



Regional Center for Renewable Energy and Energy Efficiency  
المركز الإقليمي للطاقة المتجددة وكفاءة الطاقة

# **Land Use Agreement Model For Renewable Energy Electricity Generating Facilities In RCREEE Member States**

**5 January 2012**



Regional Center for Renewable Energy and Energy Efficiency  
المركز الإقليمي للطاقة المتجددة وكفاءة الطاقة

## **Land Lease Agreement (Model) Between (Name of the Public Entity as a Land Owner) And (Name of the Project Developer as a Land User)**

**Execution Date (to be stated)**

### **About RCREEE**

The Regional Center for Renewable Energy and Energy Efficiency (RCREEE) is an independent not-for-profit regional organization which aims to enable and increase the adoption of renewable energy and energy efficiency practices in the Arab region. RCREEE teams with regional governments and global organizations to initiate and lead clean energy policy dialogues, strategies, technologies and capacity development in order to increase Arab states' share of tomorrow's energy.

Through its solid alliance with the League of Arab States, RCREEE is committed to tackle each country's specific needs and objectives through collaborating with Arab policy makers, businesses, international organizations and academic communities in key work areas: capacity development and learning, policies and regulations, research and statistics, and technical assistance. The center is also involved in various local and regional projects and initiatives that are tailored to specific objectives.

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### **Acknowledgments**

RCREEE would like to acknowledge the support of Dr. Adel Beshara and his valuable contribution to this study.

Jan 2012

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## Land Use Agreement Model

### For Renewable Energy Electricity Generating Facilities In RCREEE Member States

This land use agreement (“LUA”) made on this ----- day of ----- 201- by and between:

- 1) ----- a public entity of the state of -----  
-----constituted under -----, having its  
headquarter office at -----, represented by -----  
-----, in his capacity as ----- (hereinafter referred to as the “Owner”);  
And
- 2) -----, a company registered in the state of -----  
----- under -----, having its  
headquarter at -----, represented by -----  
-----, in his capacity as ----- (hereinafter referred to as the “User”).

The Owner and the User may be referred to jointly as the "Parties", and each separately may be referred to as a "Party".

#### WHEREAS

- a. Owner being a public entity acknowledges that the real property in the *[site name]* Site located at *[name of region or Governorate where the site is]*, is a state owned (public) land for which the Owner possesses a transferable land use right (“LUR”) to a third party; or the Owner is entrusted to grant such a LUR to a third party, according to *[law/act/ decree/ clause and its number]* of the *[official or legal entity issuing the law/act]*. Exhibit A attached hereto and made a part hereof, includes a copy of Owner’s title deed of the property as well as a description of the land geographic location and layout; and
- b. User is a company investing in projects development in the field of Renewable Energy Electricity Generating Facilities. The User is willing to have the right to use all or a part of the Owner’s land whose title deed and geographic location description is indicated in Exhibit A for the installation, operation and sales of the electricity generation from the *[specify the type of renewable energy source exploited]* resource using the *[specify the renewable energy technology used]* technology according to the terms and conditions detailed and stated hereinafter.

Now, therefore, the Parties hereto covenant and agree with each other as follows:

#### ARTICLE 1: LAND TO BE USED UNDER THIS LUA

The land to be used under this LUA encompasses a surface area of *[surface area of allocated land in km<sup>2</sup>]* km<sup>2</sup> (“Property Area”), more or less, as legally described on the survey map attached hereto as Exhibit B.

Both Exhibit A and Exhibit B together describe the location, layout, area and the borders of Owner's land ("Property") to be used by User under this LUA provisions.

Owner guarantees that i) Property is a state-owned public land whose right to use was validly allocated to Owner being the *[legal name and/or status of Owner relevant to LUR possession]* according to *[law/act/ decree/ clause and its number giving Owner the LUR]*, ii) Owner is entitled to transfer the right to use the Property to User, and (iii) that there are no third party rights attached to the Property which restrict the User in its LUR under this LUA.

After having inspected the Property by User and based on this LUA terms and conditions, the Owner agreed to grant to User the LUR of Property and User accepted to acquire this Property and its LUR for the sole and limited purpose of use as detailed hereinafter.

Owner and its appointed representatives, experts and advisors shall have the right to enter and inspect the Property at any time upon prior notification to User.

Owner shall provide User with a guarantee issued by the Government of *[Owner's country name]* pertaining to the Property's right to use in a form substantially conforming to Exhibit C attached hereto ("Government Guarantee").

Without undue delay after signing of this LUA, Owner shall take all required steps to duly assist User to register the User's right to use the Property, in the land register of the relevant Governmental Authority of *[Owner's country name]* ("Land Register").

Owner undertakes to User that, to Owner's knowledge, there are no covenants, restrictions, rights of way, easements or other encumbrances on the Property which will prevent User's use thereof. Owner also guarantees that no infringement from his side will occur to prevent User's from his LUR enjoyment.

User acknowledges that Owner has made no express warranties with regard to the Property and to the maximum extent permitted by law; User waives the benefit of any and all implied warranties, including implied warranties of habitability, or fitness (or suitability) for User's Contractual Use. By executing this LUA and otherwise occupying the Property, User shall be deemed to have accepted the same in its "as is" condition as suitable for the Contractual Use herein intended.

## **ARTICLE 2: PERMITTED USE OF PROPERTY**

Owner grants User the irrevocable and exclusive LUR to use and occupy Property described in Exhibits A and B including the air space thereof, in accordance with the terms and conditions of this LUA for the sole and limited purpose detailed hereinafter ("Contractual Use").

The Property to be used under this LUA shall be used and occupied by User solely and exclusively for electric power generation from renewable energy conversion systems and User shall have the exclusive right to use the Property for electric power generation from renewable energy conversion systems and for the collection,

transmission and sales of the electrical energy so converted. For purposes of this LUA, electric power generation from renewable energy conversion systems including all grid connected facilities that convert wind, solar or biomass energy into electrical power that are called separately or collectively as (“Renewable Energy Converting Facilities”).

The Renewable Energy Converting Facilities under this LUA aims at the installation of a *[specify the source of renewable energy exploited]* power generation Facility with a total installed capacity of *[total installed capacity in MW in letters]* Megawatt *[total installed capacity in MW in numbers]* MW (“Contractual Installed Capacity”). The general layout of the Renewable Energy Converting Facilities that have the Contractual Installed Capacity to be installed in the Property is depicted in Exhibit D attached hereto.

User shall have the right to develop, construct, reconstruct, erect, install, improve, replace, relocate and remove from time to time as well as use, maintain, repair, operate and monitor, the following: (a) the Renewable Energy Converting Facilities’ components and modules (including energy storage facilities if any, associated foundations, support structures, braces and all other related equipment), in each case of any type or technology; (b) power collection facilities for the distributed generated electricity in the Property including: underground distribution and collection lines, wires and cables, conduit, footings, foundations and above-ground transformers at generating facilities locations; (c) metrological measurements for renewable energy resource assessment and extracting soil samples; (d) underground control cables, communications and telecommunications equipment, provided that any such use is only related to or associated with the Contractual Use of this LUA; (e) roads and erosion control facilities; (f) utility installations; (g) installation and maintenance yards; (h) signs; (i) fences, gates and other safety and protection facilities; and (j) other improvements, facilities, appliances, machinery and equipment in any way related to or associated with any of the foregoing. The Renewable Energy Converting Facilities and all associated constructions, installations, electricity collection networks, transformers and all other equipment implemented by User in the Property as detailed in section 2.4, are collectively called (“Renewable Energy Improvements”).

Owner hereby grants to User an easement for the right of ingress to and egress from Property (“Access Easement”) by means of roads and lanes thereon if existing, or otherwise by such route or routes as User may construct from time to time whether located on Property or on Owners adjacent properties (if any). The Access Easement shall run with the Property and shall inure to the benefit of and be binding upon Owner and User and their respective transferees, successors, and assigns, and all persons claiming under them.

Owner hereby grants to User an easement on, along, under and across the Property (“Transmission Easement”) for the right to erect, construct, reconstruct, replace,

relocate, remove, maintain and use the following from time to time in connection with Renewable Energy Improvements, whether located on Property or users adjacent properties (if any): (a) a line or lines of towers, with such wires and cables as from time to time are suspended therefrom, and/or underground wires and cables, for the transmission of electrical energy and/or for communication purposes, and all necessary and proper foundations, footings, crossarms and other appliances and fixtures for use in connection with said towers, wires and cables on, along and in the Property; and (b) one or more substations or interconnection or switching facilities from which User may interconnect to a utility transmission system or the transmission system of another Purchaser of electrical energy. The Transmission Easement shall run with the Property and shall inure to the benefit of and be binding upon Owner and User and their respective transferees, successors, and assigns, and all persons claiming under them.

The term of the Access and Transmission Easements shall be the same as the term of this LUA unless sooner terminated as detailed later under this LUA. The Access and Transmission Easements shall automatically terminate upon the expiration or termination of this LUA.

User, at its own expense and at no expense to the Owner, shall construct, erect and operate on the Property all Renewable Energy Improvements defined under this LUA.

Owner shall have no ownership or other interest in all existing Renewable Energy Improvements on the Property that are defined under this LUA.

User shall not use, or permit to be used, all or any portion of the Property for any use or uses other than those described herein without first obtaining the prior written consent of Owner for each such additional or further use or purpose.

If applicable and agreed upon between Parties, Owner, at Owner's risk as to loss of crops and compaction by reason of User's use, may use the Property by itself or by a third party for purposes of cultivation and other agricultural uses that do not interfere, in User's sole determination, with User's use of the Property. A separate accord will be signed between Parties for this purpose.

### **ARTICLE 3: TERM AND DELIVERY OF PROPERTY POSSESSION**

This LUA shall be for a term of twenty three (23) years ("Term") beginning on *[day, month, year]* ("Planned Term Beginning Date"), and ending on *[day, month, year]* ("Planned Term Ending Date").

The possession of Property shall be effective once User shall take possession of the Property according to a mutually signed written memorandum stating the effective User's possession date of the Property (Term Beginning Date) and the effective term ending date which is modified accordingly (Term Ending Date). This memorandum of Property possession by User which is signed by both Parties is an integral part of this LUA and added to it in Exhibit E.

If Owner is unable to deliver possession of the Property to User for three (3) months starting from Planned Term Beginning Date pursuant to Section 3.1, User in its sole discretion may terminate this LUA without liability of any kind to Owner.

Term is divided into three (3) phases: installation, operation and removal of Renewable Energy Improvements as defined herein below:

a. **First phase: Installation Duration**

- (i) The scheduled installation duration (“Scheduled Installation Duration”) is of a length of two (2) years starting on the Term Beginning Date and terminated the day before the second (2<sup>nd</sup>) anniversary of the Term Beginning Date.
- (ii) The effective installation duration (“Effective Installation Duration”) starts on the Term Beginning Date and terminates the day before the Effective Commercial Operation Date pursuant to Section 4.4.
- (iii) In the event that the User fails to achieve the Effective Commercial Operation Date before the fourth (4<sup>th</sup>) anniversary of Term Beginning Date, such failure will be deemed a Seller’s Event of Default and Owner at its sole discretion may terminate this LUA as stated hereinafter in Paragraph 9.1(c).

b. **Second phase: Commercial Operation Duration**

- (i) The scheduled commercial operation duration (“Scheduled Commercial Operation Duration”) is of a length of twenty (20) years starting on the second (2<sup>nd</sup>) anniversary of the Term Beginning Date and terminates the day before the twenty second (22<sup>nd</sup>) anniversary of the Term Beginning Date.
- (ii) The effective commercial operation duration (“Effective Commercial Operation Duration”) starts on Effective Commercial Operation Date pursuant to Section 4.4, and ends on the earliest of the Removal Beginning Date pursuant to Section 4.5 and the day before the twenty second (22<sup>nd</sup>) anniversary of the Term Beginning Date.
- (iii) In the event that the Installation Completion Date, where the completion of the installation of Renewable Energy Improvements in the Property shall be achieved, follows the Effective Commercial Operation Date pursuant to Section 4.4, User shall submit a written notice to Owner indicating the actual installed capacity in the Property (“Actual Installed Capacity”) based on such facilities’ nameplate rating (as determined by the manufacturer) and the Installation Completion Date, no later than one (1) month from this Installation Completion Date.
- (iv) In the event that the Removal Beginning Date pursuant to Section 4.5 precedes the twenty second (22<sup>nd</sup>) anniversary of the Term Beginning Date, Seller shall be in an Event of Default and Owner at its sole discretion may either terminate this LUA as stated hereinafter in Paragraph 9.1(d), or accept to continue to receive payments from User based on Annual Minimum Production Fee pursuant to Section 5.3 and Adjustment Production Fee pursuant to Section 5.4 (if applicable), until the twenty second (22<sup>nd</sup>) anniversary of Term Beginning Date or earlier upon User’s Termination Notice

pursuant to Paragraph 9.5.

**c. Third phase: Removal Duration**

- (i) The scheduled removal duration (“Scheduled Removal Duration”) is of a length of one (1) year starts on the twenty second (22<sup>nd</sup>) anniversary of Term Beginning Date and terminates on the Term Ending Date of this LUA.
- (ii) The effective removal duration (“Effective Removal Duration”) starts on the Removal Beginning Date and end on the complete removal of Renewable Energy Improvements from the Property and returning the Property to Owner in its original status.
- (iii) In the case of Removal Duration continues beyond Term Ending Date, Owner at its sole discretion is entitled to draw on the Removal and Site Restoration Bond pursuant to Section 8.6 upon representation of such Bond to the issuing Bank, and take necessary actions to correctly execute the removal and restoration process.

In the event that the Removal Beginning Date or an early termination of this LUA is not occurring until the twentieth (20<sup>th</sup>) anniversary of the Term Beginning Date, and User is not in Default beyond any applicable cure periods of any material obligations herein, User, during the six (6) months period following the twentieth (20<sup>th</sup>) anniversary of the Term Beginning Date, has the option to submit to Owner a written notice to enter into negotiations regarding the extension of the Term for an additional commercial operation period of five (5) years (“Term Extension Demand”). Not later than one (1) month from the date of receiving this Term Extension Demand, Owner should reply to User (in writing) with his decision whether this LUA will terminate at its Term Ending Date or to accept negotiating with the User over its proposed Term extension. Once Owner has informed User on his acceptance to enter into the negotiations, User has to submit a written proposal to owner within two (2) months containing readjusted Benefits and Dates under such Term extension proposal. Not later than two (2) months from the date of receiving the Term extension proposal by Owner, Owner has to inform User (in writing) about his decision whether to accept the said proposal or to get into negotiation with User in good faith to finalize a Term extension agreement (“Extension Agreement”). In case of failure to reach and sign an Extension Agreement by both Owner and User within eight (8) months from the date of receiving the Term Extension Demand by Owner, the Term of this LUA expires automatically at the Term Ending Date of this LUA without further notice and without any modification to Scheduled or Effective Commercial Operation Durations or to Scheduled or Effective Removal Durations.

In case of reaching and signing an Extension Agreement after the LUA Term, User has to cope with all applicable laws, rules and regulations in force and permissions required at that time in the State of *[Owner’s country name]*.

The LUA extension will not be effective unless User submits a copy of the signed extension act for the Power Purchase Agreement (PPA) regarding the energy output from the

Renewable Energy Improvements installed under this LUA. This PPA extension should be at least for the same duration as the LUA extension and has to be concluded at the latest three (3) months before the twenty second (22<sup>nd</sup>) anniversary of Term Beginning Date. The submitted copy of the PPA extension to Owner is subject to the confidentiality section 17.9.

#### **ARTICLE 4: RENEWABLE ENERGY IMPROVEMENTS**

After signing this LUA and prior to the Term Beginning Date, Owner and User shall jointly, at User's expense, prepare a status condition report ("SCR") for the Property, to be acknowledged and signed by both Parties. The SCR shall set forth those physical and environmental conditions and other matters that describe Property status known as of the Effective Term Beginning Date. The SCR will be attached in Exhibit E as an integral part of this LUA.

User shall design and construct Renewable Energy Improvements and the utility power grid interconnection systems in compliance with all applicable codes, laws and regulations.

User hereby consents to achieve, during the Scheduled Installation Duration, the construction and installation of *[total planned installed capacity in MW in letters]* Megawatt *[total planned installed capacity in MW in numbers]* MW of Contractual Installed Capacity of Renewable Energy Converting Facilities and all the other Renewable Energy Improvements necessary to generate, collect, transport, supply and sell all electric power generated from Renewable Energy Converting Facilities to the utility power grid or to another Purchaser. No later than three (3) months from the Term Beginning Date, User will submit the construction time schedule of the Renewable Energy Improvements to Owner for Owner's follow-up purposes only. Specifications of major components of the Renewable Energy Improvements will be submitted to Owner no later than three (3) months after the Effective Commercial Operation Date pursuant to Section 4.4. Specifications for any additional modifications on Renewable Energy Improvements together with all as-built drawings of the major components of Renewable Energy Improvements shall be submitted to Owner no later than three (3) months after the Installation Completion Date.

The effective commercial operation date ("Effective Commercial Operation Date") is achieved if and when at least ninety (90) percent of the Contractual Installed Capacity in MW, of Renewable Energy Converting Facilities based on such facilities' nameplate rating (as determined by the manufacturer) are installed on the Property and begin the delivery and sale of electricity to the utility power grid or to another Purchaser.

An early removal beginning date ("Removal Beginning Date") is notified by Owner to User in the case of an early termination of this LUA pursuant to Section 9.5, or due to User's Event of Default occurring pursuant to Section 9.1(d) when fifty and one

percent (51%) of the Actual Installed Capacity in MW, of Renewable Energy Converting Facilities based on such facilities' nameplate rating (as determined by the manufacturer) are decommissioned or do not generate electricity for sale for twelve (12) consecutive months.

User shall have the right from time to time during the Term hereof to:

- a. Operate, maintain, clean, repair, replace and dispose of part or all of Renewable Energy Improvements;
- b. Add or remove equipment as needed to increase or decrease the capacity of a part or all Renewable Energy Improvements;
- c. Install and maintain necessary equipment for remote monitoring of performance and operation of Renewable Energy Improvements;

User will obtain all governmental permits, licenses, certificates, approvals, variances and other entitlements for use ("Permits") necessary for the construction, installation and operation of Renewable Energy Improvements. Owner hereby gives its consent to any action taken by User in applying for any and all Permits User finds necessary or desirable for the operation of Renewable Energy Improvements, and Owner hereby appoints User its agent for applying for such Permits. User will carry out the activities set forth in this Section (4) in accordance with all applicable laws, rules, codes and ordinances related to the Property. All costs or penalties resulting from non-compliance with Permits, laws and regulations shall be borne by User. User shall indemnify Owner for any costs or penalties resulting therefrom. User shall not clutter the Property, and shall at User's sole expense collect and dispose of any and all of User's refuse, waste and trash, including but not limited to any Hazardous Materials which are or were brought onto the Property by User.

Owner acknowledges and agrees that notwithstanding that Renewable Energy Improvements are present on the Property, User is the exclusive owner and operator of Renewable Energy Improvements; and that the Renewable Energy Improvements may not be sold, leased, assigned, mortgaged, pledged or otherwise alienated or encumbered (collectively, a "Transfer") with the benefits, interest or LUR to the Property or otherwise by Owner or any other person.

Owner shall give User at least fifteen (15) days written notice prior to any transfer of all or a portion of the Property identifying the transferee, the portion of Property to be transferred and the proposed date of transfer. Owner shall require any transferee to acknowledge and consent to the terms of this LUA. Owner agrees that this LUA and the Access and Transmission Easements granted pursuant to Sections 2.5 and 2.6 of this LUA shall run with the Property and survive any Transfer of the Property.

Owner acknowledges that notwithstanding Renewable Energy Improvements presence on the Property, User is the exclusive owner of electricity kilowatt-hours (kWh) generated by Renewable Energy Improvements ("Energy Output") and owner of the Environmental Attributes and/or Environmental Incentives of Renewable Energy Improvements. Owner shall reasonably assist User to apply for and receive such Environmental Attributes and/or Environmental Incentives.

**ARTICLE 5: FEE PAYMENTS TO OWNER**

From the Term Beginning Date and thereafter during the Term of this LUA, a basic annual fee (“Basic Annual Fee”) of *[agreed fee amount in letters in US\$]* US\$ (US\$ *[agreed fee amount in numbers in US\$]*) per km<sup>2</sup> of the Property Area escalating at a rate of *[escalation rate in letters]* percent (*[escalation rate in numbers]* %) compounded annually, is payable by User to Owner in four (4) equal consecutive quarter yearly installments due in arrears on the last days of March, June, September and December in each calendar year. The amount of the payment relating to the first calendar quarter of the Installation Duration, if less than a full quarter, being prorated based on the remaining number of days in that quarter. The Basic Annual Fee should be paid within ten (10) days of each respective quarter due date.

During the Effective Installation Duration, User consents to inform and present evidences to Owner regarding any gross revenues stemming from the sales of any quantity of generated electricity (Energy Output) in KWh that is produced from any portion of the Renewable Energy Converting Facilities installed on the Property and sold to the utility power grid or to another Purchaser during each calendar year. An initial production fee (“Initial Production Fee”) of *[agreed rate in letters]* percent (*[agreed rate in numbers]* %) on the aforesaid gross revenues is paid yearly by User to Owner on each anniversary of the Term Beginning Date during the Effective Installation Duration. Initial Production Fee payments should be paid within thirty (30) days from its respective due dates.

Starting from the second (2<sup>nd</sup>) anniversary of the Term Beginning Date, an annual minimum production fee (“Annual Minimum Production Fee”) of *[agreed fee amount in letters in US\$]* US\$ (US\$ *[agreed fee amount in numbers in US\$]*) per each MW installed of the greatest of the Contractual Installed Capacity or the Actual Installed Capacity of the Renewable Energy Converting Facilities in the Property. The Minimum Production Fee per MW is calculated based on the following formula:

$$\text{Minimum Production Fee per MW} = (1000 \text{ KW}) \times (8760 \text{ hours per year}) \times (30 \text{ percent capacity factor}) \times (3 \text{ percent royalty rate}) \times (\text{average price per KWh of } [agreed fee amount in numbers in US$]).$$

These used factors in the formula only apply to the calculation of the Minimum Production Fee and do not establish any basis for the calculation of actual production operating fees during Commercial Operation Duration.

During the Scheduled Commercial Operation Duration, the Annual Minimum Production Fee is calculated in the beginning of each calendar year and is escalated at a rate of *[escalation rate in letters]* percent (*[escalation rate in numbers]* %)

compounded annually and is payable by User to Owner in four (4) equal consecutive quarter installments due in arrears on the last days of March, June, September and December in each calendar year, with the amount of the payment relating to the first calendar quarter of the Scheduled Commercial Operation Duration, if less than a full quarter, being prorated based on the remaining number of days in that quarter. The Annual Minimum Production Fee installments should be paid within ten (10) days of each respective quarter due date.

**In the event that the Effective Commercial Operation Date has occurred beyond the second (2<sup>nd</sup>) anniversary of the Term Beginning Date, the Annual Minimum Production Fee due from User to Owner pursuant to Section 5.3 above will be applied starting from the second (2<sup>nd</sup>) anniversary of the Term Beginning Date, unless Parties agree otherwise.**

**From the Effective Commercial Operation Date and thereafter during the Effective Commercial Operation Duration, a Production Royalty Rate of *[agreed royalty rate in letters]* percent (*[agreed royalty rate in numbers]* %) is applied. The annual Real Production Fee (“Real Production Fee”) is the product of the Production Royalty Rate and the Annual Gross Revenue, as defined in Section 5.7 below, in US\$ (and/or Local Currency as the case is) received by User from sales of generation of electrical power (Energy Output) from the Property. At the end of each calendar year, User calculates the Real Production Fee for the same calendar year to be compared to the Annual Minimum Production Fee pursuant to Section 5.3, paid to Owner for the same calendar year. In the event that the Real Production Fee exceeded the Annual Minimum Production Fee received by Owner for the same calendar year, the difference is paid by User to Owner in a single payment as a Real Production Fee Adjustment (“Real Production Fee Adjustment”) within thirty (30) days from the end of each such calendar year. User shall provide Owner with the Production Adjustment Fee payment, documents of the amount of power produced and sold for the calendar year and evidence of gross income received from that production. In no event during Commercial Operation Duration, Owner total annual payments for any calendar year will be less than the sum of the Basic Annual Fee and the Annual Minimum Production Fee during the same calendar year.**

**In the event that the Removal Beginning Date is prior to the twenty second (22<sup>nd</sup>) anniversary of Term Beginning Date, Owner at its sole discretion have the choice to either i) terminate this LUA as a result of User’s Event of Default pursuant to Section 9.1(d), or ii) accept to continue to receive payments from Owner based on Annual Minimum Production Fee pursuant to Section 5.3 and Real Production Fee Adjustment pursuant to Section 5.5, if applicable, until the twenty second (22<sup>nd</sup>) anniversary of Term Beginning Date.**

**The Annual Gross Revenue (“Annual Gross Revenue”) calculated for each calendar year is the aggregate payments (before deduction of all expenses and calculation of taxes, if any) received by User from the Purchaser for the purchase price of all the**

electrical energy generated from all the Renewable Energy Converting Facilities operated by the User on the Property and sold by User to Purchaser during the same calendar year. Annual Gross Revenues shall not include User's revenues from Environmental Attributes or other Environmental Incentives pursuant to Section 4.10 arising from the Energy Output of all Renewable Energy Converting facilities located on the Property.

The Owner shall be entitled to examine the books and records of the User as it pertains strictly to the Actual Installed Capacity and Annual Gross Revenue obtained by User from the Purchaser, for each calendar year during the Term of this LUA, relative to electricity generated by Renewable Energy Converting Facilities located on the Property and sold to Purchaser and the Power Purchase Agreement between User and Purchaser, provided that such examination shall be conducted only during the regular business hours of the Users at the offices of the User and on no less than seven (7) days prior Notice. User shall maintain such books, records and agreement as confidential information subject to the same terms and conditions as set out in Section 17.9 of this LUA. For clarity, the foregoing records for production shall not include expense reports.

Within three (3) months after the first full three (3) calendar years of Commercial Operations Duration ("User's Audit Commencement Date") and every three (3) years thereafter, User shall perform an audit of the computations of the payments to Owner based on Annual Gross Revenues for the thirty six month period prior to User's Audit Commencement Date on all the payments from User to Owner as per Article 5, which audit shall be performed by an independent certified auditor ("Auditor") selected by Owner and User and paid for by User. Any determination made by Auditor under this Section 5.9 shall be conclusive as between and binding upon the Parties. If any audit performed under this Section 5.9 shows that any payment has been underpaid to Owner under this LUA, then the amount of the deficiency shall be promptly paid in accordance with the determination made by such Auditor. If such audit shows that any payment has been overpaid to Owner under this LUA, then the amount of the overpayment in accordance with the determination made by such Auditor shall be credited against the future payment then due under this LUA.

4.1 From and after the Removal Beginning Date and thereafter during the Effective Removal Duration and for other situations rather than those in Section 5.6, the Real Production Fee based on the Production Royalty Rate pursuant to Section 5.5 and the Gross Revenue to the benefit of User from sales of generation of electrical power from the Property during the Effective Removal Duration, is applied. In this case, no Annual Minimum Production Fee pursuant to Section 5.3 is applied.

Owner shall have no ownership or other interest in any of the Renewable Energy Improvements installed on the Property, and User shall have the right, at any time and in its sole discretion, to replace or remove one or more of these facilities. However, this LUA Contractual Installed Capacity of the Renewable Energy

Converting Facilities in Section 2.3 used for the calculation of the total Annual Minimum Production Fee under Section 5.3 is invariant.

From the Commercial Operation Beginning Date and thereafter, User shall have the right at any time and in its sole discretion, to remove one or more of the Renewable Energy Converting Facilities or any other part or parts of the Renewable Energy Improvements upon reasonable notice to Owner. Such removal will have no consequences on the Contractual Installed Capacity as per Section 2.3 and Section 5.3. In the event that User removes any portion of the Renewable Energy Improvements, that portion shall be removed to a depth of at least one (1) meter below the natural surrounding grade and will be in compliance with Article 8.

#### **ARTICLE 6: NET FEE PAYMENTS TO OWNER**

User and Owner acknowledge and agree that Owner shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with the ownership, construction, operation, maintenance, repair or reconstruction of the User Renewable Energy Improvements.

User shall be responsible for and pay all taxes, assessments, and any other fees or charges of any type, which may be levied against or assessed by reason of User's LUR hereunder or User's use of the Property and the User Renewable Energy Improvements on the Property.

During the Term of this LUA User shall provide, at its expense, insurance coverage against claims arising out of User's and/or User's contractors' and agents' occupation and use of the Property under this LUA for bodily injury and death, and from damage to or destruction of property of others, with minimum combined single limits of *[agreed amount in letters in US\$]* Dollars (US\$ *[agreed amount in numbers in US\$]*) per claimant and *[agreed amount in letters in US\$]* Dollars (US\$ *[agreed amount in numbers in US\$]*) per occurrence, accident or incident, which has a commercially reasonable deductibles. It is understood and agreed that User's policies are primary and not contributory. All insurance policies provided by User must include a clause stating that the insurance may not be canceled, amended or allowed to lapse until the expiration of at least thirty (30) days advance written notice to Owner. User will report to Owner any physical damage to the Property caused by User's use of the Property for Renewable Energy Improvements, other than impacts that occur in the normal course of construction or operation of User Improvements. User will also advise Owner of any threatened or pending liability claim arising from User's use of the Property for Renewable Energy Improvements.

5.1 Owner shall not be required to make any repairs to the Property or to User Renewable Energy Improvements located on the Property during the LUA Term.

**ARTICLE 7: INTEREST ON LATE PAYMENTS**

- 6.1 If User shall fail to pay Owner any sum to be paid by User to Owner hereunder within the tolerable periods after such payment is due, interest on the unpaid amount shall accrue at a rate of eighteen percent (18%) per annum or at an annual rate equal to two percent (2%) above the prime lending rate as published from time to time by the Central Bank of [Owner's country name], whichever is less, compounded monthly from the date payment was due until the date payment is made. Any such late charge shall be in addition to all other rights and remedies available to Owner hereunder or at law or in equity and shall not be construed as liquidated damages or limiting Owner's remedies in any manner. Following the dishonor of any check presented for payment, Owner shall have the right, at Owner's option, to require all further payments to be made by certified check, money order or wire transfer. For purposes of this Article 7, any adjustment payment made by User to correct a prior underpayment shall be treated as due on the date such underpayment was originally due; provided, however, any adjustment payment made by User as the result of an independent audit conducted at User's expense shall not be subject to a late charge as described herein.

**ARTICLE 8: REMOVAL AND SITE RESTORATION**

- 7.1 Upon the expiration or termination of this LUA, User shall, within the Removal Duration, satisfactorily accomplish each of the following items ("Removal and Restoration Works"):
- a. Remove from the Property all above-ground and below-ground User Renewable Energy Improvements to a depth of not less than one (1) meter below the surface grade, all in a manner which minimizes injury to the Property. All removed concrete and other waste materials must be hauled away and disposed of in a lawful manner.
  - b. Reclaim and restore the Property disturbed by User to a condition as close as reasonably practicable to their original condition as stated in the SCR detailed in Exhibit G.
- 7.2 Upon completion of Removal and Restoration Works on the Property, User shall prepare, at its own expense, and submit to Owner an updated SCR, to be acknowledged and signed by both Parties. The updated SCR shall set forth those conditions and matters affecting the Property known as of the end of the restoration date, based on all known activities that have occurred at the Property as well as information contained in User's records while using the Property.
- 7.3 User is under the obligation to return the Property to Owner in a state which, in all material respects, is comparable to the original state in which Owner has handed over the Property to User as described in the SCR stated in Section 4.1 and detailed in Exhibit G.
- 7.4 Any dispute among the Parties regarding the question of whether User has duly complied with its Removal and Restorations Works obligations in Section 8.1 and Section 8.3 shall be referred to an environmental expert chosen by both Parties and paid for by User ("Environmental Expert"), who shall render an expert opinion in relation thereto. The Environmental Expert shall render the expert opinion within

- three (3) months after the determination. The Parties are bound by the expert opinion rendered by the Environmental Expert.
- 7.5 The Total Estimated Removal and Site Restoration Cost at the end of useful economic life of the Renewable Energy Improvements will be *[agreed amount in letters in US\$]* Dollars (US\$ *[agreed amount in numbers in US\$]*). An itemized breakout of these costs can be found in Exhibit E.
- 7.6 No later than three (3) months from the Term Beginning Date, User shall provide Owner with, at User's option, either a letter of credit (issued in a form and by a financial institution reasonably acceptable to Owner), a cash deposit, or other security reasonably acceptable to Owner (any of the foregoing being hereinafter referred to as the ("Removal and Site Restoration Bond")) to cover User's estimated removal and surface restoration costs as provided in Section 8.5. The Bond shall remain in effect until one year after the expiration of this LUA Term, unless fully drawn upon earlier by Owner or unless Owner provides the issuer of the Bond written notice authorizing the expiration of the Bond. Upon (i) the expiration of the LUA Term, and (ii) User's compliance with its Removal and Restoration Works obligations under Section 8.1 and Section 8.3, as reasonably determined by Owner, Owner shall provide written notice to the issuer of the Bond authorizing the termination of the Bond within thirty (30) days of written request by User.
- 7.7 Should User fail or neglect to remove Renewable Energy Improvements and restore the Property within the predetermined time pursuant to Section 3.4(c), User shall be deemed in default without the need of a notice or court action, and the Bond shall be fully drawn upon by Owner and Owner shall cause User's Improvements to be removed at the expense of User and paid for by Owner from the Bond drawn money. In this event, User shall have no claim for damages against Owner, on account of such removal and restoration work. After completion of removal and restoration works, Owner will submit a written statement on total expenditures and revenues from any salvage value proceeds and debited balance (if any) shall be returned to User.
- 7.8 At the end of the term of the Agreement or in case of its premature termination, User is under the obligation to take all required acts in order to de-register the LUR of the Property from the Land Register without undue delay.
- 7.9 User shall not be obligated to remedy any status conditions and matters affecting the used Property that are not a result of User's activities on the Property.

## ARTICLE 9: DEFAULT AND TERMINATION

- 8.1 The following events shall be deemed to be events of default ("Event of Default") by User under this LUA:
- a. Failure of User to make any fee payment to Owner when due pursuant to Article 5, and such failure shall have continued for a period of thirty (30) days after written notice from Owner; or
  - b. Failure to perform any covenants, conditions or terms of this LUA, including: (i) the obligation to pay the taxes pursuant to Section 6.2 of this LUA, (ii) the obligation to issue and keep in full force and effect the Bond to cover the cost of Removal and Restoration Works pursuant to Section 8.6 and (iii) the obligation to keep in full force and effect any policy of insurance

- to be maintained under the terms of this LUA; and such failure shall have continued for a period of sixty (60) days after written notice from Owner (or if such failure is not reasonably capable of being cured within sixty (60) days, if User shall not have commenced to cure the same within said 60-day period and/or shall not have diligently prosecuted the same to completion); or
- c. Failure of User to accomplish the construction and to achieve the Commercial Operation Date of the Renewable Energy Converting Facilities by the fourth (4<sup>th</sup>) anniversary of Term Beginning Date; or
  - d. In the event that any time after the Effective Commercial Operation Date and prior to the twenty second (22<sup>nd</sup>) anniversary of the Term Beginning Date, fifty one percent (51%) of the Actual Installed Capacity in MW, of Renewable Energy Converting Facilities based on such facilities' nameplate rating (as determined by the manufacturer) are decommissioned or do not generate electricity for sale for twelve (12) consecutive months.
  - e. The abandonment or the discontinued use of or other failure to use the Property for the supply, delivery and sale of electric power generated from renewable resources according to Contractual Use for any period of twelve (12) consecutive months. Owner-directed or Owner approved suspensions shall not be considered as abandonment or discontinued use of the Renewable Energy Improvements or other failure to use the Property to supply and deliver electric power generated from renewable resources.
  - f. User has materially breached a material obligation under this LUA (including but not limited to the environmental regulations and standards) and has not fully remedied the breach within sixty (60) days after having been notified of the breach by Owner.
  - g. The Power Purchase Agreement that governs the sale of the power from the Renewable Energy Converting Facilities on the Property is terminated by the Purchaser or where the Power Purchase Agreement ceases to be in full force and effect.
  - h. User has a petition in bankruptcy filed against it, and such petition is not dismissed within ninety (90) days after the filing thereof.
- 8.2 If User shall be in uncured Default pursuant to Section (9.1) set forth above, then Owner shall be entitled, at its election, to terminate this LUA, reenter the Property and take possession thereof. Upon the termination of this LUA, User shall (a) upon written request by Owner, execute and record a quitclaim deed of User's LUR, title and interest in and to the Property pursuant to Section 8.8, and (b) as soon as reasonably practicable thereafter, remove all Renewable Energy Improvements from the Property. If User fails to remove the Renewable Energy Improvements within the Scheduled Removal Duration or within twelve (12) months after early termination of this LUA, then Owner may do so pursuant to Section 8.7.
- 8.3 Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies herein provided or any other remedy provided by law or equity, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any fees or other sums due to Owner hereunder or of any damages accruing to Owner by reason of User's violation of any of the terms, provisions, and covenants herein contained. Owner's acceptance of fees following an event of default shall not be

construed as Owner's waiver of any such event of default. Additionally, no affirmative waiver by Owner of any event of default or any violation or breach of the terms, provisions and covenants contained in this LUA shall be deemed or construed to constitute a waiver of any other violation or default. No payment by User or on behalf of User or receipt by Owner of any amount less than the amounts due by User hereunder shall be deemed to be anything other than on account of the amounts due by User, nor shall any endorsement or statement on any check or document accompanying any payment be deemed an accord and satisfaction.

- 8.4 If Owner shall at any time be in default of any of its covenants under this LUA and such default shall continue for a period of sixty (60) days after written notice to Owner (or if such default is not reasonably capable of being cured within sixty (60) days, if Owner has not commenced to cure the same within said 60-day period and/or has not diligently prosecuted the same to completion), then User shall be entitled to terminate this LUA upon sixty (60) days' written notice to Owner, without waiving User's rights to damages for User's failure to perform its obligations hereunder.
- 8.5 In the event of termination of the LUA pursuant to Section 9.1 or to Section 9.3, termination shall take effect with the due delivery of the termination notice to the other Party without the requirement of a court order.

#### **ARTICLE 10: ENVIRONMENTAL COMPLIANCE**

- 9.1 Within the limits of their respective legal powers, the parties to this LUA shall protect the Property against pollution of its air, ground, and water.
- 9.2 User shall comply with all environmental laws ("Environmental Law"). Environmental Law shall mean all state and local laws, statutes, ordinances, regulations, rules, judicial and administrative orders and decrees, permits, licenses, approvals, authorizations and similar requirements of all state and local governmental agencies or other governmental authorities pertaining to the protection of human health and safety or the environment, now existing or later adopted during the Term.
- 9.3 User hereby agrees that: (a) User shall not conduct, or permit to be conducted, on the Property any activity which is not related to the Contractual Use; (b) User shall not use, store or otherwise handle, or permit any use, storage, or other handling of, any hazardous material (as defined by the Environmental Law) on or about or beneath the Property unless it is a material handled, used, or stored by User in the ordinary course of conducting LUA Activities; (c) all such materials shall be handled, used, or stored by User in accordance with applicable Environmental Law; (d) User shall obtain and maintain in effect all permits and licenses required pursuant to any Environmental Law for its Contractual Use; (e) User shall not install any aboveground or underground storage tank or any subsurface lines for the storage or transfer of any hazardous material except for the lawful discharge of waste to sanitary sewer; (f) User shall not cause or permit to occur any release of any hazardous material or any condition of pollution or nuisance on or about or beneath the Property, whether affecting surface water or groundwater, air, the land or the subsurface environment; (g) if any release of a hazardous material to the environment, or any condition of pollution or nuisance, occurs on or about or beneath the Property as a result of any act or omission of User, its agents,

employees, contractors, subcontractors, or licensees; and (h) User, at its sole cost and expense, shall promptly undertake all remedial measures required to clean up and abate or otherwise respond to the release, pollution, or nuisance in accordance with all applicable Environmental Laws.

## ARTICLE 11: ARBITRATION

- 10.1 The Parties shall use their respective reasonable endeavors to settle amicably any dispute or difference arising between them regarding the meaning or construction of the obligations of the Parties under this LUA. Neither Party may initiate any arbitration procedure before the amicable settlement procedure described above has been completed, except where any Party has good cause to do so to avoid damage to its business or to protect or preserve any right(s) of action it may have. Whilst the amicable settlement procedure described above is in progress, the Parties shall be obligated to continue performance of their respective obligations under this Agreement. If a dispute is not resolved within sixty (60) days after written notice of a dispute by one Party to the other Party then the provisions of Section 11.2 shall apply.
- 10.2 Where the attempt for amicable settlement of a dispute failed, the dispute shall be finally settled under the national arbitration of the state of (*specify the RCREEE member State name*) or in the case of the absence of such rules the dispute shall be settled under (*specify an international reference entity for the arbitration rules such as the International Chamber of Commerce – ICC*) arbitration rules, by sole arbitrator who should be professionally qualified for not less than 10 years and who is experienced in drafting, negotiating and advising upon agreements similar to this LUA. The arbitrator shall be selected upon a mutual agreement between Parties or in the absence of such an agreement appointed by the (*national or international arbitration rules' reference entity*) in accordance with the said rules. The seat of arbitration shall be (*the RCREEE member state Capital*). The arbitration shall be conducted in (*specify a language*). The arbitration award shall be final and binding. The cost for the arbitration shall be paid at equal charge of each Party.

## ARTICLE 12: UTILITIES AND MUNICIPAL SERVICES

- 11.1 User shall be responsible to install and/or obtain, at its own expense, all fire and rescue services and any other utility or municipal service it may require.

## ARTICLE 13: REQUIREMENTS OF GOVERNMENTAL AGENCIES

- 12.1 User, at its expense, shall comply in all material respects with valid laws, ordinances, statutes, orders, and regulations of any governmental agency applicable in connection with its possession of, construction upon and use of the Property. Owner shall assist and fully cooperate with User (without any out-of-pocket expenses) in complying with or obtaining any land use permit and approvals, building permits, environmental impact assessments or any other approvals required or deemed desirable by User in connection with the development, financing, construction, installation, replacement, relocation, maintenance, operation, or removal of Renewable Energy Improvements.

12.2 User shall have the right, in its sole discretion, to contest by appropriate legal proceedings, the validity or applicability to the Property or Renewable Energy Improvements of any law, ordinance, statute, order, regulation, property assessment, or the like now or hereafter made or issued by the state or by any governmental agency, authority or entity. Owner will not interfere and at User's request, shall cooperate in every reasonable way in such contest, at no out-of-pocket cost or expense to Owner; provided, however, this sentence shall not apply to any law, ordinance, statute, order, regulation, property assessment or the like that is applicable to all state owned lands or the Owner's fiduciary obligations with respect to those lands.

## ARTICLE 14: ASSIGNMENTS AND TRANSFER OF LUR

- 13.1 Neither Party shall have the right to assign any of its rights, duties or obligations under this LUA without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.
- 13.2 Notwithstanding the foregoing, User may assign any of its rights, duties or obligations under this LUA, pursuant to Section 14.1 only under the conditions hereof: (i) User intends to transfer the LUA to an affiliated entity in connection with a restructuring of the company; (ii) User intends to transfer the LUA or to assign rights arising out of it for security purposes to a financial institution providing bank financing for the User's Renewable Energy Improvements under this LUA (to also permit direct agreements which grant a step in right to the financing banks); or (iii) User intends to grant a security interest to a financial institution which provides bank financing for the User's Improvements under this LUA.
- 13.3 Except as otherwise provided herein, no assignment or transfer of LUR shall release User from User's obligations and liabilities under this LUA or alter the primary liability of User to pay all fees and to perform all obligations to be paid and performed by User. No assignment or transfer of LUR shall amend or modify this LUA in any respect, and every assignment and transfer of LUR shall be subject and subordinate to this LUA. The acceptance of fees by Owner from any other person or entity shall not be deemed to be a waiver by Owner of any provision of this LUA.
- 13.4 The User's right to discharge any obligations arising out of or in connection with this LUA by way of set-off is excluded.

## ARTICLE 15: CONSTRUCTION LIENS

14.1 User shall keep the Property free and clear of all liens and claims of liens for labor and services performed on, and materials, supplies, or equipment furnished to, the Property in connection with User's use of the Property pursuant to this LUA; provided, however, that if User wishes to contest any such lien, User shall, within sixty (60) days after it receives notice of the filing of such lien, remove such lien from the Property or sufficiently bond around such lien pursuant to applicable law.

## ARTICLE 16: OWNER AND USER'S REPRESENTATION AND COVENANTS

15.1 User has the unrestricted right and authority to execute this LUA and to perform or

otherwise satisfy all obligations of User described under this LUA. Each person signing this LUA on behalf of User has been authorized to do so by all required member and/or manager consent. When signed by User, this LUA shall constitute a legal, valid and binding agreement enforceable against user in accordance with its terms.

- 15.2 Owner is the sole owner of the Property and has the unrestricted right and authority to execute this LUA and to award to User the LUR granted hereunder. Each person signing this LUA on behalf of Owner is authorized to do so. When signed by Owner, this LUA constitutes a legal, valid and binding agreement enforceable against Owner in accordance with its terms. Owner is not required to acquire any further approval or consent or registration or any further action whatsoever to give effect to the provisions of this LUA.

#### **ARTICLE 17: MISCELLANEOUS**

**General:** This LUA shall inure to the benefit of and be binding upon Owner and User and, to the extent provided in any assignment or other transfer under Article 14 hereof. Nothing in this LUA whether express or implied, constitutes the User as the agent of the Owner in respect of any matter or action taken, or vice-versa.

**Force Majeure:** If performance of this LUA or of any obligation hereunder is prevented or substantially restricted or interfered with by reason of an event of Force Majeure (defined below), the affected Party, upon giving Notice within the following two (2) working days to the other Party, shall be excused from such performance to the extent of and for the duration of such prevention, restriction or interference. The affected Party shall use reasonable efforts to avoid or remove such causes of nonperformance and shall immediately continue performance hereunder whenever such causes are removed. A force majeure event means any event which is (i) beyond the reasonable control of any of the Parties claiming to be affected by such event (the “Affected Party”), (ii) which could not be reasonably foreseen by the Affected Party, and (iii) which impedes performance of any provision of this LUA by the Affected Party (the “Force Majeure Event”). The Force Majeure Event is acknowledged whether or not it is similar to the matters or conditions herein specifically enumerated, including the following events: fire, earthquake, flood, or other natural disasters; strikes or labor disputes; war, civil strife or other violence; any law, order, proclamation, regulation, ordinance, action, demand or requirement of any governmental agency or utility; or any other act or condition beyond the reasonable control of a Party except for an inability to pay any debts when due.

**Notices:** Any notice required or permitted under the terms of this LUA or required by applicable law shall be in writing and shall be delivered in person, sent by registered mail or air mail as appropriate, properly posted and fully prepaid

in an envelope properly addressed or sent by facsimile to the respective parties as follows:

**The Owner**

Name  
Address  
Fax No  
Email

**The User**

Name  
Address  
Fax No  
Email

or to such other address or facsimile number as may from time to time be designated by notice hereunder. Any such notice shall be in the English language and shall be considered to have been given at the time when actually delivered if delivered by hand, or upon the next working day following sending by facsimile or in any other event within five (5) days after it was mailed in the manner hereinbefore provided.

**Entire Agreement; Amendments:** This LUA and its Exhibits from A to G constitutes the entire agreement between Owner and User respecting its subject matter. Any agreement, understanding or representation respecting the Property, the LUR, this LUA, or any other matter referenced herein not expressly set forth in this LUA or a subsequent writing signed by both parties is null and void. This LUA shall not be modified or amended except in a writing signed by both parties. No purported modifications or amendments, including without limitation any oral agreement (even if supported by new consideration), course of conduct or absence of a response to a unilateral communication, shall be binding on either party. Provided that no material default in the performance of User's obligations under this LUA shall have occurred and remain uncured, Owner shall cooperate with User in amending this LUA from time to time to include any provision that may be reasonably requested by User for the purpose of implementing the provisions contained in this LUA.

**Legal Matters:** This LUA shall be governed by and interpreted in accordance with the laws of the State of *[country name of Owner]*. If the parties are unable to resolve amicably any dispute arising out of or in connection with this LUA, they agree that such dispute shall be resolved in the state courts located in *[name of the Capital of the country Owner]*. The parties acknowledge and agree that they have each participated in the drafting of this LUA, and therefore, any rule of construction to the effect that ambiguities are to be

resolved against the party drafting a contract shall not be employed in the interpretation of this LUA and is hereby waived.

**Partial Invalidity:** Should any provision of this LUA be held, in a final and unappealable decision by a court of competent jurisdiction, to be either invalid, void or unenforceable, the remaining provisions hereof shall remain in full force and effect, unimpaired by the holding. Notwithstanding any other provision of this LUA, the parties agree that in no event shall the term of this LUA any Transmission Easement or any Access Easement be longer than, respectively, the longest period permitted by applicable law.

**Right to Inspect Books and Production Records:** Notwithstanding the provisions of Article 5, User is required to keep true, accurate and complete books, records, accounts, contracts and data sufficient to support and verify the calculation of all amounts due under this LUA, for a period of six (6) years after such amounts are due. Owner or any representative of Owner, shall have the right at all reasonable times and upon the provision of reasonable notice, to inspect such books, accounts, contracts, records, and any other relevant data in the possession or control of User, any affiliate of User, any Assignee and any Sub-User, and pertaining to the calculation of amounts due under this LUA, including, without limitation, statements, documents, records or other data, from third parties which verify price paid for, or quantity of, electricity generated and sold by User from the Property, as applicable. Any such inspection and review shall take place at the office of User or other entity whose records are being inspected and reviewed unless another location is otherwise agreed to by Owner and User or other entity whose records are being inspected and reviewed, as applicable, and shall be subject to the confidentiality provisions of Section 17.9. User agrees that it shall require every affiliate, Assignee, and Sub-User to agree to and abide by the provisions of this Section 17.7 with respect to any contract relating to the purchase and/or sale of power generated from the Property.

**Calibration:** User or the interconnecting utility shall test and calibrate the electric meters according to the acceptable standards in the industry, at the locations at which electricity generated on the Property is delivered to such utility in accordance with the applicable interconnection agreement.

**Confidential Information:** means all information whether conveyed orally, in writing, in machine readable form or otherwise which relates to a Party's and/or its Affiliates business and/or their products, services, developments, trade secrets, know-how, personnel, suppliers and customers (whether or not designated as "Confidential Information" by the Disclosing Party) together with all information derived from the above and all information designated as confidential or which ought reasonably to be considered confidential but does not include information which:

- (i) is or becomes public knowledge other than by breach of Article 17.9 hereof;
- (ii) is received from a Third Party who lawfully acquired or developed it and who is under no obligation of confidence in relation to its disclosure;
- (iii) was already known to the Recipient prior to receipt and which the Recipient can prove by written documentation;
- (iv) is independently developed by the Recipient who did not have access to such information and without breaching this Agreement and which the Recipient can prove by written documentation; or
- (v) is approved for disclosure into the public domain with the prior written consent of the Disclosing Party

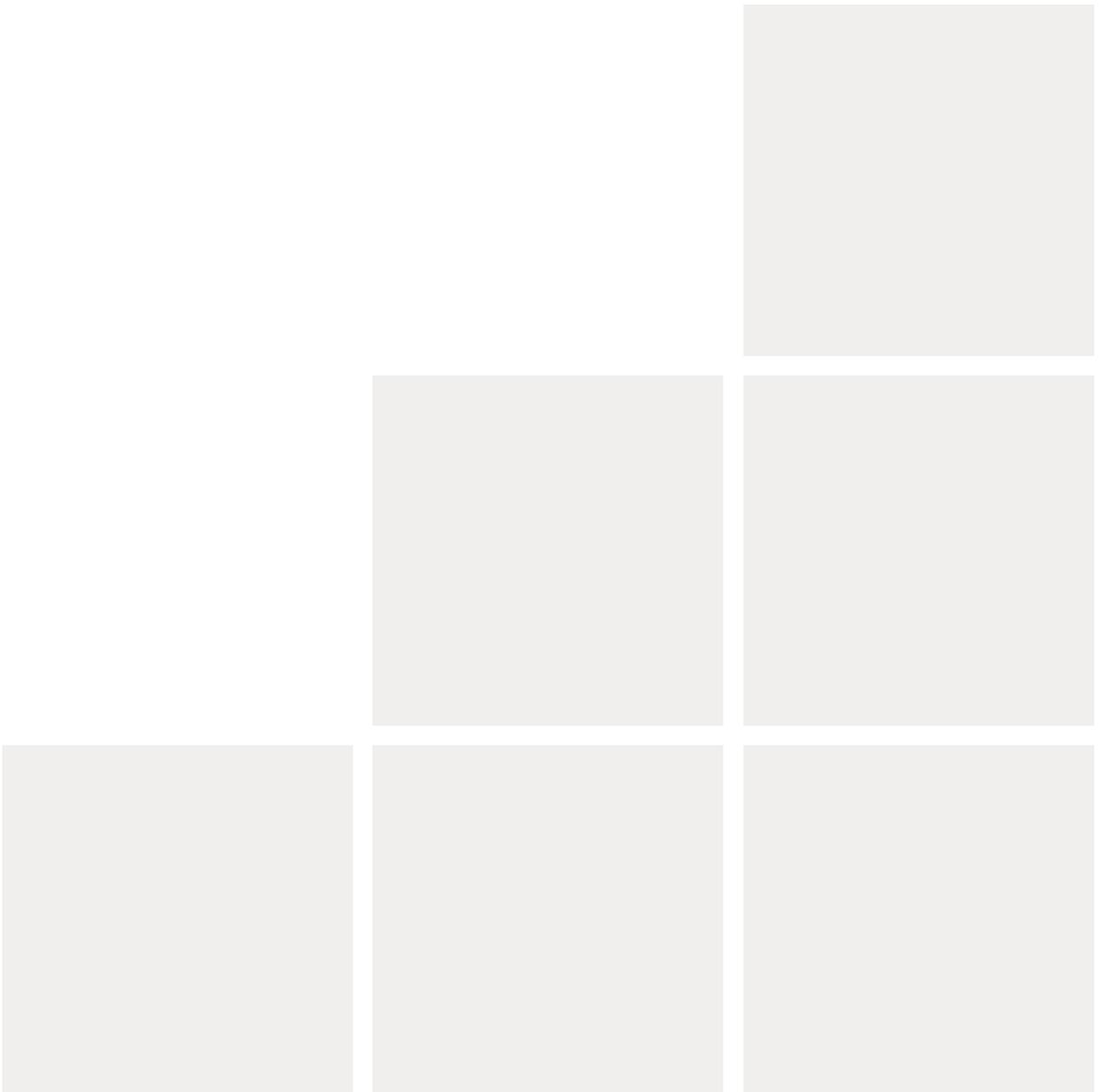
**Confidentiality Section shall apply to both Parties. It applies to the recipient party, its employees, agents and subcontractors. Owner particularly agrees to keep information confidential if designated as such by User so long as such designation does not violate applicable law. User hereby designates the following information confidential: amounts due under this LUA unless such amounts are required to be disclosed under State law; the calculation of amounts due under this LUA; and books, accounts, contracts, records, and any other relevant data pertaining to the calculation of amounts due under this LUA, including, without limitation, statements, documents, records or other data, from third parties which verify price paid for, or quantity of, electricity generated on the Property, and any contract relating to the purchase and/or sale of power generated from Renewable Energy Improvements.**

**Assignment in Connection with Transmission Lines:** In connection with the exercise of the rights of User hereunder, User, upon due and proper compliance with Owner's procedures, shall have the right to grant to any utility the right to construct, operate and maintain electric transmission, interconnection and switching facilities on the Property.

**Language:** The language and all documents, notices, waivers and any other written communication or otherwise between the Parties, in connection with this LUA shall be in English (*or any other language agreed upon by both Parties*).

**Power of Attorney:** Notwithstanding with any other provision under this LUA, the User hereby irrevocably appoints the Owner (or its nominee) to be its true and lawful attorney, to execute and sign in the name of the User a transfer or surrender of the LUR granted under this LUA at any time after this LUA shall have expired or terminated, a sufficient proof of which will be the declaration of any duly authorized officer of the Owner and the User consents to it being registered for this purpose.

**No Partnership: This LUA shall not be deemed to constitute a partnership between the Parties.**



**ARTICLE 18: INTERPRETATION AND DEFINITIONS****18.1 Rules of interpretation:**

The capitalized terms listed in Section 1.4 of this Article shall have the meanings set forth herein whenever the terms appear in this REPA, whether in the singular or the plural or in the present or past tense. Other terms used in this REPA but not listed in Section 1.4 of this Article shall have the meanings ascribed to them in the Oxford English dictionary or, for terms of art or where the context indicates, the meanings given the terms by common usage in the industry. In addition, the following rules of interpretation shall apply:

- (a) Except where expressly stated otherwise, the headings of the Articles, Sections and Paragraphs are primarily included for ease of reference only and in the event of a conflict between a heading and the more specific provision of its relevant Article, Section or Paragraph, the language of the Article, Section or Paragraph shall control in construing the provisions of this REPA;
- (b) A reference to any Agreement, Enactment, Ordinance or Regulation includes any Amendment thereof or any replacement in whole or in part.
- (c) References to Articles, Sections, Paragraphs, Exhibits or Schedules shall be to articles, sections, paragraphs, exhibits or schedules of this REPA.
- (d) The Exhibits and Schedules attached hereto are incorporated in and are intended to be a part of this REPA; provided, that in the event of a conflict between the terms of any Exhibit or Schedule and the terms of Articles 1 through 16 of this REPA, the terms of Articles 1 through 16 of this REPA shall take precedence.
- (e) This REPA was negotiated and prepared by both Parties. The Parties have agreed to the wording of this REPA and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this REPA or any part hereof.
- (f) Whenever this REPA refers to a number of days, such number shall refer to calendar days unless Working Days are specified.
- (g) In this REPA, the words "include", "includes", and "including" are to be construed as being at all times followed by the words "without limitation."
- (h) The word ("Term") may be used in this REPA to signify either Initial Term pursuant to Section 2.1, or Extended Term pursuant to Section 2.2 according to the context and situation.
- (i) The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this REPA. Unless expressly provided otherwise in this REPA, (i) where the REPA requires the consent, approval, or similar action by a Party, such consent, approval or similar action shall not be unreasonably withheld, conditioned or delayed, and (ii) wherever the REPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable.

**18.2 Definitions:**

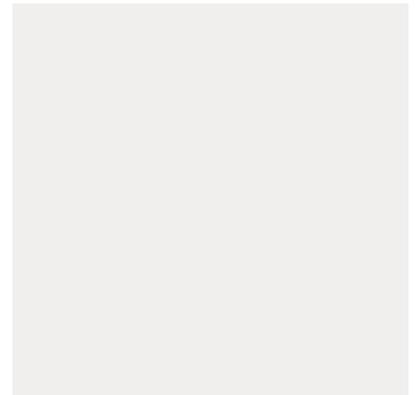
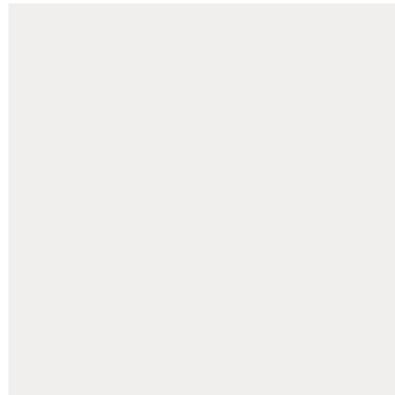
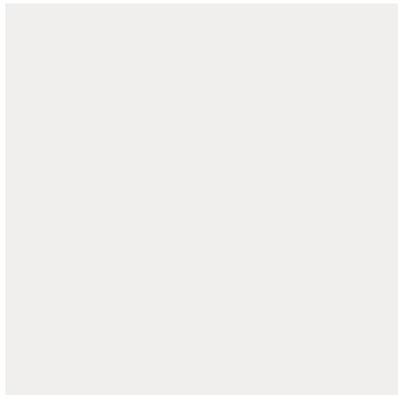
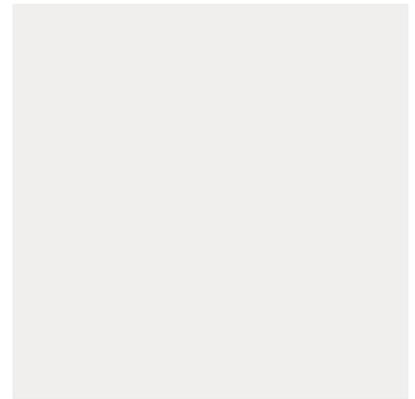
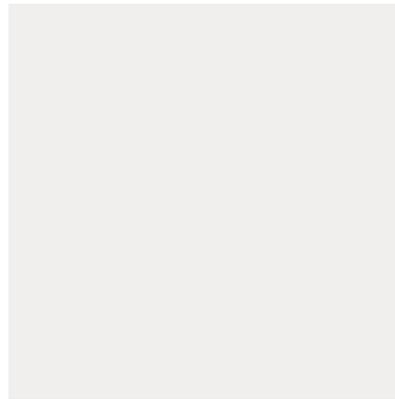
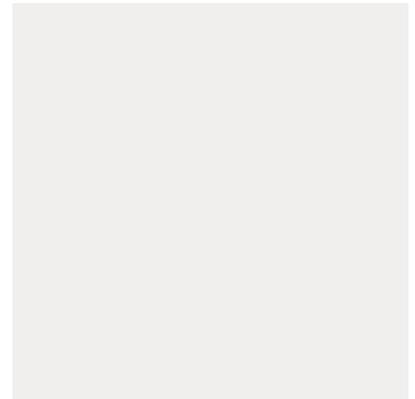
Capitalized terms unless otherwise defined herein shall have the meaning given to such terms as set out in the following schedule.

Section	Term	Definition
18.1	Access Easement	Means a granting to User a defined term access right or a road right-of-way outside the Property for to travel, transport equipment and machinery or for maintenance purposes.
18.2	Article	Means an article of this LUA.
18.3	Environmental Attributes	Means the characteristics of electric power generation at the Renewable Energy Converting Facilities that have intrinsic value, separate and apart from the Energy Output, arising from the perceived environmental benefits of the Renewable Energy Converting Facilities or the Energy Output, including but not limited to all environmental and other attributes that differentiate the Renewable Energy Converting Facilities or the Energy Output from energy generated by fossil-fuel based generation units, fuels or resources. These characteristics of the Renewable Energy Converting Facilities that may result in the avoidance of environmental impacts on air, soil or water, such as the absence of emission of any oxides of nitrogen, sulfur or carbon or of mercury, or other gas or chemical, soot, particulate matter or other substances attributable to electricity generation in compliance with law, rules, regulations and standards involving or administered by the relevant national and/or international entity, give particular rights and allow jurisdiction over transferability of these rights arising from Environmental Attributes.
18.4	Environmental Incentives	Means all rights, credits (including tax credits), rebates ,benefits, reductions, offsets, and allowances and entitlements of any kind, howsoever entitled or named (including carbon credits and allowances), whether arising under local law, international treaty, trade association membership or the like ,arising from the Environmental Attributes of the Renewable Energy Converting Facilities or the Energy Output or otherwise from the development or installation of the Renewable Energy Converting Facilities or the production, sale, purchase, consumption or use of the Energy Output. Without limiting the forgoing, Environmental Incentives includes green tags, renewable energy credits ,tradable renewable certificates, portfolio energy credits, the right to apply for (and entitlement to receive) incentives under any demand-side management or energy efficiency programs offered by a utility company, a third party provider or the State of [Owner's country name] or other incentive programs offered by the State of [Owner's country name] and

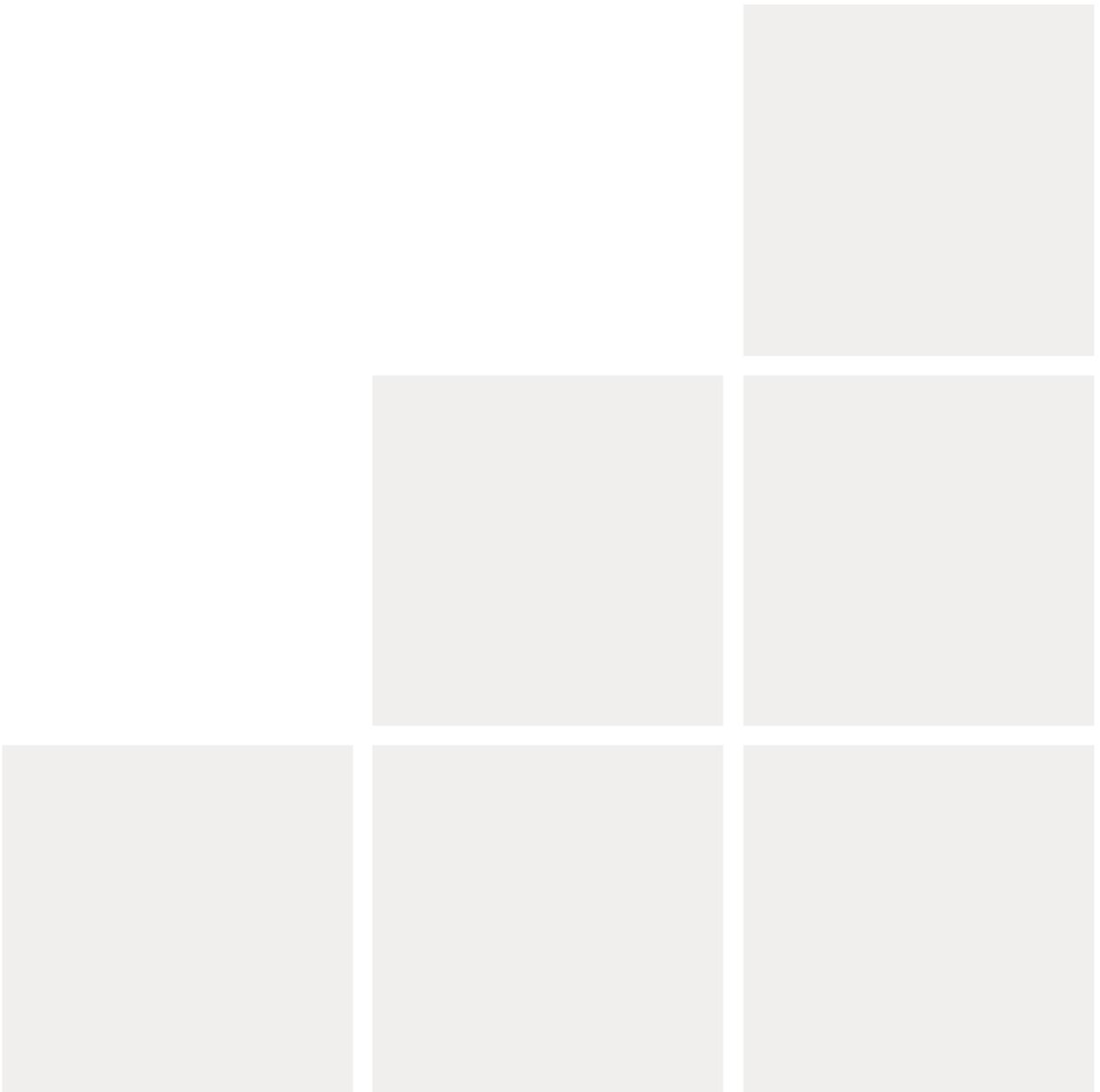
		respective rights to claim specific income tax credits or special income tax deductions under the local Tax Code
18.5	Event of Default	Means an event that confers a contractual right upon the non-defaulting Party to terminate the LUA. It also means User’s Event of Default and/or an Owner’s Event of Default.
18.6	Government Guarantee	Means the guarantee provided by the Government of <i>[name of Owners country]</i> under Section 1.6 of the LUA.
18.7	Hazardous Material	Means, collectively, (a) any chemical, material or substance that is listed or regulated under applicable Laws as a “hazardous” or “toxic” substance or waste, or as a “contaminant” or “pollutant” or words of similar import, (b) any petroleum or petroleum products, flammable materials, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, and transformers or other equipment that contain polychlorinated biphenyls (“PCBs”), and (c) any other chemical or other material or substance, exposure to which is prohibited, limited or regulated by any Laws.
18.8	Land Register	Means a Title Certificate from a Governmental Agency or Department to provide evidence of ownership, possession or other rights in the Property. The information recorded and the protection provided will vary by jurisdiction.
18.9	Lien	Means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement of any kind or nature whatsoever, including, without limitation, any sale-leaseback arrangement, any conditional sale or other title retention agreement, and any financing lease having substantially the same effect as any of the foregoing.
18.10	Notice	Means a written communication from one Party to the other which is delivered in the manner required by Section 17.3.
18.11	Paragraph	means sub-Section of this LUA
18.12	Purchaser	Power Transmission Utility or any other purchaser that purchases the Electric Energy generated by User from the renewable energy generating units in the Property.
18.13	Section	Means sub-article of this LUA
18.14	Transmission Easement	Referred to as transmission line easements. It is an accord with compensation between User and Owners of other lands surrounding the Property to acquire rights on their lands to install and maintain transmission towers to transport Energy output from the Property to the Transmission grid. It is a “right of way” for the safe transmission of power.  The easement also gives User the authority to limit the activities that can take place on land contained within the easement as well as restrict what is grown or built on it.

**IN WITNESS WHEREOF, the Parties hereto have executed this Land Use Agreement (LUA) on the day, month and year first above written with the intent that it will be effective as of the Term Beginning Date, and certify that they have read, understand and agree to the terms and conditions of this LUA.**

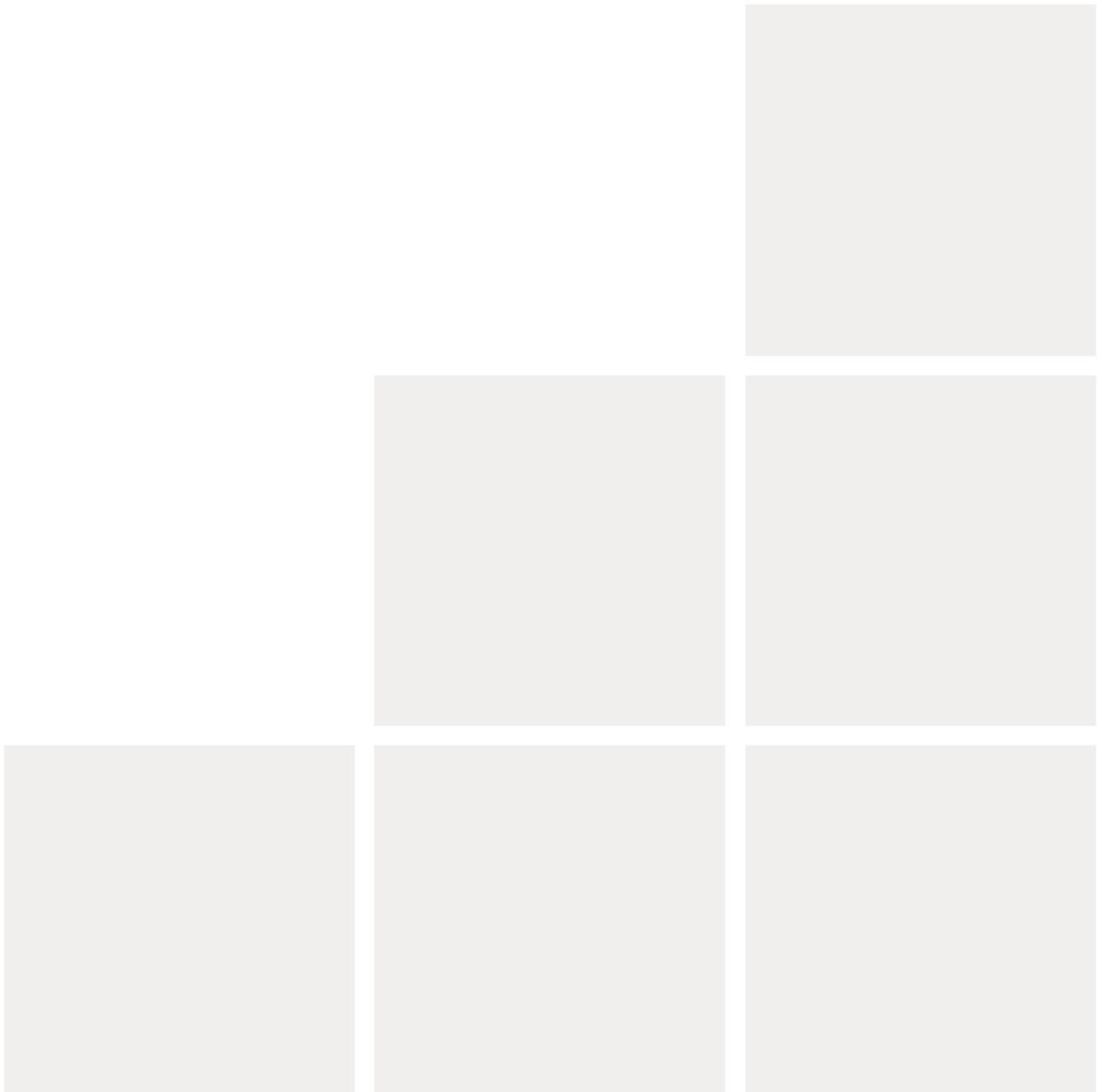
Signed for and on behalf of the Owner	Signed for and on behalf of the User
<b>1. Name:</b> <b>Designation:</b>  <b>2. Name:</b> <b>Designation:</b>	<b>Name:</b> <b>Designation:</b>



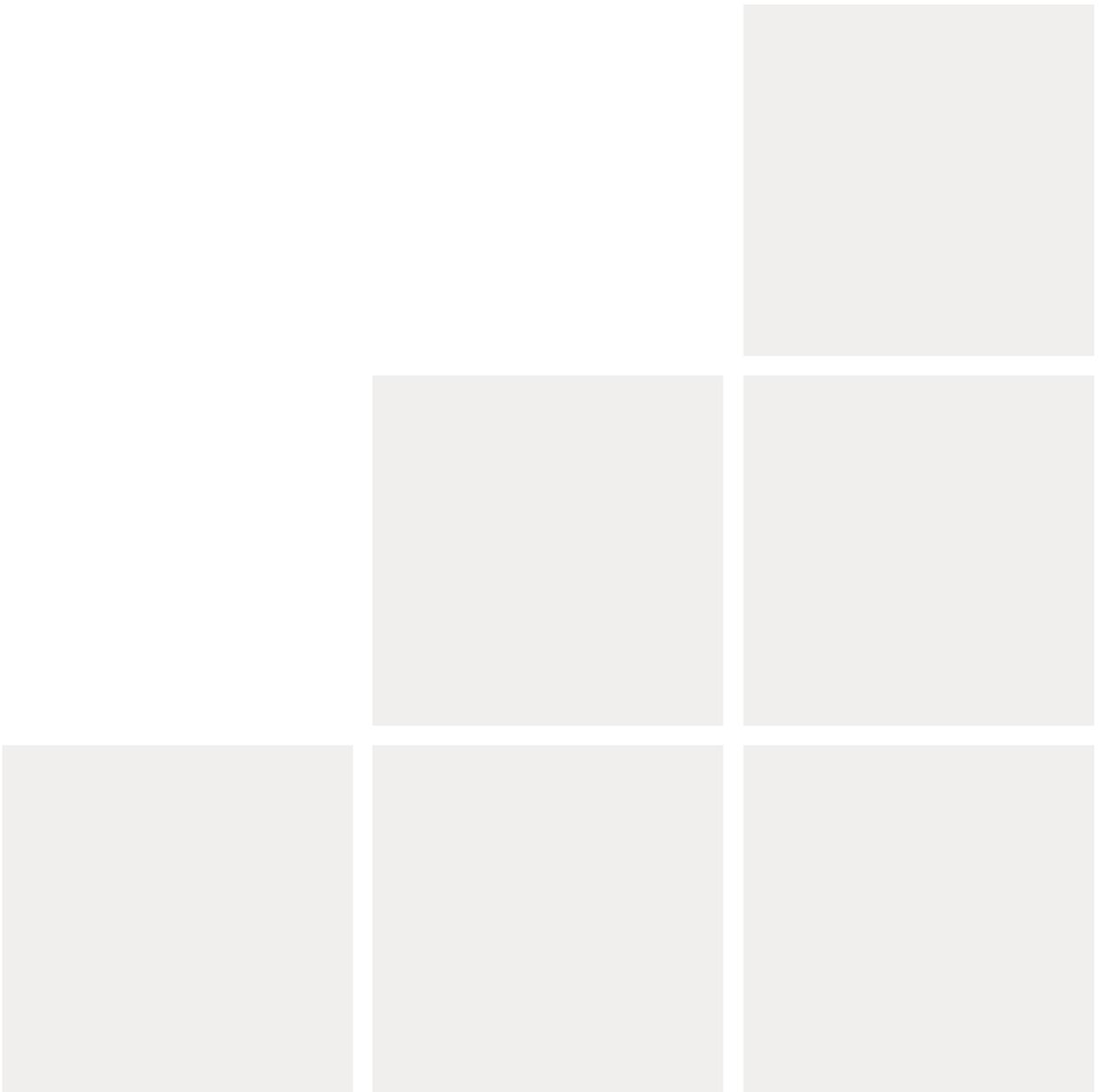
**Exhibit A: Property Title Deed and Geographic Location Description**



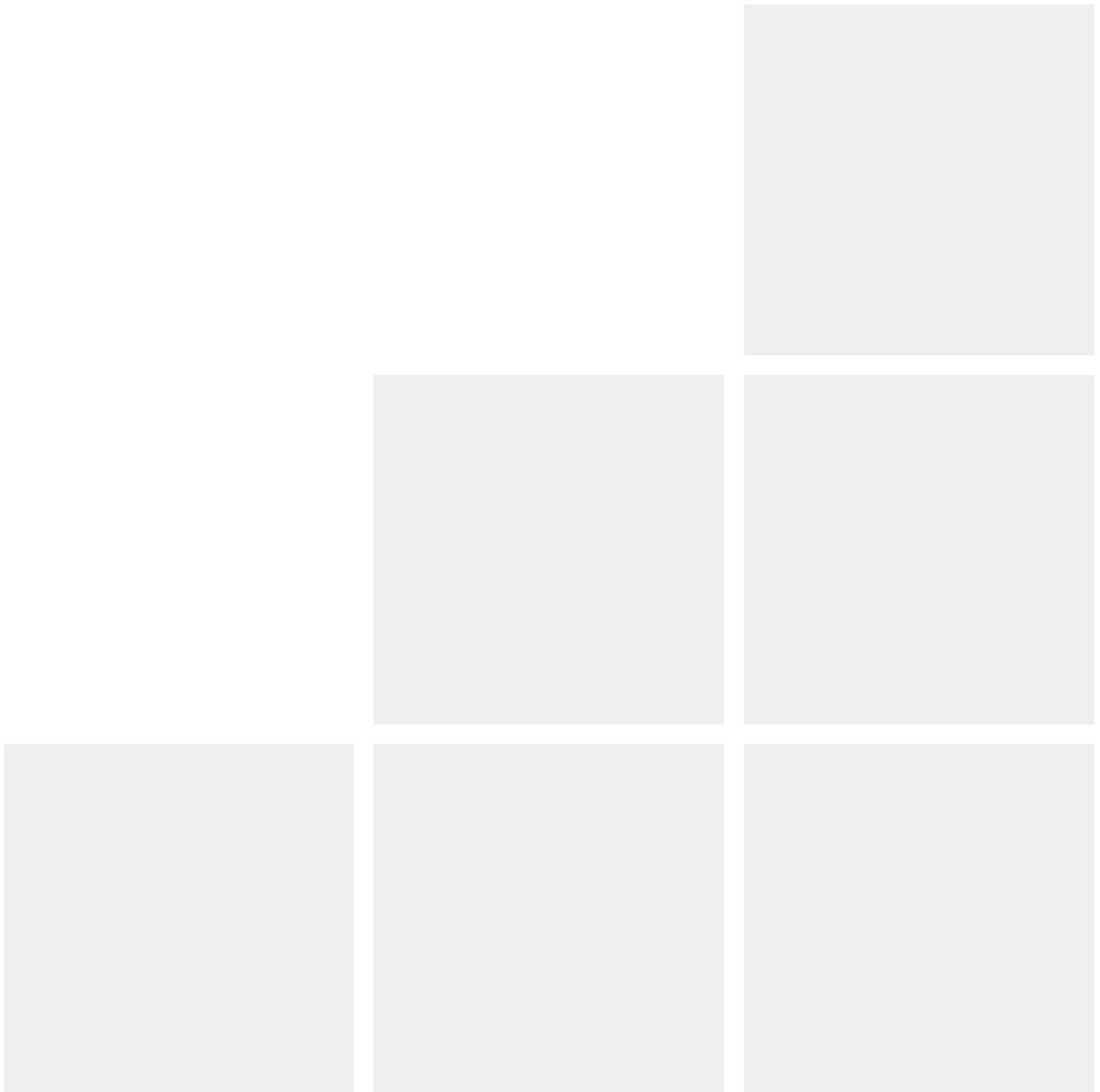
**Exhibit B: Official Survey Map with Coordinates of Property Borders**



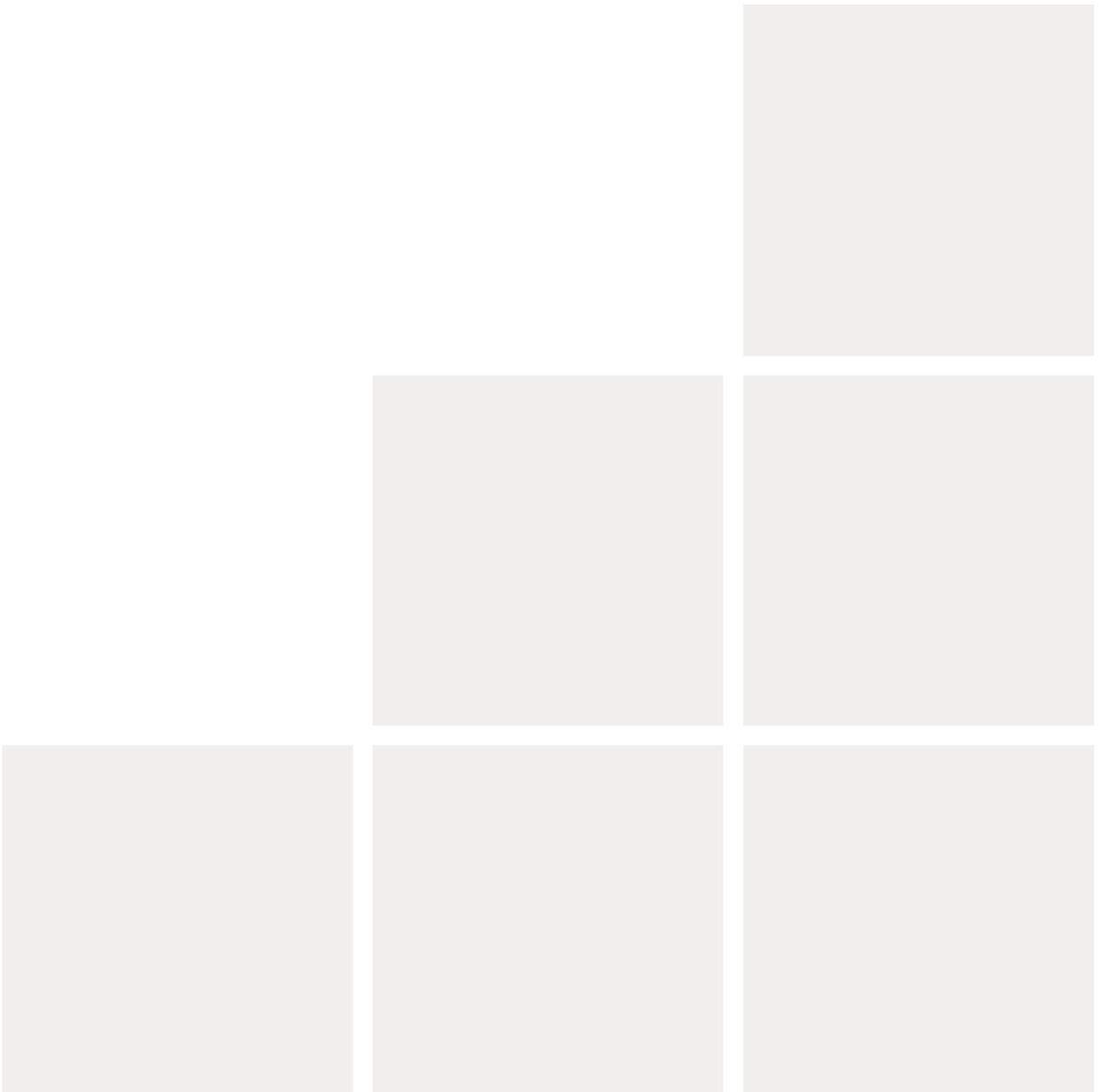
**Exhibit C: Form of Owner's Government Guarantee**



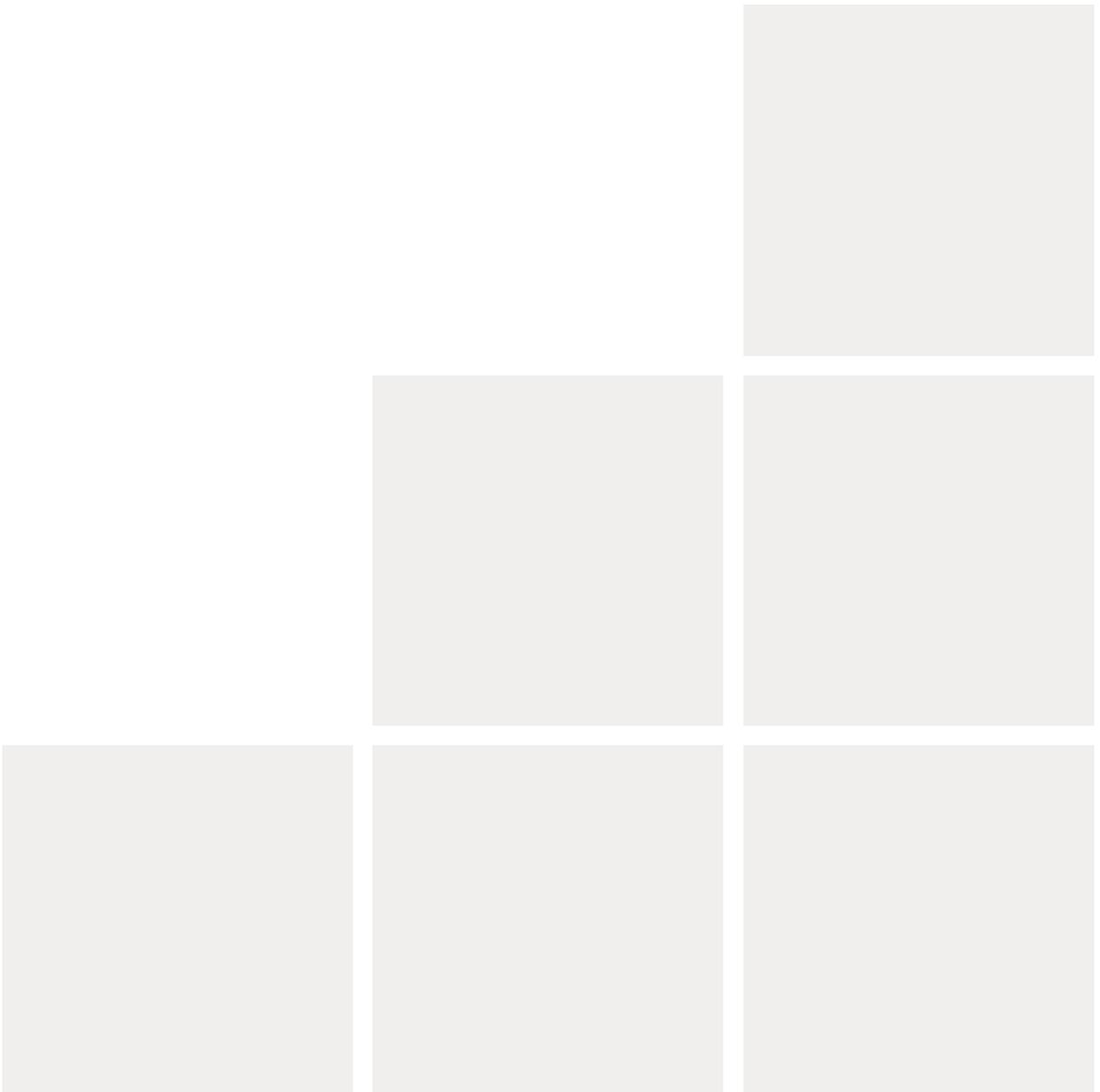
**Exhibit D: General Layout of Renewable Energy Converting Facilities**



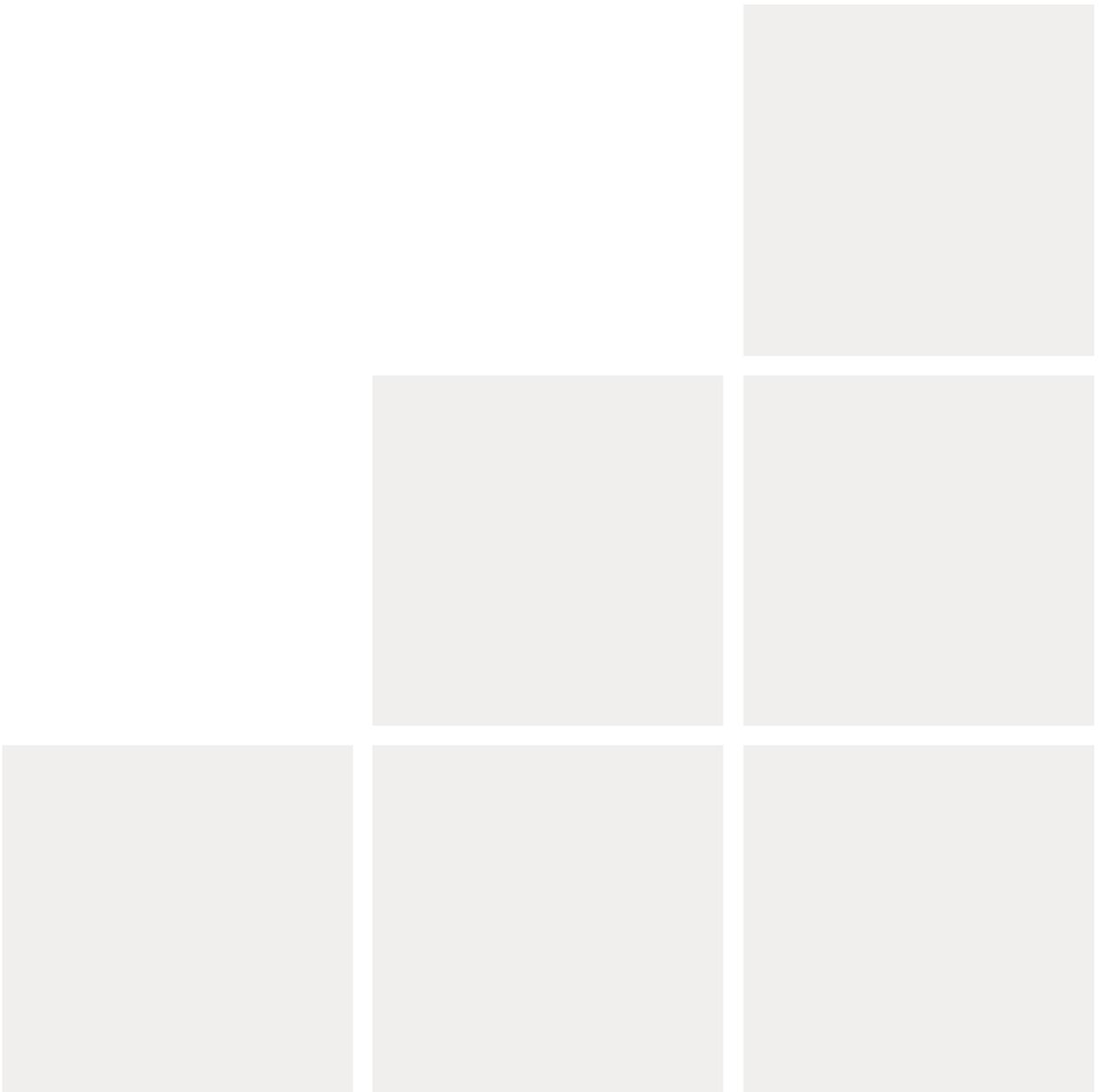
**Exhibit E: Removal and Site Restoration Cost Items**



**Exhibit F: Mutually Signed Memorandum for User’s Property Possession Date**



**Exhibit G: Property Status Condition Report (SCR)**



مبنى المحطات المائية (الدور ٧)  
بلك ١١ - قطعة ١٥، عمارات ملسا  
أرض الجولف، مدينة نصر، القاهرة، مصر  
الهاتف: ٢٤١٥ ٤٧٥٥ ٢٠٢ +  
الفاكس: ٢٤١٥ ٤٦٦١ ٢٠٢ +

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