

CORPORATION OF THE TOWNSHIP OF WHITEWATER REGION

BY-LAW NO. 05-09-197

Being a By-Law to authorize the Reeve and CAO to execute a land lease Agreement with Windfield Energy Inc.

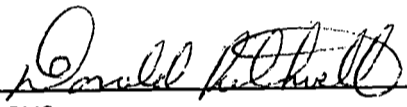
WHEREAS pursuant to the Municipal Act, R.S.O. 1990 Chapter M.45, as amended, a Council may enter into agreements;

AND FURTHER that the Municipal Council for the Township of Whitewater Region deems it prudent to enter into a land lease agreement with Windfield Energy Inc.

THEREFORE the Council of the Corporation of the Township of Whitewater Region enacts that:

1. The Head of Council and the CAO are hereby authorized to enter into an agreement with Windfield Energy Inc.

READ a First, Second and finally passed on the Third Reading this 7th day of Sept 2005.



Reeve



CAO

THIS AGREEMENT made this 7th day of Sept, A.D., 2005.

BETWEEN:

WINDFIELD ENERGY INC.
(Parties of the first part hereinafter called "The Contractor")

- and -

MUNICIPALITY OF THE TOWNSHIP OF WHITEWATER REGION
(Party to the second part hereinafter called "The Municipality")

WHEREAS The Contractor has applied to The Municipality for permission to construct a wind turbine in the Municipal Industrial Park.

AND WHEREAS The Municipality wishes to enter into an agreement for the purpose of allowing The Contractor to construct such a structure in the Industrial Park.

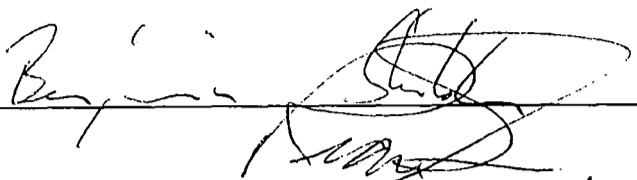
NOW THEREFORE in consideration of the sum of TWO-----(\$2.00) DOLLARS, and receipt thereof is hereby acknowledged and the terms and conditions hereinafter referred to the parties hereto agree as follows:

1. The Municipality will seek to provide the proper zoning and The Contractor will pay any cost incurred by The Municipality therewith.
2. The Municipality agrees to lease a portion of land to the said Contractor dimensions of which are set out in Appendix A attached hereto together with a Right-of-Way for suitable access and/or for the construction of electrical transmission lines set out in Appendix B. The Contractor will be responsible for all survey and legal costs relating thereto.
3. The Municipality agrees to enter into a lease for the land for a maximum of 25 years and the land lease for the construction and operation of the wind turbines will be based on an annual minimum of \$5000.00 per wind turbine or \$3000.00 per installed MW capacity, whatever amount is higher. For the first three years or until such time as a wind turbine is erected the sum of 10% of the value of the lease shall be paid to the Township of Whitewater Region.
4. If the Contractor does not receive a suitable financing for the project within three years the lease will be terminated. If the financing is obtained and the work proceeds the first wind turbine must be installed within a period of 24 months thereafter or the lease will terminate.

5. The landlord will permit the contractor to erect meteorological towers for wind measurement purposes during the term of the lease.
6. If at any time The Contractor fails after the initial period of 24 months to maintain in operation at least one wind turbine the lease will terminate upon notification given to The Contractor by The Municipality of six months.
7. The Contractor will be responsible for all costs of the installation and will maintain insurance suitable to The Municipality which insurance shall indemnify The Municipality for any claim for damage claim relating to the installation or operation of the wind turbines.
8. The Municipality agrees to grant during the term of the lease exclusive rights to The Contractor for the operation of the wind power project on the lands of The Municipality in the Industrial Park.
9. The Contractor agrees to comply with all applicable laws and regulations, and shall obtain all necessary licences and or permits necessary for the proper operation of the wind turbine project.
10. Any dispute arising with respect to the terms of this Agreement shall be settled by arbitration pursuant to the terms of the *Arbitration Act* of Ontario each party appointing one arbitrator and the two parties so appointed shall nominate a third party. Decisions of the three arbitrators shall be binding on the parties to this Agreement.
11. The parties hereto agree and declare that this Agreement and the covenants, provisions and conditions shall ensure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of each of the parties hereto.

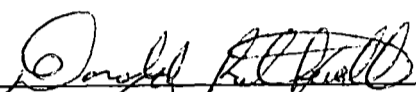
IN WITNESS WHEREOF the parties hereto have hereunder set their respective seals.

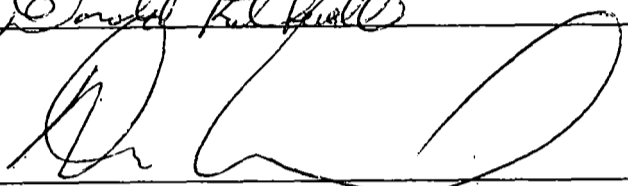
WINDFIELD ENERGY INC.

Per:  _____

I have the authority to bind the corporation.

MUNICIPALITY OF THE TOWNSHIP OF WHITEWATER REGION

Per:  _____

Per:  _____

We have the authority to bind the corporation.