

TO HAVE AND TO HOLD the premises with the appurtenances thereunto belonging for a term as described in paragraph 18 to be computed from the 1st day of <>, 20<>, and from thenceforth next ensuing and fully to be complete and ended.

3. The Company shall pay such water rental charge in such manner as required by the Electricity Act, 1998 as amended from time to time and provide such information in such a manner as required by that Act.
4. In the event that the Electricity Act, 1998 is repealed or no longer provides for the payment of water rentals, the Company shall
 - (a) File an annual return with the Crown in respect of the parent company and any of their subsidiaries situated in Ontario on or before March 16th of each year in the form and at such time as directed by the Crown in writing,
 - (b) In the event that the Company does not furnish to the Crown the return required by sub-paragraph (a) the waterpower rental charge for the month and each subsequent month in respect of which the return was to be furnished shall be subject to a penalty equivalent to the interest rate set for overdue accounts by the Ministry of Finance or any successor responsible for setting such interest rate and such penalty will be added to the waterpower rental charge payable for that month in the preceding year.
 - (c) Notwithstanding sub-paragraph (b), the return required by sub-paragraph (a) shall be furnished to the Crown no later than the end of the third month in respect of which the return is to be made, and the failure to furnish the said statement by the said due date may constitute a breach of this lease agreement.
 - (d) Commencing on the first day of the month in which energy is first produced, the Company covenants and agrees to pay monthly to the Crown in lawful money of Canada, without prior demand therefore and upon the conditions and at the time hereinafter set forth a waterpower rental charge comprised of:
 - (i) a waterpower rental charge calculated at 9.5% on gross revenue derived from the generation of hydro-electricity from the premise.
 - (ii) any additional charge imposed pursuant to regulations, as amended, made under sub-paragraph (a) of subsection (3) of section 42 of the Public Lands Act, R.S.O. 1990, Chapt. P-43.
 - (e) The waterpower rental charge payable hereunder for the year commencing with the 1st day of <>, 20<> and ending with the 31st day of December, 20<>, and for each and every subsequent rental year during the term of this lease agreement, shall be subject to annual review by the Minister, and if it shall appear necessary or desirable to the Minister that the waterpower rental charge should

be adjusted, the Minister shall so notify the Company on or before the 30th day of June of the rental year immediately preceding the year in respect of which the adjustment is to be made and the waterpower rental charge may be adjusted by the Minister.

- (f) Should the generation of electrical power on the premises be discontinued for the purposes of repairing or maintaining the works, the Company shall continue to be responsible for all rentals required to be paid under this lease agreement.
5. The Company further covenants and agrees to pay the Crown in lawful money of Canada, without any prior demand therefore on the first day of January, 20<>, and on the first day of January in each and every subsequent rental year of the term of this lease agreement, an annual land rental in the amount of ONE THOUSAND DOLLARS (\$1,000.00).
- (a) The land rental may be reviewed annually by the Minister, and if it shall appear necessary or desirable to the Minister that the land rental should be adjusted, the Minister shall notify the Company on or before the 30th day of June of the year immediately preceding the year in respect of which the adjustment is to be made and the land rental may be adjusted by the Minister.
6. (a) In the event that the Company fails to pay any sum of money owing to the Crown under this lease agreement on or before the day such sum is due, interest on such sum shall accrue from the due date at the interest rate set for overdue accounts by the Ministry of Finance or any successor responsible for setting such interest rate and such interest shall be a debt owing by the Company to the Crown.
- (b) In the event that any sum of money payable by the Company under this lease agreement remains unpaid for one year after the date by which the sum of money is due and payable, the Minister may cancel this lease agreement after giving the Company thirty (30) days notice in writing and the Crown may, without further notice of any kind or any form of legal process whatsoever, forthwith re-enter upon the premises or any part thereof.
7. The Minister or any person authorized by him in that behalf may enter the premises at any reasonable time to inspect the books and records of the Company or to inspect the condition of the premises and the works thereon or any of them.
8. (a) The Company shall, during the term of this lease agreement, operate and maintain the works on the premises in accordance with all federal, provincial and municipal legislation, in particular, laws related to health, safety and the environment as well as the requirements of the Ministry of Natural Resources and Forestry dam safety standards, any applicable dam operating plan and/or any applicable water management plan approved by the Minister.
- (b) The Minister or any person authorized by him in that behalf may enter the premises and effect repairs to any works where the Company has been directed in writing by the Minister to effect repairs and the Company fails or neglects to effect such repairs and the costs and expenses

incurred by the Minister in so doing shall be a recovered as rent in arrear.

9. The Company covenants and agrees with the Crown, and it is understood that it is a condition of this lease agreement:
- (a) that it will not, except to an affiliate of the Company, assign or sublet, sell or transfer the premises or any part thereof, either for the whole or any part of the term, without first obtaining the written consent of the Crown and the granting of such consent shall be within the absolute discretion of the Crown. Where such assignment, sublet, sale or transfer has been made by the Company to an affiliate, the Company guarantees that the affiliate will satisfactorily perform the terms and conditions of this lease agreement;
 - (b) that the Company will not mortgage or charge or grant security in the works for the balance of the term of the lease agreement without first obtaining the consent of the Crown and the granting of such consent shall be within the absolute discretion of the Crown;
 - (c) that the Company will furnish the Crown with a summary of the proposed transaction, certified as accurate by a director or an officer of the Company who has authority to bind the Company, so as to enable the Crown to properly consider the Company's application for the Crown's consent, and shall also furnish such additional information and materials as the Crown may request for the purpose and shall pay such fee for assignment, subletting, mortgaging, charging, transfer or sale as is fixed from time to time by the Minister;
 - (d) that the Company will, in addition to the above, furnish the Crown with a copy of the original registered documentation of all such transactions within fourteen (14) days of the conclusion of each transaction with registration particulars endorsed thereon;
 - (e) that the Company shall furnish the Crown with a covenant by the assignee, subtenant, transferee or purchaser as the case may be, directly with the Crown, to observe and perform the terms and conditions of this lease agreement and be subject to the provisos herein contained;
 - (f) that in the case of a charge or mortgage, the Crown agrees that if the mortgagee or chargee assumes possession or control of the premises, the mortgagee or chargee shall observe and perform the terms and conditions of this lease agreement and be subject to the provisos herein contained for so long as the mortgagee or chargee shall continue in possession or control of the premises, providing that there has been no breach of the lease agreement while the mortgagee or chargee has been in possession;
 - (g) that it shall pay all taxes, rates, duties and assessments whatsoever, whether municipal, parliamentary or otherwise, unless the same are being contested expeditiously and in good faith, now charged or hereafter to be charged upon the premises or the works on account thereof or upon

the interest of the Company therein that would, if unpaid, constitute a lien or encumbrance on the premises or on the lands of the Crown. Where the Company is contesting taxes, rates, duties or assessments the Company shall give notice to the Crown;

- (h) that should the Company fail to pay, when due, any taxes, rates, duties or assessments referred to in paragraph (g) unless the same are being contested expeditiously and in good faith, the Minister shall have the right to terminate this lease agreement after giving the Company thirty (30) days notice in writing;
- (i) that it will pay all rates and charges for public and other utilities including water, gas, electricity, telephone and fuel, unless the same are being contested expeditiously and in good faith, that would, if unpaid, constitute a lien or encumbrance on the premises or on the lands of the Crown;
- (j) that it will immediately pay and discharge any sheriff's executions filed against the premises for which it is responsible, and also any liens or other charges attaching thereto by reason of any act or omission on its part, whether caused by any work, services, or materials which it has had performed or supplied in connection with any of the works on the premises, or by failure to pay any tax for which it is responsible;
- (k) that the Company shall assume all liability and obligation, if any, and all loss, damage or injury, including death, to persons or property that would not have happened but for this lease agreement or anything done or omitted to be done or maintained by the Company thereunder or intended so to be and the Company shall at all times indemnify and save harmless the Crown from and against all such loss, damage, or injury, and all actions, suits, proceedings, costs, charges, damages, expenses, claims or demands arising therefrom or connected therewith; and
- (l) that the Company shall throughout the term of this lease agreement provide and keep in force for the benefit of the Crown and the Company general liability insurance in an amount of not less than ten million dollars (\$10,000,000.00) in respect of injury to or death of any persons or property damage, and

The Company shall, throughout the term of this lease agreement, put in effect and maintain, at its own cost and expense, with insurers having a secure A.M. Best rating of B + or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person in the business of the Company would maintain, including, but not limited to, the following:

- (a) commercial general liability insurance on an occurrence basis for third-party bodily injury, personal injury and property damage, to an inclusive limit of not less than Ten Million Dollars (\$10,000,000.00) Canadian (CAD) per occurrence.

Insurance coverage must be endorsed:

- (i) to name the Indemnified Parties as additional insureds with respect to liability insurance;
- (ii) to provide cross-liability and severability of interest clauses;
- (iii) to provide 30 day written notice of cancellation;
- (iv) to provide contractual liability coverage, and
- (v) to provide products and completed operation.

All such insurance shall be primary and not require the sharing of any loss by any insurer of any Indemnified Party.

Proof of Insurance

The Company shall provide the Crown with proof of the insurance required by this lease agreement in the form of valid certificates of insurance that reference this lease agreement and confirm the required coverage within one (1) day of the issuance of this lease agreement, and renewal replacements on or before the expiry of any such insurance. Upon the request of the Crown, a copy of each insurance policy shall be made available to it. The Company shall ensure that each of its subcontractors obtain all the necessary and appropriate insurance that a prudent person in the business of the subcontractor would maintain and that the Indemnified Parties are named as additional insureds with respect to any liability arising in the course of performance of the subcontractors obligations under any subcontract for operation, repair or maintenance of the facility.

9.1 The Company acknowledges and agrees that it has inspected and is familiar with the physical attributes and conditions of the premises and the existing works at the date of this Lease Agreement and the Crown has made no representations of any kinds with respect to the lands or the existing works, including but not limited to the works physical condition or fitness for producing, generating, utilizing and transmitting power, and the Crown is not liable for any defects in the existing works, either latent or patent or for the existence of any circumstances not expressly warranted or represented in this lease agreement, and in particular the Crown is not responsible or liable for want of repair of the existing works and that the Company is taking the existing works under this lease agreement on an "As is" basis.

10. (a) The Company covenants and agrees to construct such additional works and repair, reconstruct, or make improvements to existing works in order to construct a hydro power generation facility on the premises to a serviceable level, and in doing so will

- (i) comply with the provisions of all applicable legislation and regulations made thereunder and of all environmental, zoning and building laws and all other statutory requirements including health, fire, and other environmental regulations relating to the premises;

- (ii) obey all orders, directives and requests made by municipal and other public authorities to carry out repairs or effect changes to the premises in order that they will comply with applicable health, environmental safety, fire, zoning, building and other requirements authorized by law; and that they will maintain the premises in a environmentally safe, clean, sanitary and fire safe condition and will dispose of all garbage in an approved manner;
 - (b) Before the company constructs any such improvements, the company covenants and agrees to submit its plans and specifications to the Regional Engineer for written approval.
- 11. (a) The company covenants and agrees that it will, while operating the dam structure,
 - (i) comply, where applicable, with direction from the District Manager for the operation of the dam to ensure coordination with the operation of upstream and downstream dams.
 - (ii) give priority to water level control over the production of power during the spring runoff and/or flood periods to minimize upstream and downstream flooding.
- (b) The Company covenants and agrees to operate the dam in accordance to the Ministry of Natural Resources and Forestry water control safety Standards, its successor and any applicable legislation, dam operating plan, including Water Management Plans.
- 11.1(a) The Company covenants and agrees to maintain and repair any and all works on the premises on notice from the Crown in accordance with such notice or in the event of the absence of such notice to maintain and repair all and any works so that such works comply with the provisions of all applicable legislation and regulations made thereunder and of all environmental, zoning and building laws and all other statutory requirements including health, fire, and other environmental regulations relating to the premises and/or comply with all orders, directives and requests made by provincial, municipal and other public authorities to carry out repairs or effect changes to the premises in order that they will comply with applicable health, environmental safety, fire, zoning, building and other requirements authorized by law; and that they will maintain the premises in a environmentally safe, clean, sanitary and fire safe condition.
- (b) If the Company fails to comply with clause (a), with such period as the Crown specifies in writing having regard to the nature of the maintenance or repairs required and the consequence of failing to carry out such repairs or maintenance in a timely manner, the Crown may enter the premises and take such steps as necessary to carry out such maintenance or effect such repairs and recover the costs as rent in arrear.
- 12. In the event that any of the works or any alteration, renovation, enlargement, or reconstruction of the works should be destroyed by fire or other calamity, or be demolished, or by reason of any other occurrence become incapable of being utilized for the purpose of producing

electricity then, unless the Company, within six (6) months of the happening of any such event, or such longer time as may be approved by the Crown, gives to the Crown written notice of its intention to rebuild, replace or reinstate the works, or reconstruct the works so destroyed, demolished or rendered unusable, in a manner satisfactory to the Crown and actually carries out such intention through to completion to the Crown's satisfaction within thirty six (36) months of the date of the notice referred to in this paragraph or such longer time approved by the Crown, then the Crown may at its option terminate this lease agreement.

13. It is expressly agreed that any failure by the Crown to enforce, either in part or in whole, the rights and remedies available to the Crown under these presents for any breach or failure by the Company to observe the provisions of any covenant or other matter herein contained shall not be deemed to be a waiver or acquiescence of same on the part of the Crown, nor shall such failure preclude the Crown from enforcing such rights and remedies against the Company for any subsequent breach or nonobservance. Any waiver of any of the Crown's rights under this lease agreement shall not have any force or any validity unless the Crown has consented thereto in writing.
14. (a) (i) The Company, when requested by the Minister, will develop a decommissioning plan within twelve (12) months of the request by the Minister. The Company agrees to comply with the decommissioning plan approved by the Minister.
- (ii) The approved decommissioning plan shall specify the work necessary to leave the premises in a safe condition, together with a timetable for completing the decommissioning work and such work will be completed not later than twelve (12) months after the expiration or termination of this lease agreement or such longer period as may be approved by the Minister.
- (b) Upon the expiration or earlier termination of this lease agreement:
- (i) if notice to remove is not given by the Crown to the Company or such notice is given less than 30 days before the expiration or earlier termination of this lease agreement, all works or other assets remaining on the premises upon the expiration or sooner termination of this lease agreement automatically become the property of the Crown unless expressly rejected by the Crown, or its delegate, and the Crown has no obligation whatsoever to pay compensation for them and the Crown assumes no liability for them to the Company;
- (ii) where the Company fails to restore the premises to a mutually agreed clean and safe condition within 12 months from the expiration or sooner termination of this lease agreement where notice to remove was given by the Crown to the Company not less than 30 days before the expiration or earlier termination of this lease agreement, the Company will pay to the Crown a sum in lawful money of Canada sufficient to cover the costs, if any, incurred by the Crown in

selling, disposing of or destroying the works or other assets and in restoring the premises to a clean and safe condition; these costs shall be a debt due the Crown and may be recovered at the suit of the Crown in any court of competent jurisdiction.

15. Wherever in this lease agreement the word "Crown" occurs it shall be construed as including the Assigns, Heirs and Successors of the Crown and any person, corporation or commission hereafter exercising the powers now vested in the Crown and wherever in this lease agreement the word "Company" occurs it shall be construed as including assigns, heirs, executors, administrators, corporations, successors and other legal representatives of the Company; and this lease agreement is to be read with all changes in gender or number as required by the context. It is agreed that every covenant, proviso and agreement herein contained shall enure to the benefit of and be binding upon the parties hereto.
16. If the Company is in breach of any condition, agreement, affirmative covenant, negative covenant or any other obligation contained herein, the Crown shall give written notice of the breach and shall specify a reasonable time within which the breach must be remedied, taking into account the nature of the breach and the consequence thereof.

If the Company fails to remedy the breach within the time specified in the notice:

(i) The Company may be subject to prosecution pursuant to section 69.1 of the Public Lands Act; and/or,

(ii) The Crown shall have the right, but not the obligation to remedy the breach and take steps to rectify or mitigate the consequences of the breach, and recover its reasonable expenses in relation thereto from the Company as additional rent; and/or

(iii) The Crown may exercise a right of re-entry and may terminate this lease agreement.

17. (a) The Minister may terminate the lease agreement if he deems the termination to be in the public interest.
- (b) In the event that the Minister terminates the lease agreement pursuant to sub-paragraph 17 (a), the Company shall be entitled to such compensation as agreed to by the parties or by arbitration under the Arbitration Act 1991.
18. (a) The initial term of this lease agreement shall be for a period of 30 years, commencing on the date indicated in paragraph 2.
- (b) After completion of the 20th year of the initial term of the lease agreement the Minister shall conduct a review to ensure that the Company has complied with the terms and conditions of this lease agreement. If the review satisfies the Minister that the Company has complied with the terms and conditions of this lease agreement, the Minister shall extend the term of the lease agreement for an additional ten (10) years upon the same terms and conditions. If the review does not satisfy the Minister that the Company has complied with the terms and conditions of this lease agreement, the term of the lease agreement

will not be extended and the lease agreement shall, subject to being terminated pursuant to paragraph 17, remain in effect until the date of expiry of the lease agreement.

- (c) At each subsequent date when only 10 years remain before the expiry of the lease agreement, the Minister shall conduct a review to ensure that the Company has complied with the terms and conditions of this lease agreement. If the review satisfies the Minister that the Company has complied with the terms and conditions of this lease agreement, the Minister shall extend the term of the lease agreement for an additional ten (10) years upon the same terms and conditions or new terms and conditions that the Minister considers appropriate. If the review does not satisfy the Minister that the Company has complied with the terms and conditions of this lease agreement, the term of the lease agreement will not be extended and the lease agreement shall, subject to being terminated pursuant to paragraph 17, remain in effect until the date of expiry of the lease agreement.
- (d) The Company agrees to give notice to the Crown of its intention to extend the term of the lease agreement not less than six months before the completion of the 20th year of its initial term and before each subsequent date when only 10 years remain before its expiry.
19. It is agreed that access to the premises is strictly the responsibility of the Company unless otherwise provided herein. Prior written approval from the Crown must be obtained before any construction of any road or other access facilities on the premises. The Crown reserves the right to use any access facilities so constructed without payment of any compensation to the Company.

The Company agrees and confirms that:

- (a) nothing contained herein grants the Company more than a leasehold interest in the premises for the period specified, and that period is subject to compliance with the terms of this lease agreement;
- (b) the successive granting of a lease agreement for the use of the premises will not create any future rights or interest whatsoever in the premises for the benefit of the Company or any one else;
- (c) should any improvements whatsoever be made to or on the premises this will not confer upon the Company any right to use the premises other than within the terms of this lease agreement nor will it give the Company any right to, or any expectation of, future lease agreements;
- (d) there are no representations or warranties between the Crown and the Company for the use of the premises;
- (e) there are no conditions, covenants, agreements, or obligations other than those imposed by law, regulation, or the terms of this lease agreement, between the Crown and the Company for the use of the premises.
20. All rent due under this lease agreement shall be payable to the Crown at the address specified in the rental notice, or in such other manner or place as the Crown may from time to time in writing direct.

- 21. It is further understood and agreed that this lease agreement is granted subject to:
 - (a) the right of Her Majesty the Queen in right of Canada to control navigation and shipping; and
 - (b) the right of Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Ontario, or any authorized Board, Commission, Corporation or person to control water levels, flood and overflow the premises.
- 22. Saving, excepting and reserving unto Us, Our Heirs and Successors, all ores, mines or minerals which are or shall hereafter be found on or under the premises hereby demised.
- 23. Also saving, excepting and reserving the surface rights only in and over any public or colonization roads or any highways crossing the said premises at the date of this lease agreement and not flooded as a result of the works contemplated hereby.
- 24. Also saving, excepting and reserving the surface rights only in ten percent of the acreage hereby granted for roads and the right to lay out the same where the Crown or its officers may consider necessary, subject to the Company's right to flood the area granted under this lease agreement for the purpose of the works contemplated hereby.
- 25. The Crown specifically reserves its rights under s.65 of the Public Lands Act, R.S.O. 1990, c.P.43.
- 26. Whenever in this lease agreement notice is given by:
 - (a) the Company to the Crown, such notice shall be given in writing and forwarded by registered mail addressed to the District Office at:

Ministry of Natural Resources and
Forestry,
, Ontario

or served personally to the District Manager sent by fax or telecopier to the District Manager followed by confirmation of delivery by telephone;

- (b) the Crown to the Company, such notice shall be given in writing and forwarded by registered mail addressed to the Company at

<<HEAD OFFICE ADDRESS>> ,

or by delivering it to the Company personally to the Company with a copy to any mortgagee or chargee that has obtained the consent of the Crown to mortgage or charge this lease agreement at the address provided by such mortgagee or chargee to the Crown, but no copy is required to be provided where the mortgagee or chargee has failed to provide an accurate and current address to the Crown;

- (c) any notice given under this lease agreement shall be validly received on the date of such personal service, or if mailed, delivered on the third business day after the mailing of the same in Canada, delivery or posting;
- (d) any person may change the address for delivery of notices by notice given in accordance herewith.

IN WITNESS WHEREOF the parties hereto have executed this lease agreement, the Crown under the hand of the authorized representative of the Minister of Natural Resources and Forestry and the Company under its corporate seal under the hands of its proper officers duly authorized in that behalf.

SIGNED, SEALED and
DELIVERED in the presence of

HER MAJESTY THE QUEEN
in right of Ontario

Witness as to execution by

<>
District Manager,
<> District,
as authorized
by the Minister of
Natural Resources and
Forestry for the
Province of Ontario

District Manager

I have the authority
to bind the Crown.

By: _____
Name:
Position:

and: _____
Name:
Position:

I/We have the authority to
bind the Corporation.

Waterpower Lease Agreement No. <>

Main Office File No. <>

Land Registrar,
Ministry of Government and Consumer Services,
will mail duplicate to:

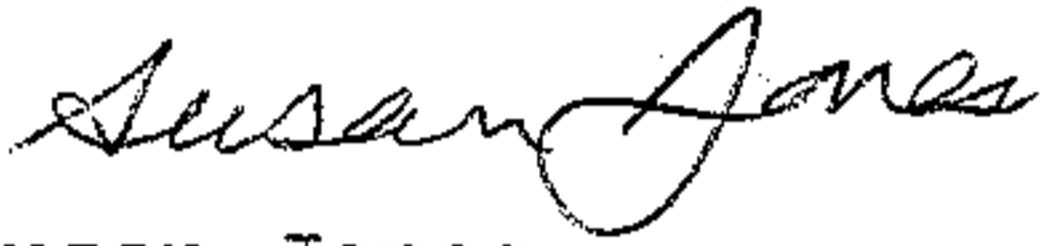
<<Address>>

GIVEN under the Great Seal of Our Province of Ontario,

WITNESS: THE HONOURABLE V. ELIZABETH DOWDESWELL,
LIEUTENANT GOVERNOR OF OUR PROVINCE OF ONTARIO.

At Our City of Toronto in Our said Province this fifteenth day of August in the year of Our Lord two thousand and seventeen and in the sixty-sixth year of Our Reign.

BY COMMAND



Susan Jones
A/Provincial Lands Specialist - Crown Land Registry
Program Services Section
Ministry of Natural Resources and Forestry

AND IN WITNESS WHEREOF the Lessee has hereunto affixed its corporate seal under the hands of its proper officers duly authorized in that behalf.

SWIFT RIVER ENERGY LIMITED

BY:  I HAVE AUTHORITY TO BIND THE CORPORATION
ANTHONY ZWIG, DIRECTOR

AND: _____

Crown Lease No. 4708

Main Office File No. 52884

Land Registrar,
Ministry of Government and Consumer Services,
will mail duplicate to:

Swift River Energy Limited
300 - 60 St. Clair Avenue East
Toronto, Ontario
M4T 1N5

Attention: Frank Belerique
