

THIS AMENDING AGREEMENT made on the day of June, 2010

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF BILLINGS

(hereinafter referred to as the "Lessor")

- and -

KAGAWONG POWER INCORPORATED

(hereinafter referred to as the "Lessee")

AMENDMENT TO LEASE AGREEMENT

WHEREAS by Lease dated the 1st day of December, 1987 (the original Lease) attached hereto as Schedule "A" the Lessor granted to the Lessee a lease over the premises described in Schedule A attached thereto.

AND WHEREAS the said Lease had an effective date of April 30th, 1988.

AND WHEREAS pursuant to paragraph 5(e) of the Lease, the Lessee was granted the right to renew the Lease for an additional period of ten (10) years.

AND WHEREAS by letter dated September 12th, 2007, the Lessee provided notice to the Lessor that it wished to exercise the option for renewal pursuant to paragraphs 2(b) and 5(e) of the Lease.

AND WHEREAS the parties have subsequently agreed that the Lease would be extended to December 31st, 2009, notwithstanding the exercise by the Lessee of its right to extend, and otherwise according to this Agreement.

AND WHEREAS the parties have further agreed to increase the Lease payments provided for in the Lease pursuant to paragraph 3 thereof.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of \$10.00 now paid by each party to the other, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, the parties hereto agree as follows:

1. Paragraph 3 of the Lease is deleted and the following is substituted therefor:

“3. YIELDING AND PAYING THEREFOR unto the Lessor during the said term hereby granted, a sum of lawful money of Canada calculated as being 23.5% of the gross revenue of the Lessee actually received, said sums to be payable by consecutive monthly instalment of 23.5% of the gross revenue of the Lessee received in that month. Each instalment shall be paid within 2 weeks after the end of each month during the said term. All payments to be made hereunder shall be made to the Lessor through Post Office Box 34, in the Village of Kagawong or at such other place as the Lessor may advise the Lessee by notice in writing from time to time. The Lessee shall provide access to the records of the Lessor at such times during the normal business hours of the Lessee as to allow the Lessee to verify the gross income of the Lessee from time to time. The rent payable hereunder shall be deemed to include all municipal taxes, rates and local improvement charges.”
2. The amended payments prescribed pursuant to paragraph 3 of the Lease (as amended) shall commence on the ___ day of _____, 2010.
3. Notwithstanding the notice provided to the Lessor by the Lessee dated September 12th, 2007 to extend the Lease to April 30th, 2018, the parties hereto agree that the Lease shall be and is hereby extended to December 31st, ~~2034~~. 2029
4. The Lessee and the Lessor hereby covenant that they shall perform and observe all of the covenants, provisos and stipulations in the original Lease (except 5(e) of the original Lease) as fully as if such covenants, provisos and stipulations had been repeated in full with such modifications only as are necessary to make them applicable to this Amending Agreement.

5. It is understood and agreed that the Lessee may register the Lease against the title to the Leased Premises and the Lessor agrees to execute any document required for such registration.

6. All of the other terms of the Lease shall continue in effect as modified by the terms of this Renewal and Amending Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this agreement under seal as of the day and year first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of)
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**The Corporation of the Township
of Billings**

Per: _____

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Kagawong Power Incorporated

Per: _____