

December 2, 2013

## Memorandum of Understanding

This Memorandum of Understanding (the “**Agreement**”) is entered into as of December 2, 2013 by Six Nations of the Grand River (“**Six Nations**”) and Boralex Inc. (“**Boralex**”) and outlines the objectives to formalize the collaboration of both entities to co-develop and own a number of renewable energy facilities.

Following the execution of this agreement, the parties may negotiate and eventually (if an agreement can be reached with specific terms and conditions) enter into a detailed agreement formalizing the terms contained in this Agreement.

The information contained herein is confidential. Both parties will hold and treat it in the strictest confidence. Neither party shall, directly or indirectly, disclose or communicate or permit anyone else to disclose or communicate this Agreement or any of its content or any part thereof to any person, firm or entity without the other party’s prior consent.

This Agreement is without prejudice to, and does not intend to abrogate or derogate from, the aboriginal or treaty rights of Six Nations or any of its members and any and all claims of Six Nations of the Grand River as against Her Majesty the Queen in right of Canada or the Government of Canada and Her Majesty the Queen in right of Ontario or the Government of Ontario, including without limitation the litigation commenced in the Ontario Superior Court of Justice between Six Nations of the Grand River Band as plaintiff and the Attorney General of Canada and Her Majesty the Queen in Right of Ontario as defendants, bearing Court File No. 406/95 issued out of Brantford, Ontario.

Both parties agree that all press releases made to the media will be jointly agreed upon prior to a release being made.

### Sector Overview

Six Nations is one of Canada’s largest First Nations; since 2009 the community has been at the forefront of embracing the renewable energy sector due to the industry’s positive environmental contribution. Currently, Six Nations has negotiated a direct and indirect economic interest in over 500 MW of wind and solar projects in Ontario.

Boralex is a power producer whose core business is dedicated to the development and operation of renewable energy power stations. Boralex has an energy portfolio of close to 500 MW located in three countries within four main types of energy production including wind, solar, thermal and hydroelectric.

### Purpose

The purpose of this Agreement is to set out the terms of the relationship of the parties with respect to the development, construction, financing, ownership and operation of a number of future renewable energy facilities (a “**Facility**” or the “**Facilities**”). The

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Facilities will bid through a request for proposal or other means from the Province of Ontario and attempt to acquire power purchase agreements.

Each of Boralex and Six Nations acknowledges and agrees that the development, of the Facilities is currently being discussed with Haldimand County Energy Inc. or any affiliated entity ("HCEI"). The development, construction, financing, ownership and operation of the Facilities may involve any form of joint venture, partnership or participation of HCEI (the "HCEI Involvement").

For the purposes hereof, the Facilities shall be limited to future non-contracted renewal energy facilities (i) to be located within the upper tier municipality of Haldimand – Norfolk and Brant Counties and within 15 km to either side of Grand River, located in Ontario, and (ii) selected and accepted by Boralex, but exclude, for greater certainty, the Port Ryerse Wind Farm Project.

Boralex and Six Nations will work together and, if applicable, HCEI, towards the most efficient and most economical way of developing the Facilities. The common goals of both Boralex and Six Nations are such that mutual work towards the successful development of the Facilities is in the best interest of both parties. Except for the HCEI Involvement, the parties shall work on an exclusive basis on the development of the Facilities.

### **Ownership**

Each Facility will ultimately be owned by a special purpose entity. Ownership of the special purpose entity would be split between Boralex (or any affiliated entity thereof), HCEI and an institution controlled by Six Nations. The maximum ownership of Six Nations in each Facility can be up to 15%. The ownership structure of the Facilities shall be further discussed and agreed upon by the parties on a project by project basis

Prior to any application for a power purchase agreement is made, a capital cost structure shall be defined and agreed upon by the parties. From the signature of this agreement to the acquisition of a power purchase agreement, Boralex will incur all projects related costs. Prior to the signature of a power purchase agreement for a Facility, Six Nations shall demonstrate that it has all its share of the equity required for the development, construction and operation of the Facility.

For clarity, each project will be considered an aboriginal supported project.

### **Roles and Responsibilities**

The following roles and responsibilities are high level activities that are likely to take place in the course of the Facilities lifecycle. The below lists are not intended to limit either party's willingness to undertake further activities with respect to the Facilities. Should the development of the Facilities be suspended, neither party shall have the obligation to perform these activities.

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Boralex will undertake:

- 1) All project activities including identifying potential lands for development;
- 2) Interconnection strategies;
- 3) Permitting;
- 4) Equipment procurement;
- 5) FIT application fees and bonds;
- 6) Engineer Procurement and Construction; and
- 7) Operations.

Six Nations will undertake:

- 1) Assisting in all related field studies
- 2) Discussions with consultants
- 3) Assistance in identifying potential lands for development;
- 4) Interconnection capacity discussions;
- 5) Assisting Boralex in provincial discussions; and

Approval Process

The Six Nations Elected Council (the "SNEC") will approve this Agreement for presentation to, and engagement with, the Six Nations community. The Six Nations community engagement process will begin within thirty (30) days of the date of signature of this Agreement and will be carried out for a period of not less than thirty (30) days from the date of commencement (the "**Thirty Day Period**"). Representatives of Boralex Inc. agrees to attend any community meetings at the request of SNEC.

Upon completion of the community engagement process, SNEC will formally declare by resolution (the "**Council Resolution**") that community support exists (provided that it does), after which, the parties will cooperate to develop, if required, all definitive agreements capturing the final agreed upon terms. A copy of the Council Resolution shall be given to Boralex.

Termination of the Agreement

This Agreement will take effect of the date that it has been approved and executed by the parties. It will terminate (i) five (5) years after the date hereof, (ii) by mutual consent of the parties, or (iii) by Boralex should the Council Resolution not be obtained by SNEC and communicated to Boralex immediately following the Thirty Day Period. The parties may renew this Agreement upon mutual consent. All rights and obligations of the parties contained herein shall be terminated upon termination of this Agreement.

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**IN WITNESS WHEREOF**, the Parties hereto have caused their authorized representatives to execute this Agreement as of the first date written above.

**BORALEX INC.**

By: 

Patrick Lemaire  
President and Chief Executive Officer

**SIX NATIONS OF THE GRAND RIVER**

By: 

Ava Hill, Chief  
Six Nations Elected Council