

OPTION TO PURCHASE LAND AND RIGHT OF ENTRY

The City of Moose Jaw, of the postal address of 228 Main Street, Moose Jaw, SK, S6H 3J8, (the "Optionor") in consideration of the sum of SIXTY ONE THOUSAND FIVE HUNDRED DOLLARS (\$61,500.00) (the "Option Fee") now paid to the City of Moose Jaw by the Saskatchewan Power Corporation ("SaskPower"), receipt whereof is hereby acknowledged, hereby gives to SaskPower an Option, irrevocable within the time limited herein for acceptance, to purchase free from encumbrances, encumbrances registered by or on behalf of SaskPower excepted,

All that portion of: NE 27-16-26 W2 Ext. 2, Surface Parcel #203368563 and SE 27-16-26 W2 Ext. 3, Surface Parcel #164609275, as shown highlighted in red on the attached Sketch Plan marked as Schedule "A", (approximately 109.82 acres)
(collectively, the 'Land')

on the following terms and conditions:

1. The purchase price of the Land shall be the sum of SIX HUNDRED FOURTEEN THOUSAND NINE HUNDRED NINETY TWO DOLLARS (\$614,992.00) (the "Purchase Price") which shall be paid to the Optionor when title to the Land has issued to SaskPower free of encumbrances, provided, however, that the Option Fee paid by SaskPower to the Optionor as consideration for the giving of this Option shall be allowed as part payment of the Purchase Price, and shall be deducted by SaskPower accordingly.
2. Payments required to be made by SaskPower pursuant to this agreement are not inclusive of any federal goods and services tax and the obligation to pay these as and when payments are required to be paid hereunder shall be SaskPower's and SaskPower shall do so by self-assessing.
3. The Option hereby given shall be open for acceptance by SaskPower up to and including, but not after the 22nd day of December, 2019, and may be exercised by a letter delivered to the Optionor, or mailed, postage prepaid and registered, addressed to the Optionor at: 228 Main Street, Moose Jaw, SK, S6H 3J8, Attention: City Clerk/Solicitor (the "Notice of Exercise"), and upon acceptance of the Option by SaskPower as aforesaid, shall constitute a binding agreement of purchase and sale, whereupon SaskPower shall be entitled to immediate possession of the Land.
4. The Notice of Exercise may be served personally or by mailing it by registered mail to the Optionor's address above. If served by registered mail it shall be deemed delivered to the Optionor on the 5th business day following the day of its mailing.
5. Upon this Option being exercised, SaskPower shall be responsible for providing all required infrastructures services to and within the Land, as set out in **Schedule "B"** to this agreement.
6. Upon the Option being exercised, the Optionor and SaskPower shall negotiate a development and servicing agreement, in which SaskPower shall agree to provide at its cost infrastructure services substantially as set out in Schedule "B", and in which the City of Moose Jaw shall agree not to impose the Development Levy charge identified in Bylaw No. 5568 - City of Moose Jaw Development Levy Bylaw, 2018, or any similar or related charge on the Land or on SaskPower's development of or on the Land, but does not include charges for the issuance of a development permit or a building permit in accordance with the applicable City of Moose Jaw bylaw.

7. This agreement is subject to approval by Council for the City of Moose Jaw, and the option provided for herein shall come into effect only upon the Optionor providing SaskPower with confirmation in writing that such approval has been granted. If the Council for the City of Moose Jaw does not grant approval of this agreement by **December 22, 2018**, this agreement shall terminate and be of no further force and effect and the Optionor shall return the Option Fee to SaskPower forthwith.
8. In the event that SaskPower does not commence construction of a power production facility on the Land by **December 22, 2022** (the "**Construction Deadline**"), the Optionor shall have the option to purchase the Land back from SaskPower for the Purchase Price. If the Optionor desires to exercise this option to re-purchase the Land, it must notify SaskPower in writing no later than THIRTY (30) days after the Construction Deadline. Upon receipt by SaskPower of such notice to exercise the option to re-purchase, the parties shall cooperate to effect the re-purchase of the Land by the Optionor on terms substantially similar to those contained in this agreement, as applicable, as quickly as reasonably possible.
9. The Optionor shall not be bound to produce any abstract of title or any documents, copies of documents or other evidences of title, except such as are in the Optionor's possession.
10. All adjustments shall be made to the date of delivery of possession. Time shall be of the essence of this Agreement.
11. Upon this Option being exercised, SaskPower shall cause all necessary documents to be prepared as may reasonably be required by SaskPower to give effect to the said transfer(s). SaskPower shall be responsible for paying all costs of preparing and registering the transfer authorizations at the Land Titles Registry, as well as any costs associated with subdividing the Land. The Optionor and SaskPower agree to execute promptly and deliver to each other any documents required to complete this transaction. SaskPower shall tender the balance of the Purchase Price to the Optionor as soon after obtaining confirmation of title transfer as reasonably possible.
12. This Option shall enure to the benefit of and be binding upon the Optionor and upon the Optionor's executors, administrators, and assigns.
13. Those provisions of this agreement which by their nature are intended to survive the closing of the purchase of the Land by SaskPower shall so survive.
14. **Right of Entry**
 - 14.1. Permission is hereby granted to SaskPower, its employees and/or agents to enter on the following land locations for the purpose of carrying out geodetic land surveys, soil sampling, core sampling, environmental and archaeological studies, and other related and similar activities, as deemed necessary or desirable by SaskPower:
NE 27-16-26 W2 Ext. 2, Surface Parcel #203368563 and
SE 27-16-26 W2 Ext. 3, Surface Parcel #164609275
 - 14.2. SaskPower will pay reasonable compensation for any crop and/or property damage that may be caused as a result of the exercise of the right of entry granted herein. A claim in respect to such damage may be made to: Saskatchewan Power Corporation, Land Department, 12SE - 2025 Victoria Avenue, Regina, Saskatchewan, S4P 0S1.

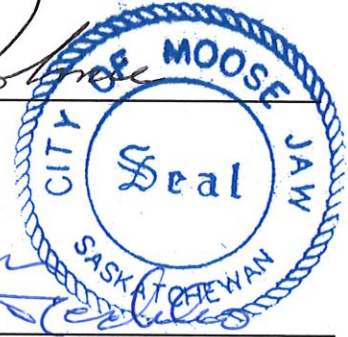
14.3. The Optionor acknowledges that if SaskPower discovers the presence of an environmentally harmful substance, SaskPower may be required to report such discovery to the Saskatchewan Ministry of Environment.

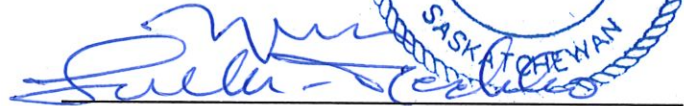
DATED at the district of Moose Jaw, in the Province of Saskatchewan, this 21 day of December, 2018.

CITY OF MOOSE JAW

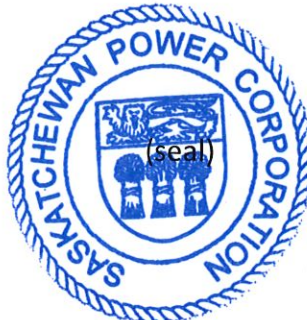

MAYOR

(SEAL)




CITY CLERK

SASKATCHEWAN POWER CORPORATION



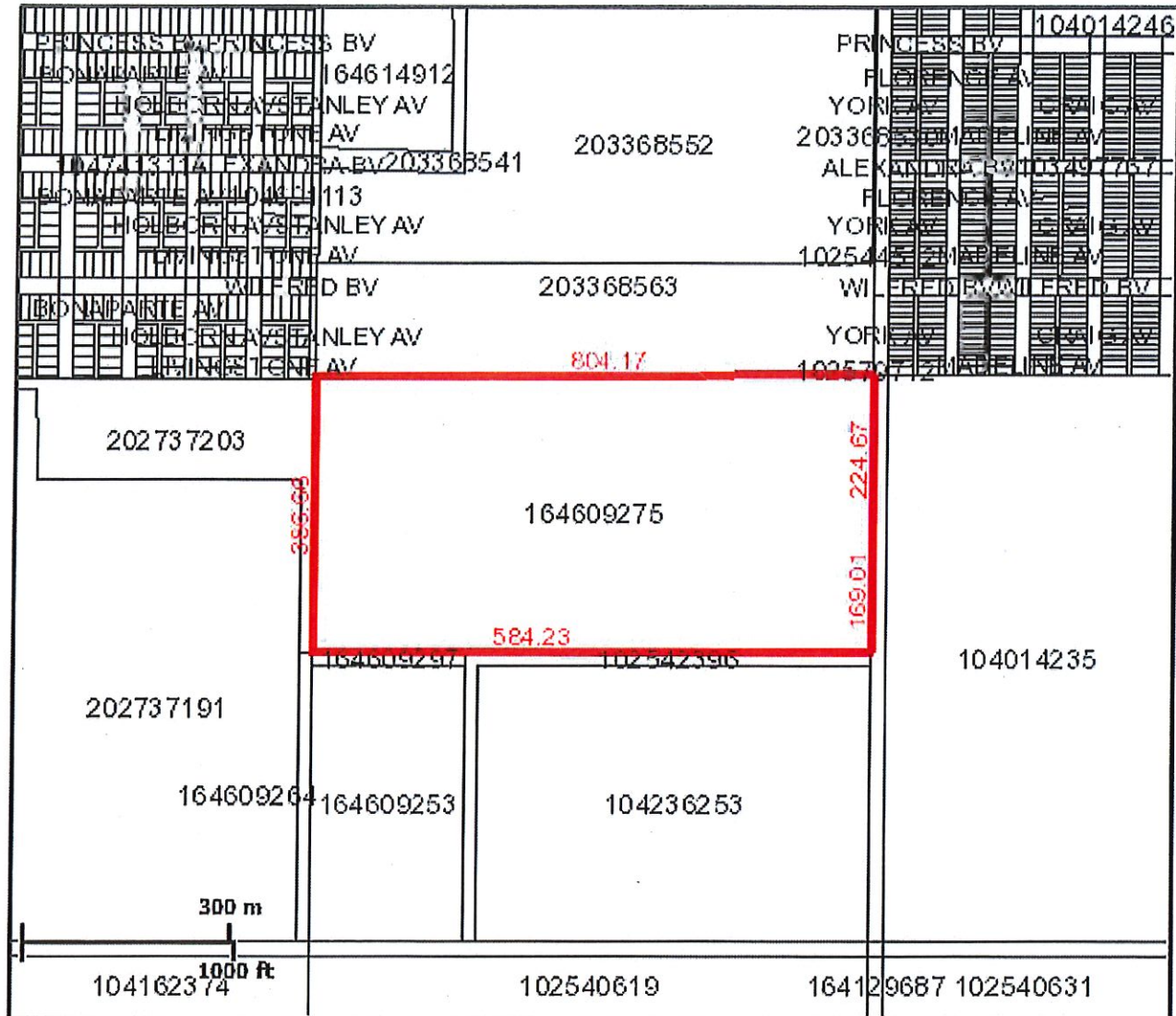

Manager Land

SPC
Approved
For
Execution



SCHEDULE "A"

Surface Parcel Number: 164609275



Scale: 1:18056

Owner Name(s): CITY OF MOOSE JAW

Municipality: CITY OF MOOSE JAW

Title Number(s): 138106986

Parcel Class: Parcel (Generic)

Land Description: SE 27-16-26-2 Ext 3

Source Quarter Section: SE-27-16-26-2

Commodity/Unit: Not Applicable

Area: 31.653 hectares (78.22 acres)

Converted Title Number: 61MJ08419

Ownership Share: 1:1

DISCLAIMER: THIS IS NOT A PLAN OF SURVEY. It is a consolidation of plans to assist in identifying the location, size and shape of a parcel in relation to other parcels. Parcel boundaries and area may have been adjusted to fit with adjacent parcels. To determine actual boundaries, dimensions or areas of any parcel, refer to the plan, or consult a surveyor.

SCHEDULE "B" – SASKPOWER INFRASTRUCTURE COMMITMENTS

SaskPower shall provide, at its cost, the infrastructure necessary to serve the power production facility it intends to construct on the Land, including the following:

- Water supply 12" line (estimated cost of \$2.5 million);
- Water pump house, if required (estimated cost of \$1.5 million);
- Five (5) kilometers of road upgrades within the Moose Jaw Industrial Park providing access to and from the Land (estimated cost \$1.5 million);
- Sewage services (estimated cost of \$500,000);
- Installation of a 25kV distribution power line within the Moose Jaw Industrial Park for the potential servicing of other industrial customers in the area (cost to be determined, and customers to pay their own connection fees and permit costs as applicable); and
- High load corridor, involving the relocation or alteration of existing powerlines to provide road access for oversized equipment, on a route to be determined by SaskPower, in consultation with the R.M. of Moose Jaw No. 161 (characteristics of the high load corridor to be determined by SaskPower in accordance with SaskPower's needs, cost to be determined).

It is acknowledged and agreed that the above-listed infrastructure is subject to the final detailed design of SaskPower's power production facility and of an analysis of the City of Moose Jaw's (the "City") existing infrastructure capacity, and that if any above-listed item is not required, or not required to the extent listed, SaskPower shall not be required to provide it and the servicing agreement shall be adjusted accordingly.

It is acknowledged and agreed that the water supply line and pump house listed above, and which will form part of the servicing agreement to be entered into between SaskPower and the City, will be as required for SaskPower's development on the Land and will be installed by SaskPower at SaskPower's cost, and that if the City wishes to have upgrades to the City's water system installed at the same time the City will contribute any additional or incremental cost of such upgrades.

In addition to the above, SaskPower and the City of Moose Jaw will enter into agreements for the provision of water and fire protection services, at a cost to SaskPower of approximately \$115,000 per year. Said agreement shall be substantially in the same form as that entered into with the City of Swift Current for the Chinook Project and shall include an escalation clause.