**Cover Page:**

This lease been prepared as part of the M.D. of Taber/RenuWell Project with funding from the Community Generation Capacity Building Program from the Municipal Climate Change Action Centre. The purpose of the RenuWell Project is to facilitate the selective repurposing of abandoned/orphaned oil and gas lease sites for Community and “Small-Scale” solar power generation.

This lease is designed to accommodate at least 4 distinct scenarios:

1. **Reclamation Certificate (Rec. Cert.) is issued (Simplest situation).**

The owner(s) agrees to issuing the Rec. Cert. while retaining “improvements” (roads, powerlines, etc. ) on the land and acknowledges that the Solar Operator isn't liable for past contamination. AEP seems most comfortable with this option because we'd simply attached the O&G Rec. Cert. to the solar lease.  We likely wouldn't need to attach the old Oil/gas surface lease survey plan.  There should be a new survey plan for the solar.

1. **Existing Oil/gas Operator partners on the solar project**

The existing Operator would retain reclamation liability for the oil/gas surface lease, here the landowner would not absolve the Operator of reclamation liability.  You'd likely attach the old survey plan and the new solar lease may take up all of that area and possibly more.  If the oil/gas survey plan is current, we may be able to just use that if no additional area is taken.

1. **OWA site used for solar (Not sure if AEP will allow this without a Rec. Cert.)**

If this occurs the landowner would absolve the new Solar Operator of reclamation liability and recognise the existence of prior potential contamination.  Supposedly the OWA would retain liability.  Currently the AEP seems to be resisting any development unless there is a clear cut off with a Rec. Cert. in place.

1. **OWA site with known heavy contamination**

This would need AEP approval, possibly the AER/OWA would pay the new Solar Operator to assume liability.  Currently the AEP heavily resists this idea.

One benefit is that the new regulations require the Solar Operator to obtain a Rec. Cert. when the solar operation is done.  So, the site needs to be reclaimed at some point.  The AEP prefer a clean break at the beginning and access roads and power poles can be left in place, however it needs to be clear who is responsible for any existing contamination.  I've also mentioned the previous Lease Compensation because there could be existing SRB claims for unpaid compensation that the new Solar Operator doesn't want to be liable for either.

So at this point, I put the first page in the lease just to flag possible situations.  The body of the lease should accommodate most of them, we would just have to include/remove certain clauses dependent upon the situation.

This document is being circulated in draft form for stakeholder feedback.

Daryl Bennett

17 January 2020

**ALBERTA SURFACE LEASE**

**Solar Power Project**

THIS INDENTURE OF LEASE made effective the \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, A.D. 2020.

BETWEEN:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

Both of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in the Province of Alberta, **as Joint Tenants**

(hereinafter called the “**Lessor**”)

-and-

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a body corporate, having its head office

In the City of Calgary, in the Province of Alberta (hereinafter referred to as “**Lessee**”)

**WHEREAS** the Lessor is the registered owner of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens and interests contained in or noted upon the existing Certificate of Title of and in that certain parcel or tract of land situate, lying and being in the Province of Alberta and described as follows:

AS PER TITLE

as more particularly described and set forth in Certificate of Title No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the “**Said Lands**”); and

**WHEREAS** an Alberta Surface Lease Agreement, dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ already exists between the Lessor and the defunct, company known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (for the lands shown in **red** on the survey plan attached as Exhibit “A” hereinafter referred to as the “Originally Leased Lands”); and

**WHEREAS** the Alberta Energy Regulator (AER) and Orphan Well Association (OWA) recognise that there is already existing subsurface, and/or surface, disturbance on the Said Lands from the previous Lessor’s oil/gas production on the site, more accurately described in the attached Exhibit “C”; and

**WHEREAS** the Alberta Surface Rights Board has been directing the Government of Alberta to pay the annual compensation of $ \_\_\_\_\_\_.00 up to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, and the Lessor acknowledges that the Lessee is not responsible for any compensation owing previous to the Effective Date herein; and

**WHEREAS** the Alberta Energy Regulator, the Orphan Well Association and Alberta Environment and Parks have agreed to allow the Lessee to reclaim those “Originally Leased Lands, and to use them for a solar project (this agreement attached as Exhibit “B”), the Lessor has agreed to lease and grant those same lands, and a certain additional portion of the Said Lands (shown in **green** on the survey plan attached as Exhibit “A”) to the Lessee, for the purposes and upon the terms and conditions hereinafter set forth:

**Therefore**, **in consideration of the mutual covenants and conditions contained in this Agreement, the Parties agree as follows:**

**1.0 Interpretation**

1.1 In this Agreement:

* 1. The headings of the paragraphs and Exhibits are inserted for convenience of reference only and shall not affect meaning or construction;
  2. Whenever the singular or masculine or neuter is used in the paragraphs and Exhibits each shall be interpreted as meaning the plural or feminine or body politic or corporate and vice versa, as the context requires;
  3. All references to currency are references to the currency of Canada;
  4. All claims in respect of which a Party has a claim pursuant to this Agreement include without limitations reasonable legal fees and disbursements on a solicitor and their own client basis and on a full indemnity basis;
  5. References to a statute is a reference to such enactment as amended or re-enacted from time to time and every statute that may be substituted in whole or in part and the regulations, bylaws or other subsidiary legislation made pursuant to such statute;
  6. If a derivative form of a term or expression that is defined in this Agreement is also used in this Agreement, such derivative form shall have a meaning that corresponds to such term or expression in the context in which it is used.

**2.0 THE LESSOR**,

In consideration of one dollar (the receipt and sufficiency of which are hereby acknowledged) and at the rental hereinafter set forth, **HEREBY LEASES AND GRANTS** to the Lessee all and singular;

Those parts or portions of the Said Lands utilized in the previous Alberta Surface Lease Agreement dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and shown outlined in red on the sketch or plan identified as Exhibit “A”(the “Originally Leased Lands”), and any additional lands shown outlined in green on the sketch or plan identified as Exhibit “A” hereto attached from time to time (hereinafter called the “**Leased Lands**”), to be held exclusively by the Lessee as tenant for the term of twenty-five (25) years from the Effective Date hereof and for so long thereafter as it may be renewed in accordance with the provisions hereof, for any and all purposes and uses as may be necessary or useful in connection with all operations related to the generation of electricity by solar panels and transmission of such electricity for use or sale. Without restricting the generality of the foregoing, these purposes and uses include the right, license, liberty and privilege to enter upon, use and occupy the Leased Lands in order to conduct surveys, construct, operate, monitor, maintain, inspect, control, alter, improve, remove, reconstruct, replace, repair renew or make additions to the “Solar System” (which includes but is not restricted to solar panels, arrays, structures, racks, foundations, concrete pads, footings, inverters, transformers, battery or other electrical storage, junction boxes, substations and meters, support fixtures, markers, poles, towers, anchors, equipment, buildings, fences, gates, all overhead and underground electrical cables, and all overhead and underground telecommunications cables; under, over, in and across the Leased Lands), all of which, notwithstanding any rule of law or equity, shall at all times remain chattels of and the property of the Lessee even though attached to the Leased Lands. The Lessee also has the right to conduct reclamation activities to attempt to remediate past contamination from the previous oil/gas Operator’s use of the lands outlined in red on the sketch or plan identified as Exhibit “A”.

**3.0 YIELDING AND PAYING UNTO THE LESSOR**

(a) First Year Consideration for the Leased Lands: For the first year of the term, the sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_00/100 ($\_\_\_\_\_\_\_\_\_\_\_) Dollars for the Leased Lands, which sum includes initial consideration and fixed annual rental and compensation in full for adverse effect, market value of land granted, a royalty for the sunlight upon the lands, entry fee, capital damage, loss of use, severance, nuisance, noise, the ability to attempt to reclaim the previous oil/gas Operator’s use of the lands, and inconvenience done or caused to the Leased Lands; and

(b) Annual Rental for the Leased Lands: For each subsequent year after the first year of the term, and thereafter during the term of this Lease (and any extensions), a fixed annual rental of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_00/100 ($\_\_\_\_\_\_\_\_\_\_) Dollars for the Leased Lands, paid in advance, for the second year of the term, which sum includes rental and compensation in full for adverse effect, loss of use, a royalty for the sunlight upon the lands, severance, nuisance, noise and inconvenience, for the Leased Lands. This sum is payable annually, in advance, on or before the anniversary of the Effective Date hereof and shall be increased annually beginning on the third anniversary of the Effective Date, by multiplying it by \_\_\_%, or the Canadian Consumer Price Index (“CPI) for that year, whichever is greater.

**THE LESSOR HEREBY COVENANTS AND AGREES TO AND WITH THE LESSEE:**

**4.0 Taxes Paid by Lessor**

The Lessor shall promptly pay and discharge all real property taxes, general and special assessments and other charges of every description related to the Lessor’s operations upon the Lands which during the Term may be levied upon or assessed against the Lands except where such are to be paid by the Lessee.

**5.0 Lessee not Responsible for past Contamination**

The Lessor agrees that the Lessee is not responsible, nor liable, for any contamination from the previous oil/gas activities and associated wellheads unless a) the Lessee was the previous Operator of that oil/gas surface lease agreement and associated wellheads, or b) the Lessee assumes that liability by agreement with the Alberta Energy Regulator, the Orphan Well Association and Alberta Environment and Parks as outlined in Exhibit “B”.

**6.0 Possession**

6.1 The Lessor agrees to deliver vacant possession of the Leased Lands to the Lessee on the Effective Date. Without limiting the generality of the foregoing, the Leased Lands shall be so delivered free of all irrigation systems, buildings or other structures of any nature or kind whatsoever, provided however, that the Lessor shall not be required to remove any underground irrigation piping which may be located on the Leased Lands. Such underground irrigation piping is shown on the survey plan attached as Exhibit “A”.

6.2 The Leased Lands are also subject to an “overlapping exemption” under the Alberta Energy Regulator’s Specified Enactment Direction 002 which has allowed the previous oil, and/or, gas, Lessee to leave the access road and power poles in place upon the Leased Lands. Upon Reclamation of the Leased Lands under this Agreement, if the Lessor agrees, the current Lessee may leave the access road in place and any power poles will remain the responsibility of the local electrical distribution company.

**7.0 Quiet Enjoyment**

The Lessor has good title to the Said Lands as hereinbefore set forth, has good right and full power to grant and lease the Said Lands, rights and privileges in manner aforesaid, and the Lessee, upon observing and performing the covenants and conditions on the Lessees part herein contained, shall and may peaceably possess and enjoy the Leased Lands and the rights and privileges hereby granted during the said Term and any extension thereof without any interruption or disturbance from or by the Lessor or any other person claiming by, through or under the Lessor. The Lessor further warrants that there are no deeds or agreements to secure debt, mortgages, liens or judgements or which otherwise encumber the Said Lands except as set forth in the Certificate of Title to the Said Lands effective as of the Effective Date hereof, and there are no other encumbrances on the title to the Said Lands that would prevent the Lessee from using the Said Lands for the uses intended by the Lessee as set forth herein.

**8.0 Covenant Regarding Obstructions**

The Lessor hereby grants (on behalf of itself and its successors and permitted assigns) a covenant in favor of the Lessee, not to construct or erect or cause or permit to be constructed or erected, during the term of this Agreement and all renewals thereof, as applicable, on any of the lands abutting the Leased Lands, in any direction surrounding the Leased Lands, which were owned or controlled by the Lessor as of the date of this Lease Agreement, any above-ground structure of any height located within ten (10) meters of the Leased Lands; and, without the Lessee’s prior written consent, which the Lessee may withhold for any reason, any above ground structure having a height greater than four (4) meters located outside of the aforementioned ten (10) meter boundary but within twenty-five (25) meters of the Leased Lands. This covenant is for the benefit of all or any portion of the Leased Lands which are or will be acquired pursuant to this Agreement (being the dominant tenement) and shall run with and burden every portion of the Said Lands (as the servient tenement) for the duration of this Agreement. The parties agree that damages will be an insufficient remedy for breach of this covenant by the Lessor, and that the Lessee may seek an equitable remedy of specific performance or an injunction or both in respect of such covenant, in addition to any other remedies available to it in equity or at law.

**9.0 Title to Facilities**

Notwithstanding any rule of law or equity, the Lessor acknowledges that the “Solar System”, including all structures, equipment, fixtures and chattels (the “**Equipment**”) whether resting on or attached to the Leased Lands or affixed to foundations placed, located, operated or installed in, on or under the Leased Lands by or on behalf of the Lessee, shall at all times, remain the property of the Lessee notwithstanding the degree of affixation or attachment to the Leased Lands and any fixtures owned by the Lessor. The Lessee may at all times during the Term remove or replace any Facilities of whatsoever nature or kind which it may have placed on, in or under the Leased Lands, subject to Clause 40.0 herein. The Lessee shall be permitted to mortgage or otherwise encumber the Facilities, without the consent of the Lessor.

**10.0 Renewal**

If the Lessee is not in default in respect of any of the covenants and conditions contained in this Lease at the date of expiration of the term of twenty-five (25) years hereinbefore mentioned, then this Lease shall be renewed automatically and the term extended for a further period of twenty-five (25) years. Such extended term shall be subject to all the provisions hereof including this provision for renewal.

**11.0 Waiver of Right to Object**

The Lessor acknowledges that certain aspects inherent to the operation of the Facilities may result in nuisance, such as visual impacts, possible increased noise levels and other possible effects of electrical generation and transmission, including, without limitation, potential interference with radio, television, telephone, mobile telephone or other electronic devices. The Lessor recognizes they may have limited access to the Leased Lands due to the safety and security aspects of operating an electrical generation facility. The Lessor hereby accepts such nuisance and waives their right to object to such nuisance provided that the Lessee complies with its obligations in this Agreement and those of any applicable federal, provincial and municipal statutes, regulations, order or by-laws now or hereinafter in force relating to the Lessee operations on the Leased Lands.

**12.0** **Further Lessor Representations and Warranties**

The Lessor, to best of Lessor’s knowledge, hereby represents, warrants and covenants to the Lessee as follows as of the Effective Date:

(a) Default under Other Agreement. Neither the execution of this Agreement nor its performance by the Lessor will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Lessor is a party or by which it is bound.

(b) Litigation. No litigation is pending, and, no actions, claims or other legal or administrative proceedings are pending, threatened or anticipated against or affecting the Lessor; or with respect to, or which could affect, the Said Lands; which could affect the validity of this Agreement or any transaction provided for in this Agreement. If the Lessor learns that any such litigation, action, claim or proceeding is threatened or has been instituted, the Lessor shall promptly deliver notice thereof to the Lessee.

(c) Unregistered Agreements. There are no agreements, liens, encumbrances, instruments, covenants, conditions, reservations, restrictions, easements, leases, subleases, occupancies, tenancies, options, rights of first refusal or other matters affecting, relating to or encumbering the Said Lands or any portion thereof which are not registered against title to the Said Lands as of the date hereof. The Lessor and the Said Lands are in full compliance with all such Encumbrances. Any Encumbrance or security interest placed as a charge against the Said Lands by the Lessor, or others, after the execution of this Lease shall be subject to the rights of the Lessee under this Lease Agreement.

(d) Claims re Environmental Matters. The Lessor has not received any notice of any violation of any applicable federal, provincial or municipal law, regulation, order or approval of a governmental authority relating to the Said Lands and there are no injunctions, orders or judgements outstanding or lawsuits, claims, proceedings or investigations pending or threatened relating to the ownership of the Said Lands.

(e) Title. Lessor has free and clear title to the Said Lands, and agrees to defend the title in any instance where a claim thereon would interfere with the rights of the Lessee hereunder.

(f) Ownership. (i) Lessor is the sole legal and beneficial owner in fee simple of the Said Lands, (ii) each person or entity signing this Lease Agreement on behalf of Lessor is authorized to do so, (iii) Lessor has the unrestricted right, power and authority to enter into and perform its obligations under this Lease Agreement and to grant the rights granted to Lessee hereunder, (iv) if Lessor consists of one or more individuals, each such individual is at least eighteen (18) years of age and is either not married, or if married, his/her spouse either comprises a Lessor hereunder or such spouse has consented to the execution of this Lease Agreement; (v) Lessor is not the subject of any bankruptcy, insolvency or probate proceeding; and (vi) Lessor acknowledges that Lessor has had the full opportunity to obtain independent legal representation or advice in connection with this Lease Agreement.

(g) Expropriation. The Lessor has not received written notice of any pending or threatened expropriation proceedings relating to the Said Lands.

**THE LESSEE HEREBY REPRESENTS, WARRANTS, COVENANTS AND AGREES TO AND WITH THE LESSOR:**

**13.0** **Authority**

The Lessee has the right and authority to enter into and execute this Lease Agreement and to lease from the Lessor the Leased Lands in accordance with the terms and provisions of this Lease Agreement. Each person signing this Lease Agreement on behalf of the Lessee is authorized to do so, and when signed by the Lessee this Lease Agreement constitutes a valid and binding agreement enforceable against the Lessee in accordance with its terms.

**14.0 Condition of Leased Premises**

It is understood and agreed that the Leased Lands are being leased to the Lessee “as is”. The Lessee has satisfied itself as to the condition of the Leased Lands and their fitness for the use intended. The Lessee acknowledges that it has inspected the Leased Lands and conducted an independent investigation of current and past uses of the Leased Premises and that the Lessee has not relied on any representation by the Lessor concerning any condition of the Leased Lands, environmental or otherwise. The Lessor makes no representation or warranties whatsoever regarding the fitness of the Leased Lands for any particular use.

**15.0** **Taxes Payable by Lessee**

15.1 The Lessee shall pay any increase in the real property taxes levied upon or assessed against the Said Lands as a direct result of the installation of the Solar System Facilities on the Lands. The Lessee further agrees to pay all real and personal property taxes, general and special assessments and other charges of every description levied on or assessed against the improvements made to the Said Lands by the Lessee or the personal property owned by the Lessee which are located on the Lands. The Lessee will endeavour to have the local municipality assess the taxes, associated to with the Lessee’s Improvements and Solar System Facilities, separately from those assessed on the rest of the Said Lands, and to have that assessment sent directly to the Lessee.

15.2 The Lessee may contest the amount of any taxes, assessments or charges for which the Lessee is responsible under this Lease Agreement and which are separately assessed to the Lessee. In such event the Lessee may institute such proceedings as the Lessee considers necessary in connection therewith and if the Lessee contests any such tax, assessment or charge, the Lessee may pay the same under protest or withhold or defer payment; provided that any such withholding or deferral of payment does not interfere with or affect the interest of the Lessor in the Said Lands.

15.3 The Lessee’s obligation to pay property taxes or assessments levied or charged against the Said Lands or improvements thereon or against specified personal property of the Lessee shall not include any business, income, occupancy or profits taxes levied or assessed against the Lessor by any Governmental Authority and shall not include any estate, succession, inheritance or transfer taxes of the Lessor or any corporation, franchise or profits taxes imposed on the Lessor or the beneficial owner of the Said Lands if the beneficial owner is an entity other than the Lessor.

**16.0** **Liens**

The Lessee shall not knowingly permit any builders, material men or other liens for labour or material to be recorded against the title to the Said Lands arising from any work performed on the Leased Lands by or on behalf of the Lessee or at the direction of the Lessee. With respect to any liens attributable to Lessee’s development of the Solar System and recorded against the title to the Said Lands, Lessee will take all required actions necessary to discharge such liens at its sole cost and expense.

**17.0 Environmental Obligations**

The Lessee shall carry out all measures reasonably necessary to keep the Leased Lands free and clear of environmental waste or contamination resulting from the Lessee’s occupation or use of the Leased Lands. The Lessee shall be solely responsible for the expenses related to all work carried out to remedy any Environmental Contamination which occurs on the Leased Lands, or which occurs elsewhere on the Said Lands, as a result of the Lessee’s occupation or use of the Leased Lands.

18.0 **Fencing**

During the continuance of this Term, the Lessee shall erect and put upon or around the boundaries of the Solar System on the Leased Lands, a good substantial fence as reasonably required by Lessor or the Lessee, and replace all fences which the Lessee may have removed for its purposes, and repair all fences which it may have damaged, and if and when reasonably required by the Lessor, provide a proper livestock guard at any point of entry upon the Said Lands used by the Lessee.

19.0 **Security**

The Lessee shall have the right, at its sole cost, to install and establish those security devices and procedures it believes reasonably necessary or desirable to protect the Solar System or other improvements of the Lessee on the Leased Lands and prevent damage or injury to property or people. The Lessee shall consult with the Lessor and obtain the approval of the Lessor in writing prior to the installation of any security devices, which approval shall not be unreasonably withheld.

**20.0** **Topsoil**

The Lessee shall conserve and preserve the topsoil if the Lessee disturbs topsoil on the Leased Lands, having regard to good soil conservation practices.

**21.0 Weeds**

During the Term of this Lease the Lessee shall take all necessary precautions to control and destroy all weeds on the Leased Lands, both inside and outside the Lessee’s fenced perimeter. If the Lessor agrees, the Lessee shall pay the Lessor $\_\_\_\_\_\_.00 annually to control and destroy weeds outside of the fenced perimeter adjacent to the cropped areas of the Said Lands.

**22.0** **Culverts**

The Lessee shall construct and maintain such culverts and other structures on the Leased Lands as reasonably required to ensure the unimpeded flow of water through natural drainage courses.

**23.0 Conformity of Construction**

The Lessee shall, at the Lessee’s sole cost and expense, ensure that all Facilities constructed or installed during the Term of this Lease Agreement, or it renewal period, conform to all existing federal, provincial and municipal laws in force at the time of construction of such Facilities and then maintain all improvements of the Lessee on the Lands in accordance with all Applicable Laws and in accordance with prudent solar industry practices. Nothing in this Lease defining the duty of maintenance shall be construed as limiting any right given to the Lessee elsewhere in this Lease to alter, modify, demolish, remove or replace any improvement to the Leased Lands.

**24.0** **Maintenance**

The Lessee has the right to contest by appropriate judicial or administrative proceedings, without cost or expense to the Lessor, the validity or application of any purported Applicable Laws that the Lessee repair, maintain, alter, or replace the improvements in whole or in part. The Lessee shall indemnify the Lessor without request for any fines or penalties or other liabilities assessed against the Lessor due to the Lessee’s noncompliance with any such Applicable Laws. The Lessor may, but is not required to, contest any such Applicable Laws independently of the Lessee. The Lessor agrees to provide, during the term of this Lease Agreement, including renewal periods, and at the expense of the Lessee, all necessary information and materials where reasonable to enable the Lessee to contest any matter described above.

**25.0 Compliance with Statutes**

The Lessee shall comply with any and all applicable federal, provincial and municipal statutes, regulations, order or by-laws now and hereinafter in force affecting the Leased Lands, the construction, alteration, modification, or improvement of any Facilities and the use of the Leased Lands by the Lessee.

**26.0 Rental**

26.1 The Lessee shall pay the Annual Rental hereinbefore reserved in each and every year during the continuance of this Lease, at the beginning of each year, until a Reclamation Certificate is obtained (if required by law) or until the Leased Lands have been restored to original condition, as far as is reasonably possible, if a Reclamation Certificate is not required.

26.2 In addition to the Annual Rental, all amounts payable or to be paid by the Lessee to the Lessor pursuant to the terms and provisions of this Lease shall, in the event of a default in the payment thereof by the Lessee to the Lessor, be deemed to be Rent owing by the Lessee to the Lessor under this Lease Agreement.

**27.0 Compensation for Damages**

If, at any time during the term, any of the Lessor’s crops are materially damaged or destroyed as a result of the Lessee operations on the Said Lands then the Lessee shall promptly pay to the Lessor a one-time lump-sum amount equal to the greater of: (a) the actual out-of-pocket costs theretofore incurred by the Lessor in planting, irrigating and fertilizing such crops to the date of their damage, destruction or removal; (b) the harvested fair market value of such crops, agreed between the parties, each acting reasonably, at the time of such damage, destruction or removal; or (c) the contract price for such crops pursuant to a future contract to which the Lessor is a party at the time of such damage, destruction or removal and relating to such crops for the then-current harvest.

**28.0 Reclamation and Termination**

28.1 Upon the expiration of the Term, or earlier termination of this Lease, the Lessee shall remove any and all improvements installed at or upon the Leased Lands for or on behalf of the Lessee. Upon such removal, the Lessee shall repair all resultant injuries and/or damages caused to the Leased Lands as a result thereof so as to restore the Leased Lands, as much as is reasonably possible, to such state as would have existed if the Leased Lands had not been used or developed by the Lessee. Reclamation activities include, but are not limited to, removal of mechanical and electrical equipment, removal of access roads and ancillary facilities, removal of concrete foundations to a depth of two (2.0) meters below surface grade, demolition of any structures erected by the Lessee, filling and grading the Lands with suitable fill, replacing topsoil and cultivating and/or seeding as may be required along access roads and foundation areas and conducting those activities required to obtain a Reclamation Certificate in compliance with Applicable Laws in force at the time of decommissioning, but subject at all times to the Lessors acknowledgement set forth in section 5.0 and 6.2.

28.2 Upon termination of this Lease Agreement in accordance with the provisions hereof, the Lessee agrees to execute in a form satisfactory to the Lessor a surrender and release pursuant to which the Lessee surrenders to the Lessor the interest of the Lessee in the Said Lands.

**29.0** **Insurance**

29.1 Throughout the Term of this Agreement, and during all renewal periods, and at the Lessee’s sole cost and expense, the Lessee shall keep, or cause to be kept, insured all improvements owned by the Lessee located on, under or appurtenant to the Lands, against loss or damage.

29.2 Throughout the Term of this Agreement, and during all renewal periods, and at the Lessee’s sole cost and expense, the Lessee shall keep or cause to be kept in force commercial general liability insurance against claims and liability for personal injury, death, or property damage arising from the ownership, use, occupancy, disuse or maintenance by the Lessee of the Said Lands and the Lessee’s improvements thereto. Such insurance shall be for not less than $5,000,000 per occurrence, and shall provide thirty (30) days’ written notice to be given to the Lessor prior to cancellation. Lessee shall name Lessor as an additional insured under the commercial general liability policy.

**THE LESSOR AND THE LESSEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:**

**30.0 Surrender**

The Lessee shall have the right at any time to surrender this Lease Agreement upon no less than forty-five (45) days written notice to the Lessor, provided however that there shall be no refund to the Lessee of any rental which may have been paid in advance, and provided that the Lessee shall have complied with all provisions for abandonment and reclamation in accordance with applicable laws and obtained a Reclamation Certificate (if required by law) or until the site has been restored to its original condition, as far as is reasonably possible, if a Reclamation Certificate is not required.

Upon written agreement of both parties, the Lessee may leave improvements (access roads, power poles, etc.) upon the Leased Lands.

**31.0** **Removal of Equipment**

The Lessee may at all times during the continuance of this Lease remove or cause to be removed from the Leased Lands all facilities, structures, material and equipment of any kind which it may have placed on or in the Leased Lands unless it is in default of this Agreement as described in Clause 40.0.

**32.0** **Assignment and Sublease**

32.1 The Lessee shall have the right at any time, in its sole discretion and without requiring the Lessor’s consent:

(a) to assign all or a portion of any of its rights granted in this Agreement to one or more assignees of its choice (as long as they have shown, to the Lessor, that they have the financial resources to reclaim the lands); and

(b) to grant one or more subleases or other tenancy, license or occupancy agreements with respect to part or all of its leasehold interest in the Leased Lands (collectively, a “Sublease”), provided that the term of any such Sublease shall not extend beyond the Term, and each Sublease shall be subject to the earlier termination of this Agreement.

Such assignment is not effective until the Lessee has provided written notice to the Lessor of any such assignment, sublease, license or occupancy agreement with respect to this Agreement and the new assignee, sublessee, licensee or occupant has provided written notice that it will abide by the terms of this Agreement.

32.2 For greater certainty (and without limiting the generality of Subsection (1) above), the Lessee may, at any time and from time to time, mortgage its interest in the Leased Lands to a lender or lenders in connection with the financing of construction of the Solar System facilities and improvements on the Leased Lands and related permanent financing, without the prior consent of the Lessor.

**33.0 Indemnification**

33.1 The Lessee agrees to indemnify, defend and hold the Lessor harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs or expenses (including reasonable lawyers’ fees and court costs) arising directly from the Lessee breach of any provision of this Agreement or directly arising from the Lessee or the Lessee’s invitees’, contractors or agents’ use of the Leased Lands or injury on or to the Said Lands caused by the Lessee, its employees, agents, workmen or contractors, except to the extent attributable to the negligent acts or omissions or misconduct of the Lessor, its employees, agents, workmen or invitees.

33.2 The Lessor agrees to indemnify, defend and hold the Lessee harmless from and against any and all injury, loss, damage or liability (or any claims in respect of the foregoing), costs and expenses (including reasonable lawyers’ fees and court cost) arising directly from the Lessor’s breach of any provision of this Agreement or directly arising from the Lessor’s or the Lessor’s invitees’ or agents’ grossly negligent use of the Said Lands or injury on or to the Leased Lands caused by the Lessor, its employees, agents, workmen or contractors grossly negligent use of the Said Lands, except to the extent attributable to the negligent acts or omissions or misconduct of the Lessee, its employees, agents, workmen or invitees.

**34.0** **Net Lease**

It is the intention of the Lessor and the Lessee and it is hereby agreed by them that, subject to any exceptions expressly set out herein, all charges, expenses, payments, taxes, levies, assessment and costs of ever nature and kind related to the Leased Lands shall be borne by the Lessee so that the Rent herein provided for shall be absolutely net to the Lessor.

**35.0** **No Intention to Subdivide**

35.1 The Lessor and the Lessee acknowledge and agree that the intention of this Agreement and the Lease is not to subdivide the Lands and create a separate parcel or parcels with respect to the Leased Land. However, if subdivision approval is required by the applicable subdivision authority, then: (i) the Lessor hereby appoints the Lessee with a power of attorney to make application on behalf of the Lessor for same at the Lessee’s sole expense provided that the Lessor shall co-operate with the Lessee in such application including, without limitation, the execution of any agreements reasonably requested by the Lessee (ii) the expiry of the initial Term or the Renewal Term, if applicable, shall be postponed until such subdivision approval is obtained; and (iii) if the Lessee determines, in its sole discretion, that subdivision approval is not attainable in respect of the Leased Lands then the Lessee and the Lessor shall diligently cooperate to amend the location or area of the Leased Lands or the Term as may be required to render subdivision approval unnecessary.

35.2 If the land is required to be subdivided, then the Lessor and Lessee shall mutually agree upon the sale terms of the subdivided parcel, or if agreement is not possible, according to the provisions of Clause 44 contained herein.

**36.0** **Expropriation**

If at any time during the Term and any Extension Period, as applicable, title to any portion of the Leased Lands is taken by expropriation, each party hereto shall be entitled to separately pursue and retain such compensation as may be awarded to it and the parties shall co-operate with each other in pursuing their respective claims.

**37.0** **No Partnership or Agency**

Nothing in this Lease shall create any relationship between the parties hereto other than that of Lessee and Lessor and it is specifically agreed that none of the parties are partners, joint venture partners, agents or trustees of the others(s).

**38.0** **Planning Approvals and Agreements**

The Lessee shall, at its own expense, obtain all necessary planning approvals and agreements with any authorities pursuant to Applicable Laws relating to any improvements it proposes for the Leased Lands, so as to be in a position to obtain a full development permit or building permit or both, in respect of any improvements it proposes for the Leased Lands. The Lessee and the Lessor shall comply with their respective obligations under any development site plan, if required, or other agreement with the municipality or any other authority pursuant to Applicable Laws. The Lessee shall perform all obligations under any such agreement at no cost to the Lessor, except to the extent otherwise expressly provided herein. If reasonably required, the Lessor agrees to reasonably assist the Lessee with obtaining any consents or approvals under all Applicable Laws in connection with this Lease Agreement. Each party hereto shall execute, without undue delay, all such reasonable agreements as may be requested by the other in this regard and in particular, the Lessor agrees to agree to and execute such authorizations, applications and other documentation as may be required by the Lessee or any authority in connection with the foregoing or in connection with any other approvals reasonably required by the Lessee.

**39.0 Sale of the Lands**

In the event of the sale of all or any portion of the Said Lands, the Lessor agrees to advise any potential purchaser of the existence of this Agreement and the Lessor will use reasonable efforts to obtain from such purchaser, as a condition of any such sale, a written agreement in a form satisfactory to the Lessee that the purchaser agrees to assume and be bound by all of the rights and obligations contained in the Agreement.

**40.0 Default**

40.1 In the event default is made in the payment of Rent, or any part thereof, and such default continues for forty-five (45) days after notice of such non-payment has been delivered to the Lessee, or in the case of non-performance or non-observance on the part of the Lessee of any covenant, condition, restriction or stipulation herein contained, expressed or implied, which ought to be observed or performed by the Lessee, and which has not been expressly waived in writing by the Lessor, and such non-performance or non-observance continues for sixty (60) days after notice of such default has been delivered to the Lessee, then the Lessor may, at its option, in addition to exercising any other remedy available to it at law, terminate this Lease Agreement; provided, always, that the Lessor reserves any and all legal and equitable remedies and rights of action for damages against the Lessee for breach of this Lease Agreement. During the continuation of any default not remedied, the Lessee’s right to remove its Solar System infrastructure from the Lands, or replace its Solar System Facilities with such improvements or installations, as it may deem necessary as set out in Clauses 9.0 and 31.0, shall be suspended.

40.2 In the event that the Lessee is in default under the terms and provisions of this Lease Agreement and such default is not remedied by the Lessee within the time periods provided for and the Lessor exercises its rights hereunder in relation to such default (including, without limitation, termination of this Lease Agreement or attempting legal enforcement of the obligations of the Lessee hereunder) then the Lessor shall be entitled to claim against the Lessee for an amount equal to its actual, reasonable, and verifiable out-of-pocket expenses, costs and attorneys’ fees incurred in connection therewith.

**41.0 Acknowledgment**

The Lessor acknowledges and agrees that, at all times during the Term, due to the dangerous and technical nature of its operations on the Leased Lands, in no instance of real or apprehended emergency shall it be permitted to enter within the fenced portion of the Leased Lands, unless it has written permission from the Lessee. The Lessee shall be fully responsible for the Leased Lands during any real or apprehended emergency.

**42.0 Title to Energy, Credits and Data**

The Lessor shall have no interest in or title to any electric energy, system support services, emission credits, carbon credits, greenhouse gas emission credits, renewable energy certificates or green tags or other similar credits produced or generated from any solar power project operated by or on behalf of the Lessee on the Leased Lands. The Lessor shall have no interest in or title to any data, evaluations or studies obtained by or on behalf of the Lessee with respect to the Lands.

**43.0 Goods and Services Tax**

Unless otherwise noted, amounts and payments due under this Agreement do not include Goods and Services Tax (“GST”). The Lessor and the Lessee agree to pay all applicable GST at the same time and place as any other payments due hereunder.

**44.0 Dispute Resolution**

In the event of any dispute arising between the Lessor and the Lessee during the Term, or any Extension Period, as applicable, hereof as to any matter arising hereunder, which dispute cannot be mutually settled between the Lessor and the Lessee, then each Party shall have all rights and remedies available to that Party under Applicable Laws with respect to such dispute including binding arbitration.

**45.0 Postponement/Non-Disturbance**

45.1 The Lessor shall cooperate with the Lessee to obtain whatever postponements or non-disturbance agreements which may be requested by the Lessee from any party or parties holding prior encumbrances registered against the title to the Said Lands.

45.2 In the event of default by the Lessor of any financial or other encumbrance capable of constituting a valid charge against the Lease Lands, the Lessee may at its option pay or discharge all or part of any balance owing under any agreement for sale or mortgage, or of any withholding or other tax, charge, lien or encumbrance of any kind or nature whatsoever which may now or hereafter exist on or against or in any way affect the Said Lands or the Leased Lands, in which event the Lessee shall be subrogated to the rights of the holder or holders thereof, and may in addition thereto, at its option, reimburse itself by applying on account of repayment of the amount so paid by it the rentals or other sums accrued or accruing to the Lessee under the terms of this Lease Agreement.  Any sums so applied shall, for all purposes of this Lease, be deemed to have been paid to and received by the Lessee in payment of such rentals or other sums accrued or accruing to the Lessee under the terms of this Lease Agreement.

**46.0** **Notices**

46.1Any notice, request, consent, acceptance, waiver or other communication required or permitted to be given under this Agreement shall be in writing and may be delivered by hand, mailed or electronically transmitted, excluding social media, addressed to the Parties as follows:

(a) In the case of the Lessor addressed to it at:

John and Jane Doe

P.O. Box 1

Anywhere, Alberta, TOJ 1J0

(b) and in the case of the Lessee addressed to it at:

Super Duper Solar Project Inc.

City Slicker Drive

Calgary, Alberta

T1C 1E3

46.2 Either Party may, at any time and from time to time, change its address for service by giving written notice to the other Party, and such changed address is effective ten (10) Business Days after notice is deemed to be received for the purposes of this Section 46.

46.3 Any notice, invoice or other communication shall be deemed to be received by the addressee, if delivered personally, at the time of delivery and, if mailed, on the fourth Business Day following the day on which it was mailed.

46.4 Any notice, invoice or other communication delivered or transmitted by electronic medium, including electronic mail, is deemed to be received when the notice or notification enters the recipient Party’s information system and becomes capable of being retrieved and processed by that Party if those events occur during normal business hours on any Business Day or at the beginning of the next Business Day if those events are after five o’clock, local time.

46.5 Notice may not be delivered using any form of social media.

46.6 In the case of a postal disruption, or an anticipated postal disruption, all notices or other communications to be given under this Agreement shall be electronically transmitted or delivered by hand.

**47.0 Force Majeure**

47.1 If a Party is prevented by Force Majeure from fulfilling any obligation, the obligations of the Party, insofar only as its obligations are affected by the Force Majeure, shall be suspended while the Force Majeure continues to prevent the performance of such obligations and for that time as that Party may reasonably require to commence to fulfill such obligation. A Party prevented from fulfilling any obligation by Force Majeure shall give the other Party notice of the Force Majeure and the affected obligations including reasonably full particulars as soon as reasonably possible in the circumstances. Nothing is construed to relieve either Party of its obligation to pay monies due under this Agreement.

47.2 For purposes of this Agreement, “Force Majeure” means any strike, lock-out, labour dispute, act of God, inability to obtain labour, utilities or services, enemy or hostile actions, sabotage, war, blockades, insurrections, riots, epidemics, washouts, nuclear and radiation activity or fall-out, civil disturbances, explosions, fire or other casualty beyond the reasonable control of the Lessee.

**48.0 Further Assurances**

Each of the parties shall execute and deliver all such further documents and do such other things as the other party may reasonably request to give full effects to this Agreement.

**49.0 Successors and Assigns**

Subject to the provisions of this Lease Agreement each and all of the covenants and conditions of this Lease Agreement shall be binding on and shall enure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective Parties.

**50.0 Governing Law**

This Lease Agreement shall, in all respects, be subject to and interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and shall in every regard, be treated as a contract made in the Province of Alberta and also be subject to the laws of Canada applicable therein. The Parties hereto irrevocably attorn and submit to the jurisdiction of the Courts of the Province of Alberta and the Courts of Appeal therefrom in respect of all matters arising out of this Lease.

**51.0** **Amendment/Waiver**.

51.1 This Agreement cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the Lessor and an authorized agent of the Lessee.

51.2 It is further understood and agreed that no failure or delay by a party in exercising any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise preclude any other or further exercise or the exercise of any right, power, or privilege under this Agreement.

51.3 The failure of a Party to seek redress for violation of or to insist on the strict performance of any covenant or condition of this Agreement does not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

51.4 No provisions of this Agreement shall be deemed to have been waived by the Lessor or the Lessee unless a written waiver from the applicable party has first been obtained and, without limiting the generality of the foregoing, no condoning, excusing or overlooking by the Lessor or the Lessee on previous occasions of any default by either party nor any earlier written waiver shall be taken to operate as a waiver or in any way to defeat or affect the rights and remedies of any party.

51.5 The subsequent acceptance of Rent by the Lessor will not be deemed to be a waiver or condition of a breach, by the Lessee, other than the failure of the Lessee to pay the particular Rent accepted, regardless of the Lessor’s knowledge of the preceding breach at the time of acceptance of the Rent.

**52.0 Entire Agreement**

This Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either Party. Each Party has relied on its own examination of this Lease Agreement, the counsel of its own advisors, and the warranties, representations and covenants in the Lease Agreement contained.

**53.0 Severability**

If any covenant or obligation on either Party contained herein or any provision of this Lease Agreement or its application to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease Agreement and the application of such covenant or obligation to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected, and each provision and each covenant and obligation contained in this Lease Agreement shall be separately valid and enforceable to the fullest extent permitted by law or at equity.

**54.0** **Counterpart and Electronic Execution**

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. The parties shall be entitled to rely upon delivery of an executed facsimile copy of this Agreement or a scanned copy of this Agreement in PDF format sent by email, and such facsimile copy or PDF copy shall be legally effective to create a valid and binding agreement between the parties.

**55.0 Time**

Time is of the essence of this Lease Agreement and each and every part hereof.

IN WITNESS WHEREOF the Owner and the Lessee have executed this Agreement as of the date first above written.

John and Jane Doe

Per: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Per: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Super Duper Solar Project Inc.

Per: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

I/We have authority to bind the

Corporation.