

SOLAR GROUND LEASE AGREEMENT

This SOLAR ENERGY GROUND LEASE AGREEMENT ("Agreement") is entered into by and between the Kenai Peninsula Borough, an Alaska municipal corporation, whose mailing address is 144 North Binkley Street, Soldotna, Alaska 99669 (hereinafter "KPB" or "Lessor"), and Utopian Power, LLC, (UP) a Michigan Company, whose address is 6036 7 Mile Road, South Lyon, MI 48178 (hereinafter "UP" or "Lessee"). The Effective Date of this Agreement shall be the date the KPB executes the Agreement.

PART I. BACKGROUND

1. Purpose. The KPB owns certain real property located in the Kenai Peninsula Borough, in the state of Alaska, that is more particularly described and/or depicted in Exhibit 1 attached hereto (the "Property"). For good and valuable consideration, the parties agree that the KPB will grant UP the right to use a portion of the Property in accordance with the terms of this Agreement.

2. Authorized Contact. All communications about this Agreement shall be directed as follows, any reliance on a communication with a person other than the person listed below is at the party's own risk.

KPB

Name: Kenai Peninsula Borough
Attn: Land Management Division
Mailing Address: 144 N. Binkley St.
Soldotna, AK 99669

LESSEE

Utopian Power, LLC
6036 7 Mile Road
South Lyon, MI 48178

3. Contract Documents. As authorized by KPB Ordinance 2022-_____, this Agreement is the final and complete understanding of the Parties. The following exhibits and appendices are attached and are considered part of this Agreement as well as anything incorporated by reference or attached to those exhibits or appendices:

Appendix A: Lease Provisions Required by KPB 17.10

Exhibit 1: Utopian Power Solar Energy Lease Option Agreement

Exhibit 2: Description of the "Property" and the "Leased Premises"

Exhibit 3: Leased Premises site sketch or maps

Exhibit 4: Memorandum of Lease

If in conflict, the Agreement shall control. If in conflict, the order of precedence shall be: the Agreement, Appendix A, Exhibit 1, Exhibit 2, and then Exhibit 3.

4. Definitions.

4.1. The term “Leased Premises” means the area within the Property that may be used by UP for the uses, purposes and upon the terms and conditions of this Agreement as more particularly described and shown on Exhibit 1 and Exhibit 2.

4.2. The term “Property” means the real property owned by the Kenai Peninsula Borough that is subject to this Agreement wherein a portion of the real property a solar energy farm is to be located, is leased to UP pursuant to the terms of this Agreement.

4.3. The term “Site” refers to the individual area set out in Section 5.1 used to construct and install the solar Facilities.

4.4. The terms “Solar Farm” includes erecting, installing, operating and maintaining solar generating power equipment, related structures and improvements necessary to the operation of a 2-Megawatt facility;

PART II. PROPERTY DESCRIPTION; USE; RENT

5. Description of Property.

5.1. Subject to the terms and conditions of this Agreement, KPB hereby leases to UP the following generally described property and/or space:

a) The surface use of that entire property referred to as the Sterling Special Waste Site containing approximately 40 acres comprised of a solar production and production area buffer, including the air space above such ground space as described and depicted on Exhibit 1 and legally described as follows:

Government Lot 3 of Section 1, Township 5 North, Range 9 West, Seward Meridian, Kenai Recording District, Third Judicial District, State of Alaska

5.2. The solar production and solar production buffer area descriptions within the leased premises may be adjusted by mutual written agreement of the parties, subject to the condition that the adjusted description may not conflict with or impact any prior mitigation efforts.

6. Allowed Use.

6.1. The Leased Premises is being leased for the purpose of erecting, installing, operating and maintaining a Solar Farm for the purpose of generating electricity to be sold to third parties. UP may, subject to the foregoing, make any improvement, alteration or modification to the Leased Premises as are deemed appropriate by UP as defined in the development plan for the permitted use herein. UP will have the right to clear the Leased Premises of any trees, vegetation, or undergrowth which interferes with UP’s use of the Solar Production Area of the Leased Premises for the intended purposes. UP will have the exclusive right to install and operate, or contract for the installation, operation and maintenance, upon the Leased Premises a Solar Farm facility, which may include solar arrays, support structures, above and below ground conduit, towers, communication equipment, batteries, buildings, equipment, weather antennas, fencing, improved

roads and other accessories related thereto, and to alter, supplement, and/or modify same as may be necessary. Any and all allowed uses are conditioned upon, 1. KPB review and approval of Lessee's development plan; 2, No damage to the existing landfill liners and or monitoring wells; 3, KPB retaining access as may be deemed necessary for solid waste site management.

7. Rent.

7.1. During the term(s) of this Agreement, UP shall pay a base annual rent payment of \$250.00 per acre for a total annual lease amount of Ten Thousand Dollars (\$10,000.00). Additional rental compensation shall come in the form of a 12% royalty to be based on the gross revenue from the sale of power generated from the Solar Farm each calendar year. Said royalty to be paid on an annual basis, on or before February 15. The gross revenue generated shall be determined by review of annual reporting submitted by UP providing an annual summary along with supporting documentation of total kilowatt hours of energy generated, rate of sale for said energy and a copy of all respective IRS-1099 documentation.

8. Term.

8.1. The initial term will be twenty-five (25) years (the "Initial Term"), commencing on the Effective Date.

8.2. UP will have the option to extend the term of this Agreement for two (2) successive terms of ten (10) years each (each, a "Renewal Term"). Each Renewal Term will commence automatically, unless UP delivers notice to KPB, not less than thirty (30) days prior to the end of the then-current Term, of UP's intent not to renew. For purposes of this Agreement, "Term" includes the Initial Term and any applicable Renewal Term(s).

8.3. Should UP or any assignee, sublessee or licensee of UP hold over the Leased Premises or any part thereof after the expiration of this Agreement, such holdover shall constitute and be construed as a tenancy from month-to-month only, but otherwise upon the same terms and conditions.

PART III. TERMINATION; SECURITY; ACCESS; REMOVAL

9. Termination; Cancellation. This Agreement may be terminated or cancelled, without penalty or further liability, as follows:

9.1. By UP within 180 days of executing this Agreement, upon written notice to KPB, if UP is unable to obtain, or maintain any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the aforementioned Solar Farm; or if UP in its sole discretion that the cost of or delay in obtaining or retaining the same is commercially unreasonable;

9.2. By KPB, upon written notice to UP, if UP is in breach of any term of this Agreement and fails to cure the breach within 60 days of the date a notice of breach is sent to UP, or 30 days if the breach is due to damage to critical solid waste infrastructure or obstruction to the repair or management thereof.

9.3. By KPB, upon written notice to UP, if by five (5) years from the commencement date, a Solar Farm Facility is not constructed, installed, and operational within the Leased Premises as contemplated under Section 6.

10. Taxes. UP shall pay any property taxes assessed on, or any portion of such taxes attributable to, the Solar Farm Facilities located on the Leased Premises, including private leasehold or possessory interest taxes as may be assessed by a taxing authority.

11. Fence & Site Security. Notwithstanding Section 4 above, UP will install a locked, galvanized chain link fence at least eight feet (8') in height around the perimeter of the Leased Premises to protect against unauthorized access. UP may also elect, at its expense, to construct such other enclosures and/or fences as UP reasonably determines to be necessary to secure its improvements situated upon the Leased Premises. UP may also undertake any other appropriate means to restrict access to the Leased Premises, including, without limitation, posting signs for security purposes. In addition to the above-referenced security measures, UP agrees, at its sole expense and as a condition of the lease, to develop and extend Jacobsen Avenue East to the easterly lot boundary of the leased parcel.

12. Access, Maintenance, and Utilities.

12.1. **Access.** During the Term, UP and its guests, agents, customers, lessees, sublessees and assigns will have the unrestricted, exclusive right to use, and will have free and unfettered access to, the Leased Premises seven (7) days a week, twenty-four (24) hours a day. KPB agrees to cooperate with UP's efforts to obtain such utilities and services. If there are utilities already existing on the Leased Premises which serve the Leased Premises, UP may utilize such utilities and services. Upon UP's request, KPB will execute and deliver to UP requisite recordable documents evidencing the easements contemplated hereunder within fifteen (15) days of UP's request.

12.2. **Maintenance.** UP will keep and maintain the Leased Premises in good condition.

12.3. **Utilities.** UP is solely responsible for installing meters for utility use and payment, as applicable, and shall not connect to any KPB-owned electrical, communication, or other utility without KPB's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed.

13. Equipment, Fixtures and Removal. The Solar Farm Facility will at all times be the personal property of UP and/or its sublessees and licensees, as applicable. UP or its customers shall have the right to erect, install, maintain, and operate on the Leased Premises such equipment, structures, fixtures, signs, and personal property as UP may deem necessary or appropriate. Such property, including the equipment, structures, fixtures, signs, and personal property currently on the Leased Premises, with the specific exclusion of the exterior security fence, will not be deemed to be part of the Leased Premises, but will remain the property of UP or its customers. Unless otherwise agreed to in writing by the parties, within ninety (90) days after the expiration or earlier termination of this Agreement, or upon cessation, abandonment, or non-use of the leased premises for a period of six (6) consecutive months following construction of the tower (the "Removal Period"), UP must remove its improvements and restore the Leased Premises to grade in a natural condition free of contamination, and erosion concerns, reasonable wear and tear excepted, which shall include removal of all concrete and other foundation

materials, and perform all obligations under this Agreement during the Removal Period, including without limitation, the payment of Rent on a prorated per diem basis, at the rate in effect upon the expiration or termination of this Agreement. Any property not so removed shall be deemed abandoned and may be removed and disposed of by KPB in such manner as KPB will determine, without any obligation on the part of KPB to account to UP for any proceeds therefrom. Time is of the essence.

PART IV. ASSIGNMENT; KPB COLLOCATION; WARRANTIES

14. Assignment. UP may assign this Agreement to any person or entity, at any time with prior written consent of KPB's Mayor which will not be unreasonably withheld or delayed so long as the assignee agrees to the assignment and novation and complies with all terms of this Agreement. Notwithstanding the foregoing, upon thirty (30) days' written notice to KPB, UP may assign this Agreement or its rights or obligations to (a) any person or entity controlling, controlled by, or under common control with UP, or (b) in connection with the sale or other transfer of substantially all of UP's assets in the market area where the Leased Premises is located.

15. Rights Reserved by KPB.

15.1. KPB reserves the right to install communication equipment on leased premises, provided however that the installation of such equipment in no way obstructs UP's use and productivity of the leased premises. KPB reserves the right to lease to a third party a communication site up to 60'X60' along with reasonable and prudent access within the buffer area at which time said area shall be removed from the lease. Rental adjustments shall also be made to the base rental fees to account for the area removed on a prorated basis.

15.2. KPB reserves the right to enter and conduct required subsurface testing of the leased premises as may be required by local, state or federal regulatory agencies. The primary management obligation of the leased premises shall continue to be for the regulatory compliance of the prior solid waste facility. In the event a conflict exists between the proposed use of UP and the management obligations of KPB, the reserved rights of KPB required for the continued management of the site shall be considered the priority use of the leased premises.

15.3. KPB expressly reserves all subsurface interests in and to the leased premises. No subsurface activities, including excavation, shall be allowed on the leased premises without the written approval of KPB.

16. Covenants, Warranties and Representations.

16.1. KPB represents and warrants that KPB is the owner in fee simple of the Property, free and clear of all liens and encumbrances except those which may have been disclosed to UP in writing prior to the execution hereof, and that KPB alone has full right to lease the Leased Premises for the Term.

16.2. KPB hereby represents the prior use of the leased premises as a decommissioned solid waste facility. Continued management obligations exist wherein KPB may be required to take future management actions as necessary to satisfy regulatory compliance of the site.

16.3. KPB will not do or knowingly permit anything during the leased term not related to KPB's ongoing management obligations related to the solid waste facility located on the leased premises that will unreasonably interfere with or negate UP's quiet enjoyment and surface use of the Leased Premises, or cause UP's use of the Leased Premises to be in nonconformance with applicable local, state, or federal laws provided, however, UP's use does not conflict with continued management obligations of KPB. In such case any management obligations of KPB shall be considered a priority use of the site. KPB will cooperate with UP in any effort by UP to obtain certificates, permits, licenses and other approvals that may be required by any governmental authorities. KPB agrees, in its capacity as landowner, to promptly execute any necessary applications, consents or other documents as may be reasonably necessary for UP to apply for and obtain the proper zoning approvals required to use and maintain the Leased Premises and the Communication Facilities.

16.4. Subject to Section 12 above, UP will have access to all utilities required for the operation of UP's improvements on the Leased Premises that are existing on the Property.

16.5. KPB has not granted any third-party licenses, sublicenses, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of the Leased Premises; there are no outstanding options or rights of first refusal to purchase the Property or any portion thereof or interest therein, or any equity or interest in KPB if KPB is an entity; and there are no parties (other than KPB) in possession of the Leased Premises except as to those that may have been disclosed to UP in writing prior to the execution hereof.

16.6. Each party hereto warrants and represents that it has the necessary power and authority to enter into and perform its respective obligations under this Agreement.

17. Waivers.

17.1. KPB hereby waives any and all lien rights it may have, statutory or otherwise, in and to the Solar Facilities or any portion thereof, regardless of whether or not such is deemed real or personal property under applicable laws. KPB will not assert any claim whatsoever against UP for loss of anticipatory profits or any other indirect, special, incidental or consequential damages incurred by KPB as a result of the construction, maintenance, operation or use of the Leased Premises by UP.

17.2. EACH PARTY HERETO WAIVES ANY AND ALL CLAIMS AGAINST THE OTHER FOR ANY LOSS, COST, DAMAGE, EXPENSE, INJURY OR OTHER LIABILITY WHICH IS IN THE NATURE OF INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHICH ARE SUFFERED OR INCURRED AS THE RESULT OF, ARISE OUT OF, OR ARE IN ANY WAY CONNECTED TO THE PERFORMANCE OF THE OBLIGATIONS UNDER THIS AGREEMENT.

PART V. INSURANCE; INDEMNIFICATION; MISCELLANEOUS TERMS

18. INSURANCE. Insurance coverage required under this Agreement shall be primary and exclusive of any other insurance carried by the Borough. Minimum levels of insurance coverage required under this Agreement shall remain in effect for the life of this Agreement and shall be a part of the contract price. If UP's policies contain higher limits, the KPB shall be entitled

to coverage to the extent of such higher limits. There shall be no cancellation or material change of the insurance coverages, or intent not to renew the insurance coverages as specified in this Agreement, without thirty (30) calendar days' prior written notice to the Borough. Certificates of Insurance, acceptable in form and content, will be delivered to the Borough at the time of submission of the signed Agreement and updated certificates shall be provided upon insurance coverage renewal, where applicable. UP shall provide and maintain:

18.1. Commercial General Liability (CGL): The CGL Policy shall be written on an occurrence basis and with a limit of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) each occurrence and aggregate. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, broad-form property damage, independent contractors, products-completed operations, personal injury and advertising injury, explosion, collapse, underground hazards, and liability assumed under a contract including the tort liability of another assumed in a business contract. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy. This policy shall name the KPB as Additional Insured. To the extent damages are covered by commercial general liability insurance, subrogation shall be waived.

18.2. Umbrella / Excess policy: With limits of \$2,000,000 per occurrence and in the aggregate, UP may use any combination of primary and excess insurance to meet the total limits required. This policy shall name the KPB as Additional Insured. To the extent damages are covered by commercial general liability insurance, subrogation shall be waived.

18.3. Worker's Compensation Insurance: For all employees engaged in work under this Agreement, Workers' Compensation Insurance in accordance with the laws of the State of Alaska. The Contractor shall be responsible for Workers' Compensation Insurance for any subcontractor(s) who directly or indirectly provides services under this Agreement. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) each accident, FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) each person and FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) policy limit. Where applicable, coverage for all federal acts (i.e., U.S.L. & H and Jones Act) must also be included.

18.4. Property Insurance: Insuring against all risks of loss to any UP improvements at full replacement cost with no insurance penalty provision. UP shall have the right to self-insure such Property Insurance.

18.5. Automobile Liability: The Auto Liability Policy shall include a Combined Single Limit of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00); Underinsured and Uninsured Motorists limit of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00); coverage shall include Non-Owned and Hired Car coverage. This policy shall name the KPB as Additional Insured. To the extent damages are covered by auto liability insurance, subrogation shall be waived.

18.6. Full policies. At its option, the KPB may request copies of required policies and endorsements. Such copies shall be provided within (10) TEN CALENDAR DAYS of the KPB's request. All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Alaska.

18.7. No Representation of Coverage Adequacy. By requiring insurance herein, the KPB does not represent that coverage and limits will necessarily be adequate to protect UP, sublessee, and/or contractor(s) or subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the contractor(s) and subcontractor(s) of any tier under the indemnities granted to the KPB in this Agreement.

18.8. Self-insurance. Notwithstanding the foregoing, UP may self-insure any required coverage under the same terms as required by this Agreement.

19. Waiver of Subrogation. To the extent allowed by law, UP hereby grants to the KPB a waiver of any right of subrogation which any insurer of said UP may acquire against the KPB by virtue of the payment of any loss under such insurance. This provision applies regardless of whether or not the KPB has received a waiver of subrogation endorsement from the insurer. It is the Lessors sole and strict responsibility to notify its insurer of this obligation and obtain a waiver of subrogation endorsement from the insurer, if required.

20. Lessee Liabilities. In addition to other liabilities under this Agreement, UP has the following liabilities and agrees:

20.1. UP assumes all risk of loss, damage or destruction to UP's improvements on the Leased Premises.

20.2. UP will comply with all applicable federal, state, and local laws or regulations, including relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, permitting, construction, operation and maintenance of any facility, improvement and/or equipment on the Leased Premises.

20.3. The KPB has no duty, either before or during the Lease Term, to inspect the Leased Premises or warn of hazards and if the KPB inspects the Leased premises, it shall incur no additional duty nor any liability for hazards not identified or discovered through such inspections. This Section shall survive the termination or revocation of this Agreement, regardless of cause.

20.4. The UP has an affirmative duty to protect from damage the Property and interests of the KPB related to this Agreement, specifically to include existing and future containment and monitoring infrastructure of the solid waste facility.

21. Indemnification.

21.1 UP agrees to defend, indemnify, and hold harmless KPB, its employees, public officials, and volunteers, with respect to any action claim or lawsuit arising out of (1) a breach of this Agreement or (2) the use and occupancy of the Leased Premises or the Property by UP. This agreement to defend, indemnify, and hold harmless includes all losses and liabilities without limitation as to any damages resulting from judgment, or verdict, and includes the award of any attorney's fees even if in excess of Alaska Civil Rule 82. The obligations of UP arise immediately upon notice to the KPB of any action, claim, or lawsuit. KPB will notify UP in a timely manner of the need for indemnification but such notice is not a condition precedent to UP's obligation and may be waived where UP has actual notice. This Agreement applies and is in full force and effect whenever and wherever any action, claim or lawsuit is initiated, filed, or otherwise brought against the KPB relating to UP's use and occupancy of the Leased Premises or the

Property. Notwithstanding the foregoing, UP's duty to indemnify, defend, and hold harmless KPB as set forth above shall not apply to the extent a claim arises from the negligence or willful misconduct of KPB, its employees, public officials, and volunteers.

22. Inspection. The KPB reserves the right to enter upon and inspect the Leased Premises at any time to assure compliance with the conditions of this Lease. Except in case of emergency, the KPB shall provide UP with at least forty-eight (48) hours' prior written notice of KPB's intention to enter upon and inspect the Leased Premises. UP reserves the right to have a representative present at all times during KPB's inspection.

23. Force Majeure. The time for performance by KPB or UP of any term, provision, or covenant of this Agreement will be deemed extended by time lost due to delays resulting from acts of God, strikes, civil riots, floods, material or labor restrictions by governmental authority, and any other cause not within the control of KPB or UP, as the case may be.

24. Default. The failure of UP or KPB to perform any of the covenants of this Agreement will constitute a default. The non-defaulting party must give the other written notice of such default, and the defaulting party must cure such default within thirty (30) days after receipt of such notice. Should the defaulting party fail to cure a default under this Agreement, the other party will have all remedies available either at law or in equity, including the right to terminate this Agreement.

25. Lessee Mortgages.

25.1. KPB consents to the granting by UP of a lien and security interest (each, a "UP Mortgage") in UP's interest in this Agreement and all of UP's personal property and fixtures attached to the real property described herein to one or more lenders (any such lender, and any successor, assign, designee or nominee of such lender, hereinafter a "Lender") only to the extent and amount necessary to maintain improvements on the Leased Premises. The UP may not encumber the leasehold interest or the Leased Premises to finance projects or improvements outside of the Leased Premises. KPB agrees to recognize Lender as UP hereunder upon any such exercise by Lender of its rights of foreclosure. Any such encumbrance shall be subordinate to KPB's rights and interest in the Leased Premises and the Property. Any such encumbrance shall be limited to the UP's interest in the Leased Premises. It is a material breach of this Agreement for UP to attempt to encumber any interest in KPB's title to or interest in the Leased Premises or the Property.

25.2. KPB acknowledges that nothing contained herein shall be deemed or construed to obligate Lender to take any action hereunder, or to perform or discharge any obligation, duty or liability of UP under this Agreement. No Lender shall become liable under the provisions of this Agreement unless and until such time as the Lender assumes ownership of the leasehold estate created hereby and agrees to comply with the terms and conditions of this Agreement or any extensions and modifications thereof.

26. Miscellaneous.

26.1. *Survival.* If any term of this Agreement is found to be void or invalid, such invalidity will not affect the remaining terms of this Agreement, which will continue in full force and effect.

26.2. *Non-waiver.* Failure of Party to insist on strict performance of any of the conditions or provisions of this Agreement, or failure to exercise any of a Party's rights hereunder, will not waive such rights.

26.3. *Governing Law.* This Agreement will be governed by and construed in accordance with the laws of the State of Alaska.

26.4. *Bind and Benefit.* This Agreement is binding upon and will inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors and assigns.

26.5. *Memorandum.* A short-form Memorandum of Lease may be recorded at KPB or UP's option in the form as depicted in Exhibit 3, attached hereto. The KPB will promptly execute any Memorandum of Lease or Memorandum of Amendment to Lease, or corrective amendments thereto, upon written request of UP.

26.6. *W-9.* As a condition precedent to payment, the KPB agrees to provide the UP with a complete IRS Form W-9, or its equivalent, upon execution of this Agreement.

26.7. *Counterparts.* This Agreement may be executed in counterpart, and may be executed by electronic signature in compliance with AS 09.43 and 15 USC 7002, each of which when so executed and delivered shall be considered an original and all of which when taken together will constitute one and the same instrument.

26.8. *Entire Agreement.* This Agreement and exhibits, appendices or incorporated attachments hereto, constitute the entire agreement and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Agreement.

PART VI. EXECUTION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date (date last signed by a party hereto).

LESSOR: The Kenai Peninsula Borough

By: _____

Print Name: _____

Date: _____

LESSEE: Utopian Power, LLC

By: _____

Print Name: _____

Its: _____

Date: _____

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Johni Blankenship, Borough Clerk

A. Walker Steinhage, Deputy Borough Attorney

LESSOR ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by _____, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

LESSEE ACKNOWLEDGMENT

STATE OF _____)
) ss:
THIRD JUDICIAL DISTRICT)

On the ____ day of _____, 202_, before me personally appeared _____, and acknowledged under oath that he/she is the _____ of Utopian Power, an _____ corporation, the UP named in the attached instrument, and as such was authorized to execute this instrument on behalf of the UP.

Notary Public: _____
My Commission Expires: _____

UTOPIAN POWER GROUND LEASE AGREEMENT

Site Name: Sterling Site

EXHIBIT 1

DESCRIPTION OF PROPERTY AND PREMISES

Page 1 of 1

The Property is legally described as follows:

Government Lot 3 of Section 1, Township 5 North, Range 9 West, Seward Meridian, Third Judicial District, State of Alaska

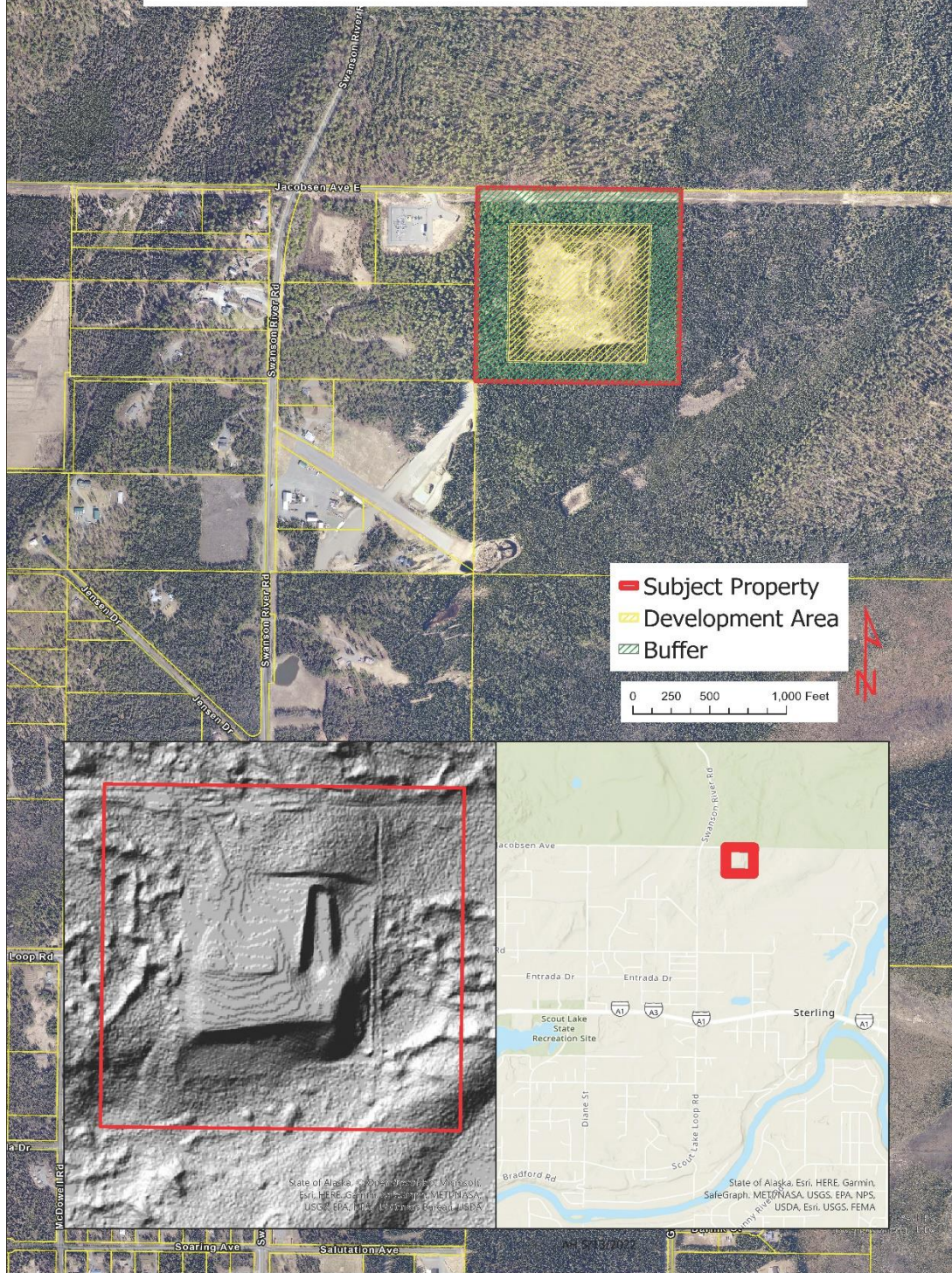
EXHIBIT 2

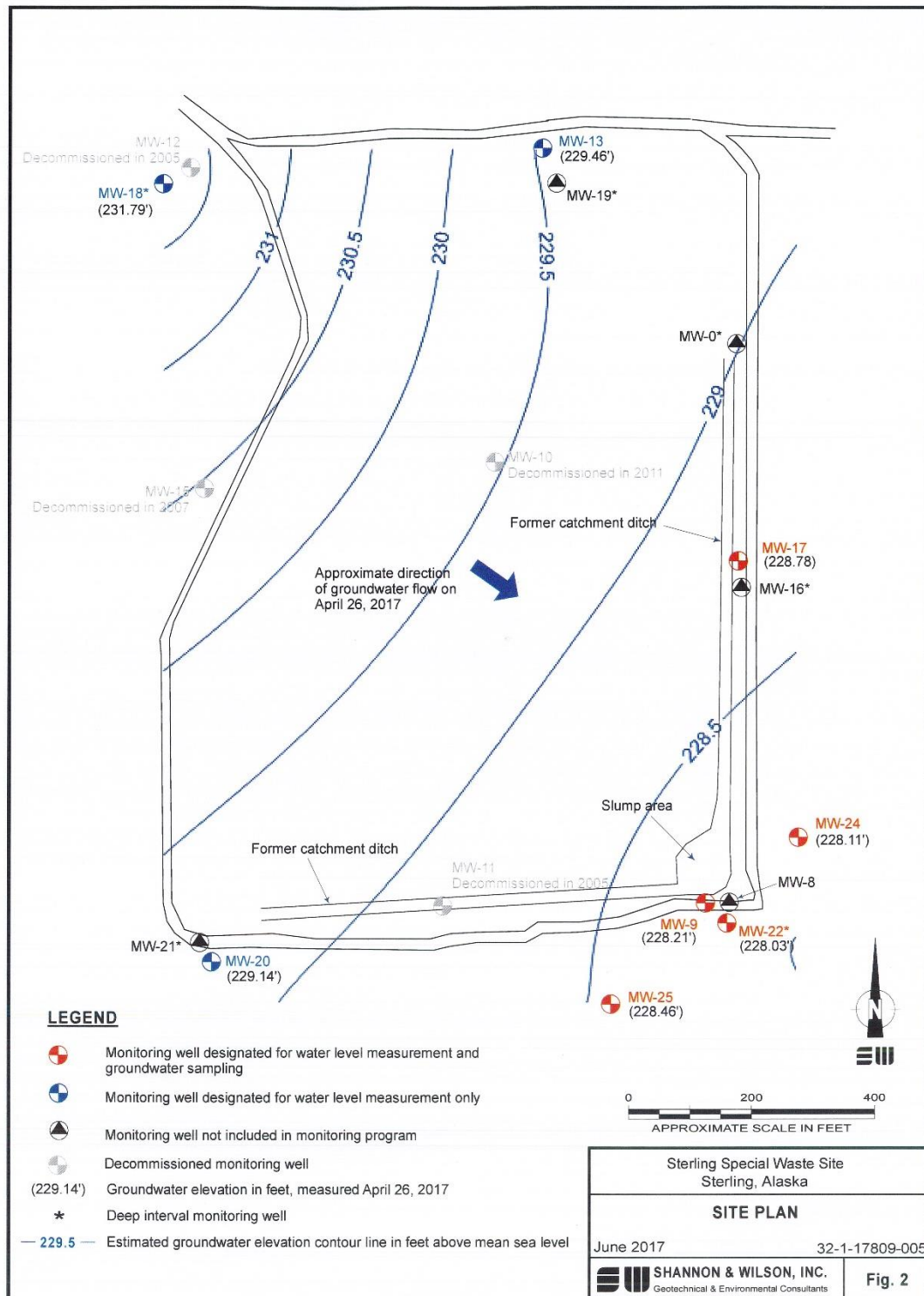
Leased Premises

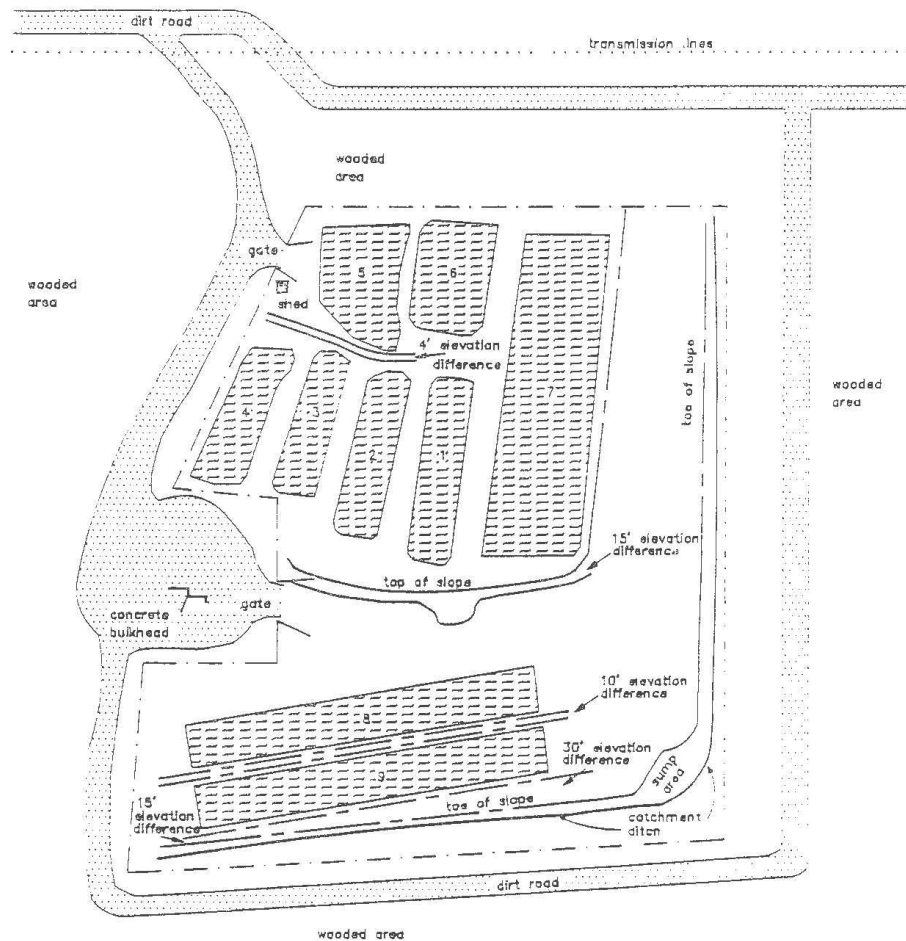
(Attached)

INSERT SITE SURVEY DIAGRAM / SITE SKETCH / MAPS

Utopian Power 2-Megawatt Solar Facility Lease Option and Ground Lease







LEGEND
 Pond
 Fence
 Elevation contour

0 25 50 100 150 200
 approximate scale in feet



ecology & environment, inc.

Job: R10-8506-02 Waste Site: AK0003

Drawn by: Den Pippenger Date: 7/7/86

FIGURE 3.3
 SITE MAP
 STERLING SPECIAL WASTE SITE
 Sterling, AK

APPENDIX A – SITE PLAN



Date: March 31, 2022
To: Kenai Peninsula Borough Assembly
From: Forrest Cohn, Utopian Power
Subject: Development Overview, Borough Land Lease

Hello Assembly,

This memorandum is to summarize the development plan for parcel 06304908 which is owned by the Kenai Peninsula Borough.

Our intention would be to develop this parcel into a solar photovoltaic generator with a capacity of 2MWac. This is an ideal site for solar generation due to it's status as a historic landfill site. In addition to the limited potential use for this site for other purposes the site has ideal sunexposure with very little existing shading.

We are in discussions with Homer Electric Association to enter into a formal study on interconnecting this system into an existing substation which is directly next to this parcel.

This system would bring economic benefits to the area as well as create reliable, cheap, and environmentally responsible power generation to the Kenai Peninsula. This system is a win-win solution for the site for the entire Peninsula.

Please see additional information below.

1. Nature of Improvements:

- a. The site improvements would include concrete ballasted solar arrays. In order to avoid interaction with the unknown underground conditions of the landfill our intent would be to utilize concrete ballasts to mount solar arrays.
- b. From the solar arrays the panels would be wired to inverters creating AC power.
- c. Interconnection with HEA to create a clean energy generator not reliant on fossil fuels.

2. Estimated Value of Improvements:

- a. The total capital expenditure expected for the project would be roughly \$4,000,000.

3. Development and Construction timetable:

- a. The total construction timeline will be approximately 1 year from notice of approval. Our approval will be in the form of an agreement with HEA. At this time there are numerous



steps to complete between now and then. We request a 3 year window to achieve approval.

4. Schematic

- a. Generally speaking we will utilize the entire parcel to mount solar modules. Depending on exact layout agreed upon with the Borough the layout would look similar to the following.





We appreciate the opportunity to present this site proposal to the Borough. If any additional information is requested please do not hesitate to reach out directly.

Thank you

Forrest Cohn *4/6/2022*

Best Regards,

Forrest Cohn
President
Utopian Power
(907) 420-7480
fcohn@utopianpower.com

*lets make this a win win
for all parties.*

MEMORANDUM OF LEASE

MEMORANDUM OF SOLAR GROUND LEASE AGREEMENT

This Memorandum of Real Property Lease is made and entered into this ___ day of _____, 202__ by and between the **Kenai Peninsula Borough, an Alaska municipal corporation, whose mailing address is 144 North Binkley Street, Soldotna, Alaska 99669** (hereinafter the "KPB" or "Lessor"), and **Utopian Power, LLC, (UP) a Michigan Company, whose address is 6036 7 Mile Road, South Lyon, MI 48178** (hereinafter "UP" or "Lessee").

Pursuant to the terms of that certain Solar Ground Lease Agreement (hereinafter called "Agreement") by and between Kenai Peninsula Borough (KPB) and Utopian Power (UP), dated _____, and for the consideration therein stated, Parties have hereby agreed to a Solar Ground Lease Agreement of certain real property and authorized rights located on the real property disclosed as follows:

Government Lot 3 of Section 1, Township 5 North, Range 9 West, Seward Meridian, Kenai Recording District, Third Judicial District, State of Alaska

The term of the Agreement as provided therein is for 25 years, commencing _____, and Lessee has the option to extend the term of the Lease for an additional 2 consecutive 10-year renewal periods, according to the terms and conditions thereof.

All of the terms, conditions, warranties, covenants, and agreements pertaining to the rights granted and as set forth in the executed Agreement are unchanged hereby and incorporated herein by this reference. True and correct copies of the Agreement has been retained by all parties to be used for any legal purpose, including but not limited to disclosure to purchasers or lenders entitled to a security interest in the Agreement or any portion thereof or any person having a lawful right to know the content and details thereof.

IN WITNESS WHEREOF, the Parties to the Agreement have executed this instrument as of the date first above written.

KENAI PENINSULA BOROUGH

Utopian Power, LLC

_____, Mayor

Name, Title

Dated: _____

Dated: _____

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Johni Blankenship, Borough Clerk

A. Walker Steinhage, Deputy Borough Attorney

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 202_, by _____, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

STATE OF _____)
) ss:
THIRD JUDICIAL DISTRICT)

On the ____ day of _____, 202_, before me personally appeared _____, and acknowledged under oath that he/she is the _____ of Utopian Power, an _____ corporation, the UP named in the attached instrument, and as such was authorized to execute this instrument on behalf of the UP.

Notary Public: _____
My Commission Expires: _____

Return to:
KPB Land Management Division
144 North Binkley Street
Soldotna, AK 99669

UTOPIAN POWER GROUND LEASE AGREEMENT

Site Name: Sterling Site