

## **Dolgellau Hydroelectric Project Preliminary Lease Option Agreement**

This agreement is made between Portanow Forestry LLP of 12 Stanhope Gate, London, W1K 1AW ("Landowner") and Green Blades Engineering Ltd, of 2 Jacksons Meadow, Bidford on Avon, Warwickshire, B50 4HQ ("Tenant")

### **1. This agreement:**

- 1.1. Creates various options in favour of the tenant by which, if exercised the Landowner grants a lease of specified land and associated rights for the purpose of installing a hydroelectric generating system and all connecting services
- 1.2. Defines the essential terms of the proposed leases
- 1.3. Sets out the terms of the proposed rents
- 1.4. Deals with the rights of the parties regarding the sale, purchase and alienation of the interests of each of the parties
- 1.5. Deals with the rights and obligations of the parties on the expiry or termination of the proposed lease

### **2. Premises**

The project location is on a tributary within Brithdir Forest, Brithdir, Dolgellau LL40 2SA. Site location plan 220801B02 – V2,

### **3. Options**

The option shall include provision for the following:

- 3.1. Term: two years from the date of this agreement
- 3.2. Permitted use: lease of land for the purpose of hydroelectricity generation
- 3.3. Land boundaries outlined in the site layout drawing 220730LB01 – V3
- 3.4. If the option is not successfully exercised, the option is void and cancelled

### **4. Planning**

- 4.1. Landowner approval: the landowner is to approve the scheme design in so far as it affects his option prior to the tenant submitting the planning application
- 4.2. Landowner requirements: the tenant must incorporate any design features that the Landowner might reasonably require to enable continuation of the Landowner activities, e.g. crossing points over piping or cables and permanent markers showing the route of the piping
- 4.3. No compensation shall be payable in the event of a failure to gain planning permission, approvals or non-implementation of the project

## **5. Option notice**

- 5.1. The tenant may exercise the option by serving an option notice, once planning permission has been obtained; this must be consistent with the planning application (approved as above)
- 5.2. Date of entry into possession: 28 days from service of a valid notice

## **6. Lease subjects**

- 6.1. The intake weir, the site of the turbine house, the piping route and the connecting services (with rights of access thereto)
- 6.2. The location of all the above is shown on the site layout drawing 220730LB01 – V3
- 6.3. Permitted use: as described above
- 6.4. Ownership: all the above hydro equipment remains the property of the Tenant

## **7. Term**

- 7.1. The lease: initially 20 years from date of commissioning (G99 relay test)
- 7.2. The Landlord 1 may grant an extension of the lease of premises by a separate extension agreement

## **8. Termination**

If the extension arrangements described above do not occur, or if the leases are terminated for any other reason at any time then, failing agreement to the contrary between the parties, the Tenant will decommission, remove equipment and re-instate the premises (at its cost) and all obligations are then ended.

## **9. Rent**

- 9.1. Payable to the Landlord, To be agreed post planning approval after review of the electricity selling price at that time
- 9.2. The handling of late rent payments to be agreed as part of the rent negotiation

## **10. Equipment**

- 10.1. Equipment to be owned by Tenant for use on Landowner premise
  - 10.1.1. An approved water extraction weir
  - 10.1.2. Possible eel and/or fish races
  - 10.1.3. 1 intake filter
  - 10.1.4. Small, single I beam bridge
  - 10.1.5. 2 water level sensors and cables

- 10.1.6. Black plastic piping (penstock)
- 10.1.7. Generator house (modified standard 20' shipping container)
- 10.1.8. Outflow race (buried)
- 10.1.9. Control electronics (wall mounted in the generator house)
- 10.1.10. Pole mounted transformer (at powerhouse location)
- 10.1.11. High voltage connection to grid (overhead)

## **11. Tenant obligations**

- 11.1. To agree the design with all necessary stakeholders
- 11.2. To gain planning approval, required licenses and approved grid connection
- 11.3. To build a scheme with minimal impact to the environment and the properties, which does not interfere with forestry or farming operations
- 11.4. To discharge any planning conditions prior to commencement
- 11.5. To minimise tree loss and replant any trees damaged or felled on a 1 for 1 basis
- 11.6. To make good any repairs to forestry tracks, fences etc.
- 11.7. To provide appropriate public liability insurance for the period of construction.
- 11.8. To pay rent
- 11.9. To pay necessary taxes
- 11.10. To keep the leased property tidy and secure
- 11.11. To comply with all requirements of Natural Resources Wales for working on water courses.
- 11.12. Not to conduct or allow any illegal, nuisance or 3<sup>rd</sup> party activities
- 11.13. To allow any requested site inspections or review of company accounts (at summary level)
- 11.14. To comply with relevant Health and Safety requirements.

## **12. Landowner obligations**

- 12.1. To ensure rights of access to the property and access to all necessary site locations through planning, commissioning and operating phases to all required employees, contractors and authorities
- 12.2. To support the planning application (not raise objections)
- 12.3. To not interrupt or unnecessarily delay proceedings
- 12.4. To support any necessary approvals or way leave requirements promptly (costs to be met by tenant) – assist in any negotiations with neighbours if required
- 12.5. To make Tenant aware of any onerous obligations of their land title
- 12.6. To accept that rain fall, system performance and reliability are estimated
- 12.7. To allow necessary equipment (diggers, dumpers, cement mixers, storage container etc.) and temporary accommodation (motorhome) on site for

periods during the construction phase – note: project delivery is planned to not exceed 24 months

- 12.8. To permit periodic maintenance visits (filter cleaning, meter reading and generator or electrical repair) during operation.
- 12.9. To allow the use of onsite gravel and stone for construction
- 12.10. To complete necessary commercial felling of trees required for the pipe route
- 12.11. To permit remote monitoring

### 13. Expenses

- 13.1. All project expenses to be borne by the Tenant
- 13.2. All rates and taxes to be borne by the Tenant

### 14. General


- 14.1. This contract is governed by the law of England and Wales. Any disputes or disagreements between the parties shall be settled by arbitration
- 14.2. Long term non-production. If for any reason the plant is not operated for a period of more than 3 months, a default payment of £1000 per annum will be made to the Landlord for down time that year
- 14.3. Right of sale. If either party wishes to sell their property or their asset, 3 months' notice period must be provided to the other party and the terms of the lease must be transferred to the new owner

Dated 23rd September

2022

Signed by   
on behalf of Portanow Forestry LLP as Landowner:

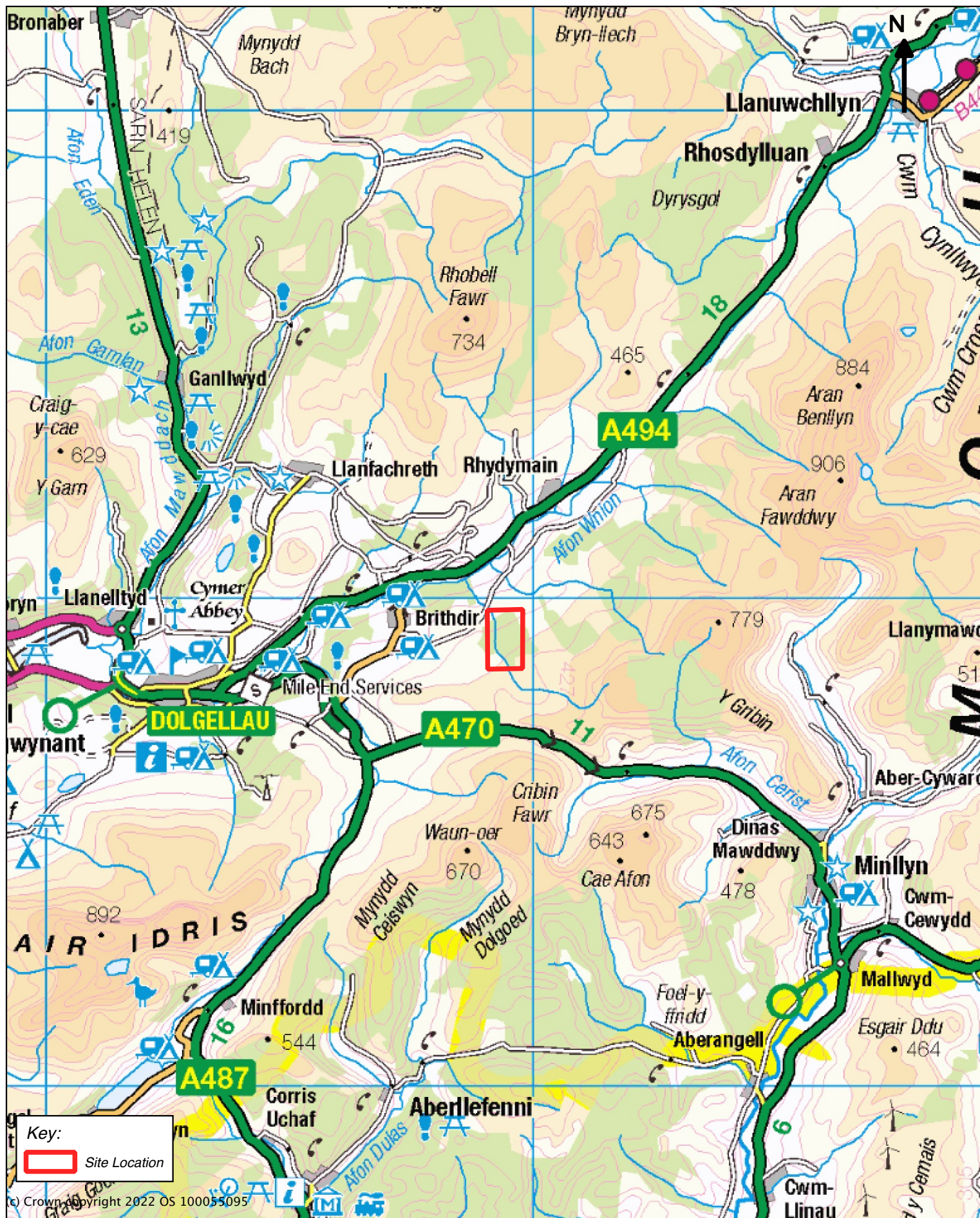
CHRIS HILL  
(Partner)

Signed by   
on behalf of Green Blades Engineering Ltd as Tenant:

23/9/22

MARK SEALY  
(Director)





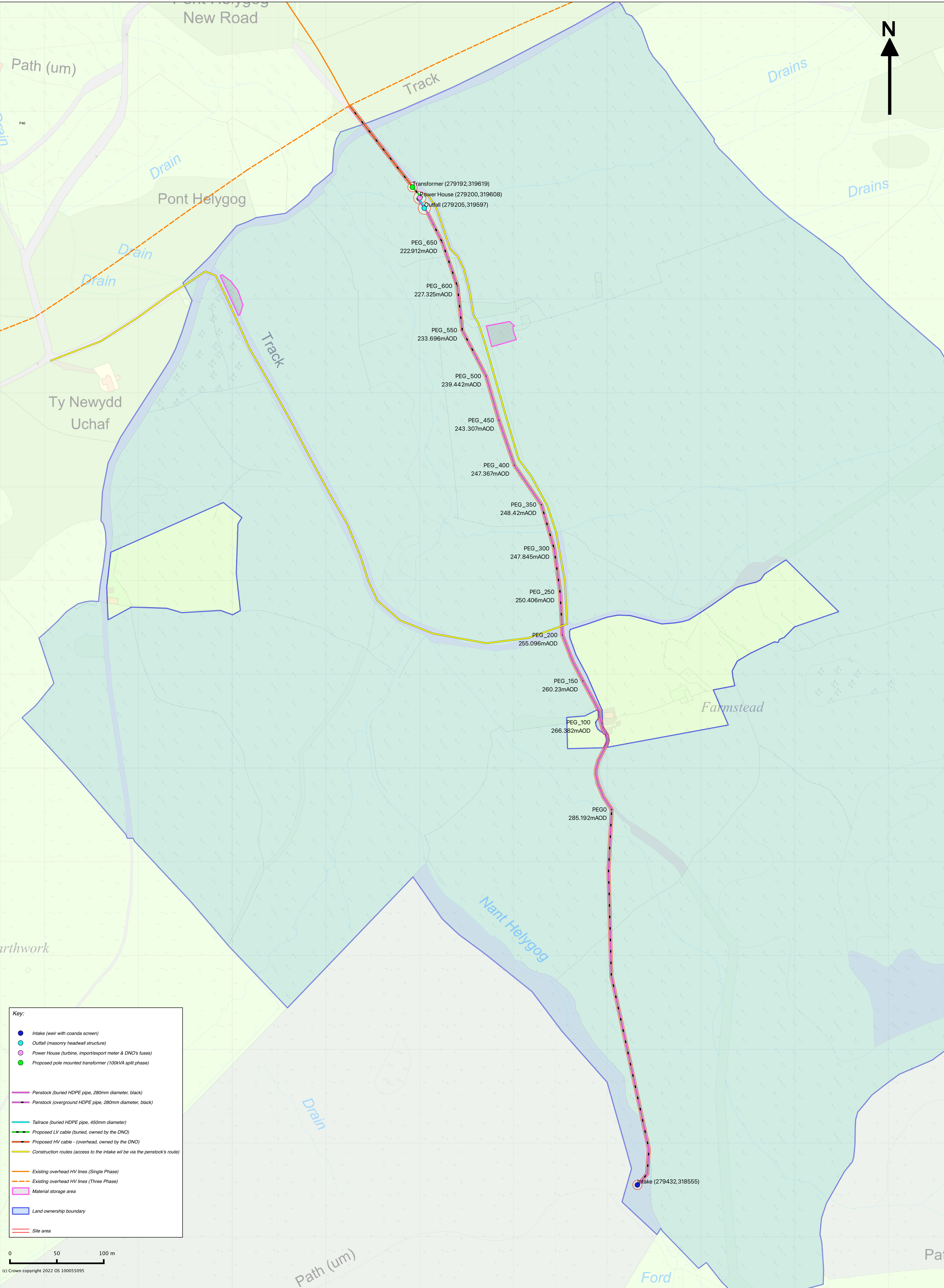
Client: Mark Sealy  
 Installation Address: Brithdir Forest, Brithdir, Dolgellau, LL40 2SA  
 Drawing Title: Site location plan for hydropower scheme  
 Drawn By: LMB  
 Date: 16th September 2022  
 Scale @ A4: 1:100,000  
 Dwg No: 220801LB02  
 Version: 2 (Address changed)

**Greenearth  
Hydro**



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 Tel: 01691 648 378





Client: Mark Sealy  
Installation Address: Brithdir Forest, Brithdir, Dolgellau, LL40 2SA  
Drawing Title: Hydropower scheme's site layout  
Drawn By: LMB  
Date: 17th September 2022  
Scale @ A1: 1:1,750  
Dwg No: 220730LB01  
Version: 3 (Overground sections of penstock added)