

EASEMENT OPTION AGREEMENT AMENDMENT

THIS LEASE AMENDMENT made in triplicate this 24th day of February, 2025.

B E T W E E N:

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE
(hereinafter referred to as the "Landlord")**

AND

**PUC (TRANSMISSION) LP by its General Partner
PUC (TRANSMISSION) GP INC.
(hereinafter referred to as the "Tenant")**

WHEREAS The Corporation of the City of Sault Ste. Marie (the "Landlord") and PUC (Transmission) LP by its General Partner PUC (Transmission) GP Inc. (the "Tenant") entered into an Easement Option Agreement dated April 8, 2024 to grant the Tenant a right-of-way and easement in, on, over, under, across and through Lands described and shown on FIGURE NO: 4 in SCHEDULE "A-1" EASEMENT LANDS and also described as:

31609-0390 (LT)

PART SECTION 34 KORAH PARTS 1-3, 9, 16, 20 & 21 IRI0744 EXCEPT PART I IR10935, PART I IRI 1773, PARTS 2 & 3 IR13242, PART I IR13366, PART I IR13469, PARTS I & 2 IRI4070, PART I IRI4088; SUBJECT TO AN EASEMENT AS IN LT89277; CITY OF SAULT STE. MARIE

31609-0392 (LT)

PCL 12753 SEC AWS; PART SECTION 34 KORAH PARTS 4-8, 10-14, 17-19 IRI0744 SAVE AND EXCEPT PART2 IR14088; *SIT* LTI27571; *SIT* EASEMENT IN FAVOUR OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE OVER PART 6 I RI0744 AS IN ALI0430

in Sault Ste. Marie, Ontario (the "Original Option Agreement"), a copy of which is appended as Appendix "A" to this Amending Agreement;

AND WHEREAS the Tenant has requested that the map shown on FIGURE NO: 4 in SCHEDULE "A-1" EASEMENT LANDS to the Original Option Agreement be modified with all other terms and conditions remaining the same;

NOW THEREFORE the parties agree as follows:

1. The map being FIGURE NO: 4 in SCHEDULE "A-1" EASEMENT LANDS of the Original Option Agreement is hereby deleted and replaced with the updated FIGURE NO: 4 attached hereto as Schedule "A" to this Agreement.
2. The amount of the "Purchase Price" as set out in Section 2 of the Original Option Agreement, being Sixteen Thousand Seven Hundred Dollars (\$16,700.00) is deleted and replaced with the amount of Nineteen Thousand Seven Hundred (\$19,700.00) Dollars for the "Purchase Price".
3. The amount of the "Incentive Payment" as set out in Section 3 of the Original Option Agreement, being Twelve Thousand Twenty-Five (\$12,025.00) Dollars is deleted and replaced with the amount of Fourteen Thousand Eight Hundred (\$14,800.00) Dollars for the "Incentive Payment".
4. The balance of the terms and conditions as set out in the Original Option Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED

in the presence of:

**PUC (TRANSMISSION) LP BY ITS GENERAL
PARTNER PUC (TRANSMISSION) GP INC.**

ROBERT BREWER, PRESIDENT

I have authority to bind the Corporation

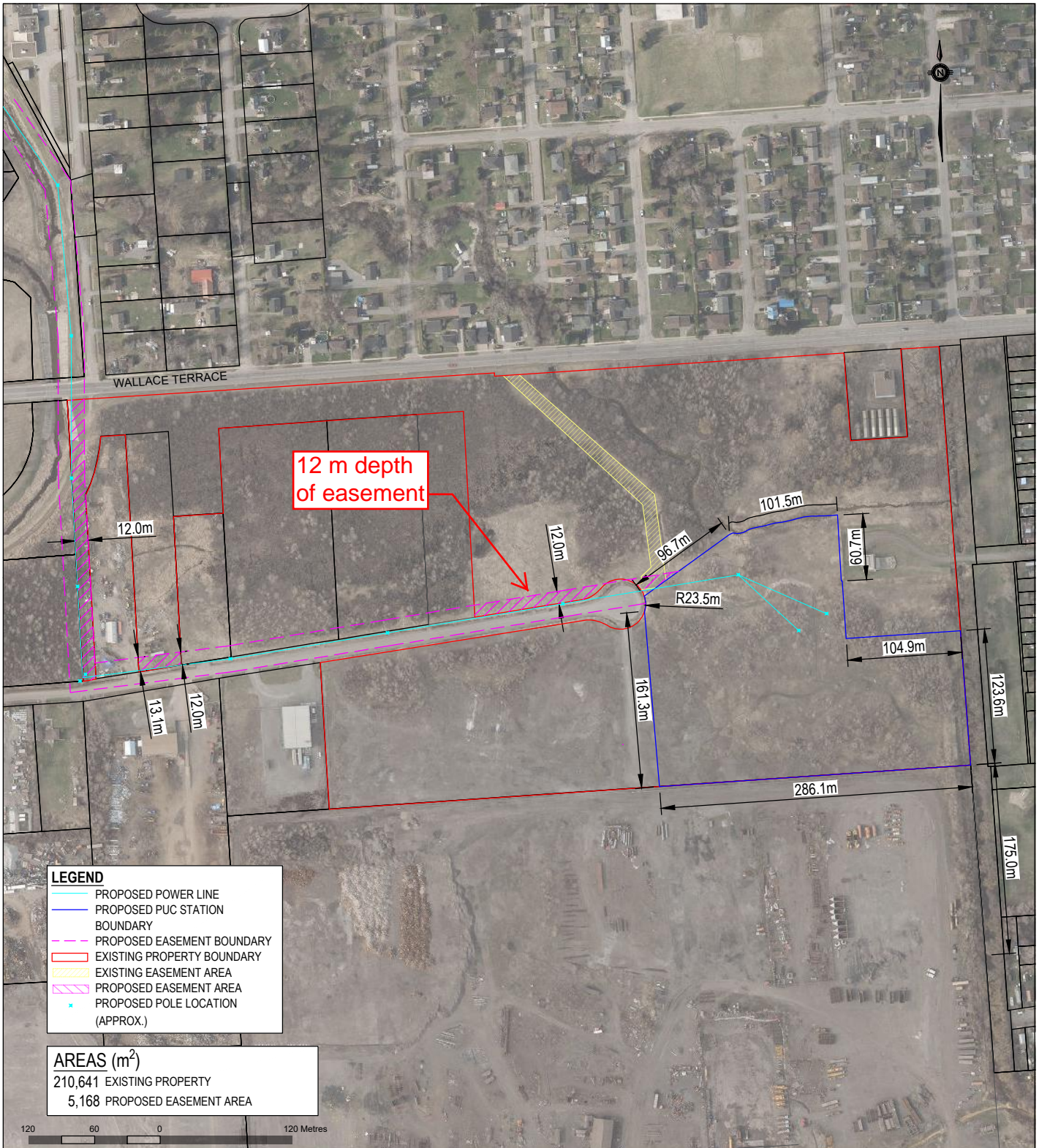
**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

MAYOR – MATTHEW SHOEMAKER

DEPUTY CITY CLERK – MADISON ZUPPA

We have authority to bind the Corporation

Schedule "A"

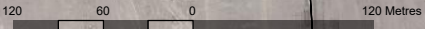


LEGEND

- PROPOSED POWER LINE
- PROPOSED PUC STATION BOUNDARY
- PROPOSED EASEMENT BOUNDARY
- EXISTING PROPERTY BOUNDARY
- EXISTING EASEMENT AREA
- PROPOSED EASEMENT AREA
- PROPOSED POLE LOCATION (APPROX.)

AREAS (m²)

210,641	EXISTING PROPERTY
5,168	PROPOSED EASEMENT AREA



	PROJECT: SAULT STE. MARIE 230 KV TRANSMISSION PROJECT: CLASS EA SAULT STE MARIE, ONTARIO	SCALE: 1:5,000 DRAWN BY: JB CHECKED BY: DS
	TITLE: 060001003000000 0 YATES AVE	PROJECT NO: 221-01502-00 DATE: DECEMBER 2024
	CLIENT: PUC TRANSMISSION LP	FIGURE NO: 4

Appendix "A"

EASEMENT OPTION AGREEMENT

THIS EASEMENT OPTION AGREEMENT made as of the ~~25th day of March, 2024~~ ^{8th day of April, 2024} (the "Agreement Date").

B E T W E E N:

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

(hereinafter called the "Owner")

OF THE FIRST PART

- and -

**PUC (TRANSMISSION) LP by its General Partner
PUC (TRANSMISSION) GP INC.**

(hereinafter called "PUC Transmission")

OF THE SECOND PART

RECITALS:

- A. The Owner is the owner of the lands and premises described in Schedule "A" (the "Lands");
- B. The Owner has agreed to grant to PUC Transmission for the consideration and on the terms and conditions set out herein and attached hereto as Schedule "B" (the "**Standard Terms and Conditions**") an option to purchase a right-of-way and easement in, on, over, under, across and through (the "**Easement**") that portion of the Lands described and shown on Schedule "A-1" attached hereto (the "**Easement Lands**"), the terms of which are more particularly set out in the Transfer and Grant of Easement (the "**Easement Agreement**") attached hereto as Schedule "C".

NOW THEREFORE, the parties hereby agree as follows:

1. GRANT OF OPTION

In consideration of the sum of **Five Hundred Dollars (\$500.00)** of lawful money of Canada paid by PUC Transmission to the Owner, the receipt and sufficiency of which is hereby acknowledged by the Owner, (the "**Option Payment**") the Owner hereby grants to PUC Transmission an irrevocable option (the "**Option**"), to purchase the Easement upon and subject to the terms and conditions set out herein, the Standard Terms and Conditions and the Schedules hereto.

2. PURCHASE PRICE


In accordance with the terms and conditions set out herein, the Standard Terms and Conditions and the Schedules hereto, PUC Transmission agrees to pay to or to the order of the Owner the amount of **Sixteen Thousand Seven Hundred Dollars (\$16,700.00)** for the Easement Lands (the "Purchase Price") on the Closing Date.

3. INCENTIVE PAYMENT

In addition to the payment of the Purchase Price as provided for in paragraph 2 herein, and as an incentive to the Owner to enter into this Option Agreement, PUC Transmission agrees to pay to or to the order of the Owner an incentive payment in the amount of **Twelve Thousand Twenty-Five Dollars (\$12,025.00)** on the Closing Date.

IN WITNESS WHEREOF the parties hereto have duly executed this Option Agreement as of the Agreement Date.

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Per: 
Name: Matthew Shoemaker
Title: Mayor


Per: 
Name: Rachel Tyczinski
Title: City Clerk

**APPROVED BY
CITY OF SAULT STE. MARIE**

BY-LAW# 2024-41

We have authority to bind the Corporation

PUC (TRANSMISSION) LP by its General Partner PUC (TRANSMISSION) GP INC.

Per: 
Name: Robert Brewer
Title: President

I have authority to bind the Corporation

SCHEDULE "A"
LEGAL DESCRIPTION

1. 31609-0390(LT)

PART SECTION 34 KORAH PARTS 1-3, 9, 16, 20 & 21 1R10744 EXCEPT PART 1 1R10935, PART 1 1R11773, PARTS 2 & 3 1R13242, PART 1 1R13366, PART 1 1R13469, PARTS 1 & 2 1R14070, PART 1 1R14088; SUBJECT TO AN EASEMENT AS IN LT89277; CITY OF SAULT STE. MARIE

2. 31609-0392(LT)

PCL 12753 SEC AWS; PART SECTION 34 KORAH PARTS 4-8, 10-14, 17-19 1R10744 SAVE AND EXCEPT PART 2 1R14088; S/T LT127571; S/T EASEMENT IN FAVOUR OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF SAULT STE. MARIE OVER PART 6 1R10744 AS IN AL10430

SCHEDULE "A-1"
EASEMENT LANDS

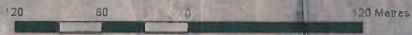
Legal description to be determined by deposited Reference Plan; Easement Lands shown outlined in the magenta-colour cross-hatched area in sketch attached.

****NOTE – Sketch shall be replaced by Easement Lands description once applicable Reference Plan is deposited.**



LEGEND	
	PROPOSED POWER LINE
	PROPOSED PUC STATION BOUNDARY
	PROPOSED EASEMENT BOUNDARY
	EXISTING PROPERTY BOUNDARY
	EXISTING EASEMENT AREA
	PROPOSED EASEMENT AREA
	PROPOSED POLE LOCATION (APPROX.)

AREAS (m ²)	
210,641	EXISTING PROPERTY
4,508	PROPOSED EASEMENT AREA



	PROJECT:	SAULT STE. MARIE 230 kV TRANSMISSION PROJECT: CLASS EA SAULT STE MARIE, ONTARIO	SCALE:	1:5,000
	TITLE:	060001003000000 0 YATES AVE	DRAWN BY:	JB
	CLIENT:	PUC TRANSMISSION LP	CHECKED BY:	DS
			PROJECT NO:	
			DATE:	NOVEMBER 2023
			FIGURE NO:	4

SCHEDULE “B”
STANDARD TERMS AND CONDITIONS

1. EXERCISE OF OPTION

The Option shall be open for exercise at any time from the Agreement Date until the 2nd anniversary of the Agreement Date, as same may have been extended in accordance with the terms hereof, (the “**Option Term**”), by providing written notice to the Owner (the “**Exercise Notice**”), after which time, subject to Section 2, this Option Agreement shall be null and void and no longer binding upon either of the parties. If the Option is exercised within the Option Term, then this Option Agreement shall become a binding agreement for the purchase and sale of the Easement and this Option Agreement shall be completed on the terms set out herein.

2. EXTENSION OF OPTION TERM

At any time during the Option Term, PUC Transmission may, by written notice delivered to the Owner prior to the expiration of the Option Term, as same may have been extended, extend the Option Term with respect to the Lands for one (1) additional period of one (1) year, provided that upon such election, PUC Transmission pays to the Owner the amount of **Five Hundred Dollars (\$500.00)** in consideration for the extension of the Option Term.

3. PURCHASE PRICE

(a) PUC Transmission shall pay the Purchase Price to or to the order of the Owner by way of a single payment by uncertified cheque or electronic funds transfer on the Closing Date (as hereinafter defined).

(b) The Owner acknowledges receipt of an appraisal report commissioned by PUC Transmission and, prepared by an external, independent appraiser with the Accredited Appraiser Canadian Institute (“ACI”) designation, (the “**PUC Transmission Appraisal**”).

4. CLOSING

The transaction of purchase and sale contemplated by this Option Agreement shall, subject to resolution of any title issues identified by PUC Transmission, be completed on the date that is ninety (90) days after PUC Transmission delivers the Exercise Notice to the Owner or on such earlier date as PUC Transmission, through its solicitors, may elect (the “**Closing Date**”). If the Closing Date is a date on which the Land Registry Office (the “**Land Registry Office**”) in which the Lands are registered is closed, the Closing Date shall be on the next following day when such Land Registry Office is open. In the event that there is a delay in the completion of the transaction beyond the Closing Date as established by PUC Transmission upon delivery of the Exercise Notice that arises through no fault of PUC Transmission,

then PUC Transmission shall not be responsible for any resulting delay in the Closing Date.

5. ACKNOWLEDGEMENT AND DIRECTION

The Owner and, if applicable, the Spouse, acknowledges and agrees that execution of the Option Agreement shall constitute execution of the Acknowledgement and Direction attached as Schedule "D" to the Option Agreement (the "**Acknowledgement and Direction**") authorizing PUC Transmission and its solicitors to register the Option and subsequent Easement on title to the Lands. PUC Transmission covenants and agrees to hold the Acknowledgement and Direction in escrow until PUC Transmission has paid the Purchase Price at which time the executed Acknowledgement and Direction and Option shall be released from escrow and may be acted upon by PUC Transmission.

6. REGISTRATION OF EASEMENT

The Owner acknowledges and agrees that PUC Transmission will register the Easement on title to the Lands on the Closing Date pursuant hereto and the Acknowledgement and Direction. PUC Transmission will provide notice to the Owner within a reasonable period of time after the Closing Date of the registration particulars of the Easement.

7. RIGHT TO TRANSFER

The Owner covenants and agrees with PUC Transmission that it has the right to grant the Easement without restriction and that PUC Transmission will quietly possess and enjoy the Easement Lands.

8. INSPECTION PERIOD AND EARLY ACCESS PERIOD

(a) The Owner agrees and consents to PUC Transmission, its respective officers, employees, agents, contractors, sub-contractors, surveyors, workers, agents and permittees or any of them entering on, exiting and passing and repassing in, on, over, along, upon, across, through and under the Easement Lands and so much of the Lands as may be reasonably necessary at all reasonable times from the Agreement Date until the later of the expiration of the Option Term (as same may be extended) and the Closing Date, with or without all plant, machinery, material, supplies, vehicles, and equipment, for all purposes necessary or convenient to conduct such inspections, tests, audits, reports as PUC Transmission sees fit in connection with the acquisition, exercise or enjoyment of the Easement. PUC Transmission shall restore the Lands to their prior condition so far as reasonably possible following such inspections, tests, audits and reports.

(b) The Owner agrees and consents to PUC Transmission, its respective officers, employees, agents, contractors, sub-contractors, surveyors, workers, agents and permittees or any of them entering on, exiting and passing and repassing in, on, over, along, upon, across, through and under the Easement Lands and so

much of the Lands as may be as reasonably necessary at all reasonable times from date PUC Transmission delivers the Exercise Notice to commence construction activities on the Easement Lands. PUC Transmission shall restore the Lands to their prior condition so far as reasonably possible in the event that the purchase transaction contemplated by this Option Agreement is not completed as contemplated herein.

(c) PUC Transmission and any and all contractors, consultants or other persons authorized by PUC Transmission (hereinafter the "**PUC Transmission Authorized Representatives**") to enter the Easement Lands as aforesaid pursuant to paragraph 8(a) and 8(b), must all be compliant and be an approved Contractor under The Corporation of the City of Sault Ste. Marie's Contractor Prequalification Program as set out in the following website link before PUC Transmission and any PUC Transmission Authorized Representatives are permitted to enter the Easement Lands.

<https://saultstemarie.ca/Government/City-Departments/Corporate-Services/Finance/Purchasing/Vendors-List.aspx>

To that end, PUC Transmission shall ensure that all necessary paperwork is filed with the City and the City has confirmed that PUC Transmission and the PUC Transmission Authorized Representative is listed as an approved Contractor by the City before attending on the City Property.

(d) Except to the extent attributable to wilful or negligent acts of the Owner or its servants, employees, agents, contractors, subcontractors, permittees, licensees, lessees or those for whom such agents, contractors, subcontractors, permittees, licensees, or lessees are responsible, PUC Transmission will at all times indemnify and save harmless the Owner from any and all manner of claims, demands, losses, costs, charges, damages, expenses, actions or other proceedings, whenever and howsoever arising, including those concerning any environmental liability, those arising under the Occupiers Liability Act, and those for compensation under the Workplace Safety and Insurance Act, 1997 or any similar Act, made or brought against, suffered by, or imposed upon the Owner or its property, servants, agents, or any other person, firm or corporation, in respect of any injury, death, loss or damage of or to any person or property (including, without limitation servants, agents, permittees, invitees, licensees, lessees, and property of the Owner and PUC Transmission) directly or indirectly arising out of, resulting from or sustained by the reason of PUC Transmission's occupancy or use of the Easement Lands or any buildings, fixtures, improvements, structures or chattels thereon, pursuant to this Option Agreement or PUC Transmission's use of the Lands of the Owner for any purpose whatsoever, including ingress to or egress from the Easement Lands, pursuant to this Option Agreement.

9. SURVEY/REFERENCE PLAN

PUC Transmission agrees to obtain and register, at its sole expense, any new Reference Plan with respect to the Easement Lands that may be required by PUC Transmission for completion of this Option Agreement.

10. INCOME TAX ACT

The Owner represents and warrants and covenants that the Owner is not now and on Closing will not be a non-resident of Canada within the meaning of the *Income Tax Act (Canada)*.

11. HARMONIZED SALES TAX

The Owner and PUC Transmission acknowledge and agree that the grant of easement which is proposed under this Option Agreement constitutes a purchase and sale transaction of an interest in real property, and therefore, in conformance with subsections 221(2) and 228(4) of the *Excise Tax Act* R.S.C. 1985, c E-15, as amended (“the Act”), PUC Transmission shall report and pay to the Receiver General for Canada the Harmonized Sales Tax (“HST”) applicable to the purchase and sale of the Easement. For the purposes of this Section 11, PUC Transmission warrants that it is an HST registrant in good standing under the Act, that its HST registration number is 71848 0007 RT0001 and that it is acquiring the Easement for use primarily in the course of its commercial activities.

12. NOTICE OF OPTION

PUC Transmission may, in its sole discretion and at its sole expense register this Option Agreement or notice thereof on title to the Lands.

13. NO OTHER RIGHTS

The Owner covenants and agrees with PUC Transmission that the Owner shall not grant, create or transfer any easement, right, covenant, restriction, privilege, permission, or other agreement in, through, under, over or in respect of the Easement Lands prior to the registration of the Easement without the prior written consent of PUC Transmission.

14. PRIOR ENCUMBRANCES

The Owner hereby grants PUC Transmission permission, should PUC Transmission elect in its sole discretion, to approach any encumbrancer having an interest in the Easement Lands in priority to the Easement Agreement and to obtain (in registrable form) and register all necessary consents, postponements or subordinations from all current and future encumbrancers having an interest in the Easement Lands in priority to the Easement Agreement or this Option Agreement consenting, postponing or subordinating such encumbrance and their respective rights, title and

interest to the Easement and this Option Agreement or to place the Easement Agreement and this Option Agreement in first priority on title to the Easement Lands.

15. TIME OF ESSENCE

Time shall in all respects be of the essence hereof; provided, however, that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing between the parties or their respective counsel.

16. NOTICES

Notices to be given to either party shall be in writing, and will be sent via electronic mail ("email"), personally delivered or sent by registered mail (except during a postal disruption or threatened postal disruption), telegram, electronic facsimile or other similar means of prepaid recorded communication to the applicable address set forth below (or to such other address as such party may from time to time designate in such manner):

PUC (TRANSMISSION) LP:

500 Second Line East
Sault Ste. Marie ON P6B 4K1

Attention: Mr. Robert Brewer
Email: robert.brewer@ssmpuc.com

with a copy to its solicitors,

Spadafora Johnson Lepore LLP
202-747 Queen Street East
Sault Ste. Marie ON P6A 2A8

Attention: Mr. Mark A. Lepore
Email: mlepore@sjl.law

THE CORPORATION OF THE
CITY OF SAULT STE. MARIE:

99 Foster Drive
Civic Centre, Level 4
Sault Ste. Marie ON P6A 5X6

Attention: Legal Department

Notices personally delivered shall be deemed to have been validly and effectively given on the day of such delivery. Any notice sent by registered mail shall be deemed to have been validly and effectively given on the fifth (5th) Business Day following the date on which it was sent. Any notice sent by email, telegram, electronic facsimile or other similar means of prepaid recorded communication shall be deemed to have been validly and effectively given on the Business Day next following the day on which it was sent. "Business Day" shall mean any day which is not a Saturday or Sunday or a statutory holiday in the Province of Ontario.

17. ASSIGNMENT OF OPTION BY PUC TRANSMISSION

PUC Transmission shall have the right to assign all or any part of its interest in this Option Agreement and any or all rights, privileges and benefits accruing to PUC Transmission hereunder without the consent of the Owner prior to or on the Closing Date. Upon and to the extent of such assignment, this Option Agreement shall thenceforth be construed as if originally made with such assignee or assignees instead of PUC Transmission and PUC Transmission shall, to the extent of such assignment, thereupon be relieved of all liabilities and obligations whatsoever arising out of this Option Agreement.

18. SURVIVAL OF REPRESENTATIONS

The parties hereto agree that any representations or covenants contained in this Option Agreement shall not merge on closing, but survive and continue in full force and effect thereafter, but only as to the accuracy of the representation or covenant as at the date of completion of this Option Agreement.

19. ENTIRE AGREEMENT

The parties acknowledge that there are no covenants, representations, warranties, agreements or conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Option Agreement save as expressly set out in this Option Agreement and that this Option Agreement and all Schedules hereto constitute the entire agreement between the parties and may not be modified except as expressly agreed between the Owner and PUC Transmission in writing.

20. SEVERABILITY

Any provision or provisions of this Option Agreement is declared illegal or unenforceable, it or they shall be considered separate and severable from the Option Agreement and the remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

21. GOVERNING LAW

This Option Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

22. SUCCESSORS AND ASSIGNS

This Option Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, attorneys, guardians, estate trustees, executors, trustees, successors and permitted assigns.

23. EXECUTION AND DELIVERY

This Option Agreement may be executed in any number of counterparts, each of which is deemed to be an original and all of which taken together constitutes one agreement. To evidence the fact that it has executed this Option Agreement, a party may send a copy of its executed counterpart to all other parties by a delivery method set out in Section 16 herein (the "Transmission") and the signature transmitted by such Transmission is deemed to be its original signature for all purposes.

24. PLANNING ACT

This Option Agreement is subject to the express condition that it is to be effective only if the provisions of the *Planning Act, R.S.O. 1990, c. P.13* and amendments thereto are complied with.

25. FURTHER ASSURANCES

The Owner covenants and agrees to execute, if necessary, at no further cost or condition to PUC Transmission such other instruments, plans and documents as may reasonably be required by PUC Transmission to effect the registration of the Easement or notice of this Option Agreement on title to the Lands.

26. SPOUSAL CONSENT

The Owner represents that, except to the extent such consent has been obtained, spousal consent to this transaction is not necessary and on closing will not be necessary under the provisions of the *Family Law Act, R.S.O. 1990, c. F.3*.

27. AGE

The Owner represents that the Owner is at least 18 years of age.

28. INDEPENDENT LEGAL ADVICE AND REPRESENTATION

The Owner acknowledges that the Owner is entitled to consult with an independent solicitor of the Owner's choice prior to entering into this Agreement. Further, the Owner acknowledges that he/she may retain independent legal representation for the purposes of all matters arising in connection with this Agreement. In entering into this Agreement, the Owner acknowledges he/she has had the opportunity to seek independent legal advice, and either has done so or has chosen not to do so. PUC Transmission agrees to pay the Owner's reasonable legal costs in connection with such independent legal advice or representation.

SCHEDULE "C"
TRANSFER AND GRANT OF EASEMENT

Whereas the Transferor is the owner in fee simple and in possession of the Easement Lands (as hereinafter defined);

And Whereas the Transferee has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) herein) in, through, under, over, across, along and upon the Easement Lands (as hereinafter defined);

1. The Transferor hereby grants and conveys to the Transferee, its successors and assigns, the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges in perpetuity (the "**Rights**") on, in, through, under, over across, along and upon that portion of the Lands of the Transferor described in the Properties Section of the Transfer Easement to which this Schedule is attached (the "**Easement Lands**") for the following purposes:
 - (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times on, in, through, under, over, across, along and upon the Easement Lands an electricity transmission system consisting of pole structures, towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by such system (all or any of which are herein individually or collectively called the "**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
 - (b) To enter on and cut or prune, and to clear and keep clear, and remove all trees, branches, bush and shrubs and other obstructions and materials, over or upon the Easement Lands, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
 - (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Easement Lands as the Transferee in its discretion considers requisite.
 - (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Easement Lands as the Transferee may from time to time consider necessary.
 - (e) Except for permitted paragraph 2(a) installations, to clear the Easement Lands and keep same clear of all buildings, structures, erections, installations, or other

obstructions of any nature (hereinafter collectively called the “**obstruction**”) whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endangers its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.

- (f) To enter on and exit by the Transferor’s access routes and to pass and repass at all times on, in, over, along, upon and across the Easement Lands and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.
- (g) To remove, relocate and reconstruct the line on or under the Easement Lands subject to payment by the Transferee of additional compensation for any damage caused thereby.

2. The Transferor agrees that:

- (a) It will not interfere with any Works established on or in the Easement Lands and shall not, without the Transferee’s consent in writing erect or cause to be erected or permit in, under or upon the Easement Lands any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee’s consent in writing, change or permit the existing configuration, grade or elevation of the Easement Lands to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Easement Lands shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Easement Lands (the “**Installation**”) or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days’ notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorized interference aforesaid or contravention of this paragraph, or if any authorized interference, obstruction or Installation is not maintained in accordance with the Transferee’s instructions or in

the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction, Installation or contravention complained of from the Easement Lands, without being liable for any damages cause thereby.

- (b) notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Easement Lands and shall at any time and from time to time be removable in whole or in part by Transferee.
 - (c) no other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Easement Lands, prior to the registration of a Transfer of this grant of Rights.
 - (d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.
 - (e) The Rights hereby granted:
 - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Easement Lands; and
 - (ii) are declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a).
3. The Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the transfer of Easement herein so as to place such Rights and easement in first priority on title to the Easement Lands.
4. Except to the extent attributable to wilful or negligent acts of the Transferor or its servants, employees, agents, contractors, subcontractors, permittees, licensees, lessees or those for whom such agents, contractors, subcontractors, permittees, licensees, or lessees are responsible, the Transferee will at all times indemnify and save harmless the Transferor from any and all manner of claims, demands, losses, costs, charges, damages, expenses, actions or other proceedings, whenever and howsoever arising, including those concerning any environmental liability, those arising under the Occupiers Liability Act, and those for compensation under the Workplace Safety and Insurance Act, 1997 or any similar Act, made or brought against, suffered by, or imposed upon the Transferor or its property, servants, agents, or any other person, firm or corporation, in respect of any injury, death, loss or damage of or to any person or property (including, without limitation servants, agents, permittees, invitees, licensees, lessees, and property of the Transferor and the Transferee) directly or indirectly arising out of, resulting from or sustained by the reason of this easement or the Transferee's occupancy or use of the Easement Lands or any buildings, fixtures, improvements, structures or chattels thereon, or the Transferee's use of other lands of the Transferor for any purpose whatsoever, including ingress to or egress from the Easement Lands, or any operation connected

with this easement, or any breach or non-performance by the Transferee of its covenants and obligations under this easement.

5. The Transferee agrees to maintain at all times a minimum of Five Million (\$5,000,000.00) Dollars comprehensive public liability insurance in respect of personal injury, death, loss or damage of or to any person or property of third parties, with insurers of recognized responsibility.
6. There are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
7. No waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
8. The burden and benefit of this transfer of Rights shall run with the Easement Lands and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

SCHEDULE "D"
ACKNOWLEDGEMENT AND DIRECTION

TO: PUC (Transmission) LP ("PUC TRANSMISSION")

AND TO: Spadafora Johnson Lepore LLP, PUC Transmission's Solicitors herein

AND TO: Any and all designees of the above

RE: Option Agreement dated March 25, 2024, (the "Option Agreement") and the Transfer and Grant of Easement in substantially the form attached as Schedule "C" to the Option Agreement (the "Easement Agreement")

This will confirm that:


- PUC Transmission and the Owner have reviewed the information set out in the Option Agreement and the draft document(s) attached to the Option Agreement, and that this information is accurate;
- You are authorized and directed to sign and register electronically on behalf of the undersigned the Option Agreement and the Easement Agreement as well as any other document(s) required to complete the transaction described above;
- You are authorized to amend the Option Agreement and the Easement Agreement as may be required to effect registration of such document including the insertion of a registerable legal description to describe the lands subject to the easement being granted pursuant to the Easement Agreement in the event one is not available at the time of execution of the Option Agreement; provided such amendments are non-material to the terms of the Option Agreement and the Easement Agreement and do not expand the description of the Easement Lands as described and/or illustrated in the Option Agreement in any material manner;
- The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to the Owner and PUC Transmission, and the Owner and PUC Transmission understand that each are parties to and bound by the terms and provisions of these electronic document(s) to the same extent as if each had signed these documents;
- You are directed to insert the names set forth in the signatory section of the Option Agreement as persons authorized (or other authorized signing officers of PUC Transmission) to act on behalf of PUC Transmission and the Owner, as applicable;
- The Owner acknowledges that Spadafora Johnson Lepore LLP has not met with them nor been engaged by them, is not entering into a solicitor-client relationship with them and is not representing them solely or jointly with PUC Transmission for the purposes of the preparation, negotiation, completion or registration of the Option Agreement or the Easement Agreement. Spadafora Johnson Lepore LLP will act in a limited capacity as agent for the undersigned

for the purposes of registering the Option Agreement and the Easement Agreement; and

- PUC Transmission and the Owner are in fact the parties named in the electronic documents described in this Acknowledgement and Direction and each has not misrepresented the identity of same to you.

Dated the 8th day of April, 2024.

**THE CORPORATION OF THE CITY OF
SAULT STE. MARIE**

Per: 
Name: Matthew Shoemaker
Title: Mayor

Per: 
Name: Rachel Tyczinski
Title: City Clerk

We have authority to bind the Corporation