

## SCHEDULE "A"

### Definitions

**"Anemometer"** means any instrument used for the measurement of the speed of wind and includes all foundations, pads, footings, towers, guy wires, support fixtures, anchors, fences, all overhead and underground electrical cables and all overhead and underground telecommunications cables necessary or ancillary to such instruments.

**"Commencement Date"** means, with respect to a Ground Lease, that date which is the earlier of either:

- (i) the date upon which TCE determines is the Commencement Date; or
- (ii) the date upon which any Wind Turbine on the Leased Land commences operation.

**"Encumbrances"** means any one or more of the following registered on title to the Lands:

- (i) liens for taxes, assessments or governmental charges or levies not at the time due and delinquent;
- (ii) restrictions, easements, rights of way, servitudes or other similar rights in land granted to or reserved by other persons which, in the opinion of Counsel to TCE, in the aggregate do not materially impair the usefulness of the Lands for the business of TCE subject to such restrictions, easements, right of way, servitudes or other similar rights;
- (iii) the reservations, limitations, provisos and conditions, if any expressed in any original grants from the Crown and statutory exceptions to title;
- (iv) title defects or irregularities which, in the opinion of Counsel to TCE are of a minor nature and in the aggregate will not materially impair the use of the Lands for the purposes of TCE;
- (v) any outstanding mortgages, charges or liens upon any of the Lands issued prior to the date hereof provided the holder thereof fully subordinates and postpones all of its interest to TCE and TCE has received a non-disturbance agreement from such holder.

**"Notice Date"** means the date upon which the Notice to Lease is received by the Owner (or is deemed to have been received pursuant to Section 6.1).

**"Notice to Lease"** means notice in writing to the Owner from TCE in form and content similar to that attached as Schedule "D" pursuant to which TCE exercises its Option to acquire a ground lease for all or a portion of the Lands.

**"First Option Period"** means a period of years set out in Section 2.1 commencing on the Effective Date during which TCE is granted the Option to lease from the Owner all or any parts or portions of the Lands.

**"Ground Lease"** means a lease from the Owner to TCE of those parts or portions of the Lands described in the Ground Lease in the form attached as Schedule "B".

**"Option"** means the Option granted by the Owner to TCE pursuant to the terms of this Agreement including both the use of the Lands during the Option Period as permitted hereunder and the Option to lease the Lands or any portion thereof as determined by TCE.

**"Option Fee"** means the annual fee payable by TCE to the Owner for each year during the Option Period or any renewal, all as calculated as determined pursuant to this Agreement.

**"Option Period"** means a period of time as set out in Article II inclusive of the First Option Period and all Renewal Option Periods.

**"Owner"** means the registered owner or the person entitled to become the registered owner under an agreement for sale or an unregistered transfer or otherwise with an estate in the Lands in fee simple subject only to the exceptions, conditions and Encumbrances acceptable to TCE.

**"Permanent Access Road"** means, any roadway(s) installed and maintained by TCE upon the Leased Lands to be used by the TCE for access to the Wind Turbines and the Temporary Workspace, all of which are to be located where necessary for the use and purposes of the TCE, as determined by the TCE and shall be identified upon execution of the Ground Lease.

**"Renewal Option Period"** means a period of years as set out in Section 2.2 commencing upon the expiry of the First Option Period or any Renewal Option Period during which TCE has the Option to lease parts or portions of the Lands.

**“Rights”** means the right, license, liberty and privilege to enter upon, use and occupy portions of the Lands in order to conduct surveys including:

- (i) the right to enter into leases granting the aforementioned rights and additional rights to construct, operate, maintain, inspect, control, alter, improve, remove, reconstruct, replace and repair Wind Turbines and Anemometers and all appurtenances thereto (including but not restricted to foundations, concrete pads, footings, Wind Turbine units, towers, guy wires, support fixtures, anchors, fences, all overhead and underground electrical cables, all overhead and underground telecommunication cables); and
- (ii) the use of Temporary Workspace in respect to all of the aforementioned; and
- (iii) all rights of ingress to and egress from, on and over the Lands reasonably necessary for the aforementioned purposes.

**“Temporary Workspace”** means parts or portions of the Lands required by TCE, as solely determined by TCE to be used by TCE to access its equipment and machines and for the purpose of construction, repair, maintenance and decommissioning of TCE’ Wind Turbines and any of the appurtenances thereto including temporary access for any equipment associated with or required for such purposes.

**“Wind Turbines”** means, collectively, Wind Turbine units designed and installed for the purposes of the generation of electricity and powered by natural wind resources and includes all foundations, concrete pads, footings, towers, guy wires, support fixtures, anchors, fences, all overhead and under ground electrical cables and all overhead and under ground telecommunications cables necessary or ancillary to such units.

**SCHEDULE "B"**

**Ground Lease**

## SCHEDULE "C"

### Annual Rental for Leased Lands and Temporary Workspace under Ground Lease

#### Leased Lands under Ground Lease:

##### A) For Wind Turbines:

###### Annual Rental

A basic annual rental payable in four (4) equal consecutive quarter yearly installments in arrears on the last days of March, June, September and December in each calendar year of \$9,000.00 per Wind Turbine located on the eventual leased premises escalating at a rate of 2% compounded annually (which may contain associated electrical cables, telecommunications cables, and all permanent developed and undeveloped access roads, and ingress to and egress from such leased premises and any applicable temporary workspace, associated with a Wind Turbine site), which sum includes rental and compensation in full for loss of use, severance, nuisance, noise, inconvenience done or caused to the leased premises.

Notwithstanding the foregoing, TCE shall grant the Owner an option to retain the right to terminate the Lease at the end of the Initial Term, at the Owner's sole discretion, upon the provision of written notice by the Owner to TCE given not less than one hundred eighty (180) days prior to the expiration of the Initial Term. The Owner shall advise TCE that they wish to retain the foregoing option upon the provision of written notice by the Owner to TCE given not less than one hundred eighty (180) days prior to the expiration of Year 5 of the Initial Term. In consideration of the foregoing option, the basic annual rental shall be adjusted for Years 6 through 21 of the Initial Term as follows: basic annual rental payable in four (4) equal consecutive quarter yearly installments in arrears on the last days of March, June, September and December in each calendar year of \$7,500.00 per Wind Turbine located on the Leased Lands escalating at a rate of 2% compounded annually (which may contain associated electrical cables, telecommunications cables, and all permanent developed and undeveloped access roads, and ingress to and egress from such Leased Lands and Temporary Workspace, associated with the Wind Turbine site), which sum includes rental and compensation in full for adverse effect, market value of land granted, entry fee, capital damage, loss of use, severance, nuisance, noise, inconvenience done or caused to the Leased Lands and weed control for the Leased Lands. In the event the Owner elects to retain the option to terminate this Lease at the end of the Initial Term by providing the requisite notice indicated herein, and pursuant to the foregoing the Owner has not exercised the foregoing termination right within one hundred and eighty (180) days prior to the expiration of the Initial Term, TCE and Owner acknowledge and agree that this Lease shall continue for the balance of the Term in accordance with the terms hereunder including, without limitation, an applicable basic annual rental of \$7,500.00 per Wind Turbine located on the Leased Lands escalating at a rate of 2% compounded annually as discussed above.

**OR**

###### Percentage Rental

A percentage rental based on a share of the gross revenue received from generation of electrical power as follows:

Years 1 through 5:	2.5%	
Years 6 through 21:	2.0% or 2.5%	End of Initial Term
	(discussed below)	
Years 22 through 25:	3.0%	First Renewal Term
Years 26 through 30:	3.5%	Second Renewal Term
Years 31 through 40:	4.5%	Third Renewal Term

The Owner shall have the right to elect either a 2.0% or 2.5% applicable percentage rental for Years 6 through 21 of the Initial Term, exercisable by written notice by the Owner to TCE given not less than one hundred eighty (180) days prior to the expiration of Year 5 of the Initial Term. In the event the Owner has not exercised the foregoing right within one hundred eighty (180) days prior to the expiration of Year 5 of the Initial Term, the applicable percentage rental for Years 6 through 21 of the Initial Term shall be deemed to be 2.5%. In consideration of the foregoing, should the Owner elect a 2.0% percentage rent for Years 6 through 21 of the Initial Term, then TCE grants the Owner an option to terminate this Lease at the end of the Initial Term, at the Owner's sole discretion, upon the provision of written notice by the Owner to TCE given

not less than thirty (30) days prior to the expiration of the Initial Term. In the event the Owner elects a 2.0% percentage rental for Years 6 through 21 of the Initial Term, and pursuant to the foregoing the Owner has not exercised the foregoing termination right within one hundred and eighty (180) days prior to the expiration of the Initial Term, the TCE and Owner acknowledge and agree that this Lease shall continue for the balance of the Term in accordance with the terms hereunder including, without limitation, the percentage rental as noted above.

Such percentage annual rental detailed above shall be no less than \$9,000.00 per Wind Turbine located on the Leased Lands escalating annually at a rate of 1% at Year 2 through to and including Year 6 of the Initial Term. Should the Owner elect a 2.5% % applicable percentage rental for Years 6 through 21 of the Initial Term, the percentage annual rental detailed above shall continue to be no less than \$9,000.00 per Wind Turbine located on the Leased Lands escalating annually at a rate of 1% at Year 6 through to and including Year 21 of the Initial Term and thereafter for the balance of the Term in accordance with the applicable percentage rentals as noted above. Should the Owner elect a 2.0% applicable percentage rental for Years 6 through 21 of the Initial Term as provided hereunder, the percentage annual rental shall be no less than \$7,500.00 per Wind Turbine located on the Leased Lands escalating annually at a rate of 1% for Years 6 through 21 of the Initial Term. For clarity, should the Owner elect the foregoing 2.0% applicable percentage rental for Years 6 through 21 of the Initial Term, but choose not to exercise its termination right provided hereunder within the time frame discussed above, the Lease shall continue for the balance of the Term in accordance with the terms hereunder including, without limitation, the percentage rental as noted above which shall be no less than \$9,000.00 per Wind Turbine located on the Leased Lands escalating annually at a rate of 1% for the balance of the Term.

Such percentage rental amounts detailed above will be payable to all Owners who have signed or will sign an Option Agreement prior to \_\_\_\_\_ 200\_\_, and such percentage rental amounts will not go down, but may go up at the sole option of TCE.

The percentage annual rental shall be equal to the Owner's proportionate share of the percentage of the aggregate payments for gross revenues (before calculation of taxes and deduction of expenses) received by TCE from a bona fide, arm's length, government authorized party (the "**Power Purchaser**") for the net purchase price of electrical energy for transmission into an electric utility distribution or transmission system, calculated for each calendar year, for electrical energy generated from all of the Wind Turbine generators operated by TCE on the Leased Lands. Such percentage rental shall be estimated by TCE and such estimates shall be payable in four (4) equal consecutive quarter yearly installments in arrears on the last days of March, June, September and December in each calendar year and shall be adjusted between TCE and the Owner within ninety (90) days following the last day of each such calendar year.

For the purposes of the foregoing, the "**Owner's proportionate share**" means the proportion that the number of commissioned Wind Turbine generators located on the Leased Lands bears to the total number of Wind Turbine generators commissioned at any particular time in connection with the sale of power to that Power Purchaser from the wind power project\* (see below for the geographic boundary of such wind power project) comprised in part of the Leased Lands, and "**commissioned**" means that the pertinent Wind Turbine generator has been initially certified under applicable law to produce electrical power and is connected to the power transmission system of the Power Purchaser. Such payment shall be retroactively made on a per diem basis for any less than whole calendar year after the Commencement Date, using as its ratio the number of days during which the Wind Turbine was commissioned in that calendar year divided by 365 days.

The Owner shall be entitled to examine the books and records and procedures of TCE in respect to the determination of the aggregate payments for gross revenues received by TCE from a Power Purchaser provided that such examination shall be conducted only during the regular business hours of TCE at the offices of TCE and on no less than seven (7) days prior Notice, such examination to include the right and favour of the Owner to obtain copies of all such books and records, but limited to the books and records of TCE related exclusively to the Leased Lands and the Wind Turbines located upon the Leased Lands. The Owner shall maintain such books and records as confidential Information subject to the same terms and conditions as set out in Section 6.16 of this Agreement.

\* For clarity, capitalized terms utilized pursuant to this Schedule "C", unless otherwise defined herein shall have the meanings given to such terms as set out in the Ground Lease annexed hereto as Schedule "B".

**B) For Anemometers:**

Annual Rental

Basic annual rental: \$ \_\_\_\_\_ per tower

\* The geographic boundary of the wind power project for the purposes of determining Owner's proportionate share:

- East of Fourth Line (Township Centre Wellington/Wellington North)
- West of Twelfth Line (Township East Garafraxa)
- South of Highway 109
- North of Grand River and Belwood Lake

**SCHEDULE "D"**

Form of Notice to Lease

*[method of delivery]*

*[date]*

*[addressed to Owner]*

Re: Exercise of Option for Ground Lease dated *[date of agreement]* \_\_\_\_\_; ("Option Agreement"); Owner: *[name of Owner]* \_\_\_\_; T \_\_\_\_ R \_\_\_\_ W \_\_\_\_ M: Section \_\_\_\_ *[describe all of optioned lands]*.

For and in consideration of \$1.00 (receipt and sufficiency of which is acknowledged by the Owner) XXX, as TCE under the Option Agreement, hereby exercises an Option to acquire a ground lease (the "Ground Lease") for certain lands (the "Leased Lands") for a *[Wind Turbine site/anemometer site/permanent access road]* from you as Owner, as follows:

1. The legal description of the lands within which the Ground Lease is to be acquired is as follows:  
\_\_\_\_\_.
2. A plan of survey of the Ground Lease is attached, to be initialled by you as Owner to indicate your approval of the location of the Leased Lands.
3. If a Temporary Workspace is required, a sketch of the anticipated area is attached, to be initialled by you as Owner to indicate your approval of the location of the Temporary Workspace.

Please acknowledge your receipt of this letter by signing both copies of it in the manner indicated and returning one copy to the writer. . Please also initial the survey land and the sketch (if required) attached to this letter to indicate your consent to the location of the Leased Lands and the Temporary Workspace to be granted by the Ground Lease.

Yours truly,

*TCE Wind Partners Inc.*

Per: \_\_\_\_\_  
Name:  
Title:

Receipt of this letter is acknowledged this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Witness

4SCHEDULE "E"

Lands