

**TERM SHEET**

**Equity Investment in Niagara Region Wind Project**

**THIS TERM SHEET** made effective as of May 25, 2015 (the “**Term Sheet**”).

**BETWEEN:**

**SIX NATIONS OF THE GRAND RIVER**, a band within the meaning of the *Indian Act*, R.S.C. 1985, c.I-5 by and through its Council (“**Six Nations**”)

**AND:**

**ENERCON CANADA INC.**

(Six Nations and ENERCON Canada Inc. is each a “**Party**” and collectively the “**Parties**”)

**Whereas**

- (a) ENERCON Canada Inc. (together with its affiliates, “**ENERCON**”) is currently developing, subject to provincial approvals under provincial legislation, the Niagara Region Wind Project (the “**Project**”), a 231 MW (subject to adjustment to accommodate permitting and development constraints) wind energy generation project proposed to be located within the Townships of West Lincoln, Wainfleet and Pelham in the Towns of Grimsby and Lincoln within the Niagara Region and within Haldimand County in southern Ontario, all as more particularly set forth in the renewable energy approval dated November 6, 2014 (NUMBER 4353-9H MP2R issued by the Ontario Ministry of the Environment).
- (b) Until April 29, 2015 the Project was owned by Niagara Region Wind Corporation (“**NRWC**”). On April 29, 2015, NRWC transferred the Project to FWRN LP, a limited partnership formed under the laws of the Province of Manitoba (the “**Partnership**”). Immediately thereafter, NRWC sold 75% of FWRN LP's limited partnership units and all the shares of the General Partner (as such term is defined in section 4.B hereof) to ENERCON. NRWC continues to hold 25% of FWRN LP's limited partnership units.
- (c) ENERCON is prepared to negotiate the final terms and conditions of, and enter into, a Definitive Agreement as set out in this Term Sheet, which contemplates an economic participation opportunity for Six Nations, in return for Six Nations negotiating the final terms and conditions of, and entering into, such agreement and providing support for the Project through permitting, construction and operations and in order to accommodate Six Nations aboriginal and treaty rights and interests (the “**Participation Opportunity**”).
- (d) NRWC entered into a feed-in tariff contract dated February 25, 2011 (the “**FIT Contract**”) with the Independent Electricity System Operator for the Province of

Ontario (successor by way of amalgamation of the Ontario Power Authority and the Independent Electricity System Operator for the Province of Ontario) (“TESO”) which provides for an Aboriginal Price Adder (as defined in the FIT Contract) to the pricing in connection with a First Nations economic participation of at least 10%. The FIT Contract was assigned by NRWC to FWRN LP on April 29, 2015.

- (e) ENERCON and Six Nations acknowledge that (i) realizing the opportunity to participate as a partner in the Project is an important inducement to Six Nations supporting the Project and (ii) becoming eligible and maintaining eligibility for such Aboriginal Price Adder and being supported by the Aboriginal community are important inducements for ENERCON offering the Participation Opportunity to Six Nations.
- (f) Six Nations, by and through its Council, represents all of the members of Six Nations of the Grand River in their collective capacity.

ENERCON and Six Nations hereby set forth the principal terms and conditions of the Participation Opportunity upon which ENERCON and Six Nations agree to negotiate efficiently and in good faith to reach agreement on final documentation consistent with the principal terms set forth herein.

#### **Legal Effect of Term Sheet**

1. The Parties agree that the terms set forth in this Term Sheet are fully and finally agreed and resolved in connection with an economic participation opportunity for Six Nations in the Project and those terms are to be reflected in the Definitive Documents without substantive alteration or modification where the Project proceeds (for greater certainty, the terms shall be modified or altered only in the form or expression, but not in the substance). Each of the Parties commits to negotiate in good faith the Definitive Agreements which will reflect such terms. All development decisions with respect to the Project shall remain in the sole discretion of ENERCON and nothing in this Term Sheet shall obligate ENERCON to complete the Project as currently contemplated or otherwise. Notwithstanding the above provisions, this Term Sheet shall only be applicable to Six Nations once it has passed a Six Nations Elected Council resolution signifying that the Project has the support of the Six Nations community enabling Six Nations to proceed as contemplated in this Term Sheet.

#### **Definitive Agreement**

2. This Term Sheet sets out the principal terms and conditions that are to be reflected in the definitive transaction documents as may be required in order to complete the Participation Opportunity (the “**Definitive Agreement**”). The Parties shall use their reasonable commercial efforts to negotiate in good faith such other terms and conditions as are customary for transactions of this nature but in all cases consistent with the express terms of this Term Sheet. Unless otherwise agreed by the Parties in writing, the Parties shall undertake and complete the negotiation of the terms of the Definitive Agreement and execution thereof as soon as possible after passage of a Six Nations Elected Council resolution referred to in paragraph 1, and, in any event, the execution of the Definitive

Agreement shall be completed no later than the Financial Closing Date (as defined in Section 4.G hereof) (the “**Deadline Date**”).

3. **Concurrently with the execution of this Term Sheet** Six Nations shall deliver to ENERCON an Elected Council resolution approving this Term Sheet and authorizing a representative to execute and deliver this Term Sheet on behalf of the Six Nations.

#### **Definitive Agreement Terms**

4. The Definitive Agreement shall contain the following terms (other than Sections U, V and W which shall be contained in the separate agreement between ENERCON and Six Nations):

**A.** FWRN LP (the “**Partnership**”)

**The Partnership:**

**B.** 1021702 B.C. LTD. (the “**General Partner**”), the shareholders of which are affiliates of the Limited Partners .

**General Partner:**

**C.** Affiliates of Daniels Power Corporation (“**DPC**”) and ENERCON (the “**Limited Partners**”) and which also may include other parties identified by ENERCON and DPC and admitted as additional Limited Partners by the General Partner.

**Limited Partners:**

The investment vehicle through which Six Nations will participate in the Project shall be a special purpose vehicle that qualifies as a “principal-business corporation” (as defined in the *Income Tax Act* (Canada)) is authorized to invest on behalf of the Six Nations, and will qualify as First Nations investment for purposes of the Aboriginal Price Adder under the FIT Contract (“**Six Nations Co**”). Six Nations Co shall be wholly owned by Six Nations throughout the term of the FIT Contract.

**D.** The Partnership will enter into a lease agreement (the “**Lease Agreement**”) with an affiliate of a Limited Partner (“**LeaseCo**”), which shall provide that LeaseCo will engineer, procure and construct the Project and lease certain Project property to the Partnership for a term not exceeding 20 years. At the end of the term of the lease, subject to the payment in full of all amounts owing under the Lease Agreement, all of the leased assets shall be transferred to the Partnership for a cost of \$1. The Partnership will remain responsible for the operation and maintenance of the Project during the term of the Lease Agreement.

**Lease Structure:**

The lease cost will be as stated in the financial model attached as Schedule A (the “**Financial Model**”), starting on the Commercial Operation Date (as defined in the FIT Contract) and paid monthly.

**E.** Approximately \$90.5 million, based upon the proposed lease structure.

**Indicative Project Costs:** *estimate of Project costs includes: development costs, Hydro One connection cost recovery agreement, term buy-back fees under the FIT contract and development fees.*

**F. Equity Requirement:** Approximately \$90.5 million (based on Indicative Project Costs).

**G. Financial Closing Date:** The date on which the Lease Agreement has been executed and conditions precedent have been satisfied, enabling the Project to proceed with construction, together with the equity contributions of ENERCON, NRWC and Six Nations.

**H. Equity Purchase:** Six Nations Co will purchase, on the Financial Closing Date, not more and not less than 50% of the equity of the Partnership for the Project as a limited partnership interest in the Partnership for an amount equal to 50% of the Equity Requirement (“**Equity Purchase**”).

**I. Funding of Equity Purchase:** Six Nations Co is responsible for funding its *pro rata* share of the Equity Requirement on the Financial Closing Date, subject to the Equity Facility provisions.

**J. Equity Facility:** ENERCON shall provide to, or procure for, Six Nations Co a non-revolving term loan (the “**Equity Facility**”) to facilitate its acquisition of a 50% partnership interest in the Partnership. The Equity Facility will contain terms and conditions customary for similar arms’ length facilities, including the following:

1. an upfront underwriting fee of 2.00%;
2. interest will accrue annually at a rate of 6.05% of the outstanding balance under the Equity Facility (including accrued interest compounded monthly during the initial advance period);
3. repayment of the initial advance under the Equity Facility is currently intended to occur over such period and in such amounts as are indicated in the Financial Model;
4. the Six Nations may prepay the Equity Facility on the Commercial Operation Date, provided that its gives ENERCON no less than 90 days’ prior written notice. Subject to the foregoing, the Equity Facility cannot be prepaid;
5. for purposes of ensuring repayment of the Equity Facility, Six Nations Co shall grant to the LeaseCo and/or LeaseCo’s lenders a

security interest in respect of its partnership interest in the Partnership and any distributions resulting from the foregoing; and

6. additional advances may be made to cover the amount of any capital calls made by the General Partner to Six Nations Co and the terms applicable to the initial advance will apply to such additional advances *mutatis mutandis*.

**K.  
Capital Calls:**

Subject to the Equity Facility provisions, capital calls made by the General Partner shall be funded *pro rata* by the partners. Such capital calls may be made to address funding deficiencies during construction or after the Commercial Operation Date or to fund any capital improvement. In the event a partner fails to fund a required capital call, it shall be subject to customary remedies including dilution of its equity interest.

**L.  
Project Agreements:**

The Project will be entering into certain agreements in respect of developing, financing, constructing and operating the Project, including:

- (a) Shareholders' Agreement in respect of the General Partner;
- (b) Limited Partnership Agreement;
- (c) Power Purchase Agreement;
- (d) Lease Agreement;
- (e) Turbine Services and Maintenance Agreement;
- (f) Project Administration Agreement with one or more affiliates of one or more Limited Partners;
- (g) Transmission Services Agreement;
- (h) Real estate agreements; and
- (i) Consulting agreements.

For clarity, all Project agreements shall be available for Six Nations' review and due diligence assessment.

**M.  
Changes to project  
structure and  
financial model:**

ENERCON may make changes to the project structure identified herein prior to the Financial Closing Date, including determining not to proceed with the proposed lease structure or making changes to the terms of the Equity Facility, the terms of the agreements with affiliates, the terms of the Lease Agreement, the construction arrangements, and other changes to the Financial Model so long as:

- (a) all assets of the Project, including all leased assets, are the property

of the Partnership on or before the 20<sup>th</sup> anniversary of the Commercial Operation Date; and

- (b) such change would not have a material adverse effect on Six Nations Co's "Interest in the Project" (as hereafter defined). "Interest in the Project" means the amount by which the aggregate projected distributions to Six Nations Co during the term of the FIT Contract exceed the aggregate of all principal and interest payments payable by Six Nations Co under the Equity Facility during the term of the FIT Contract, all as described in the Financial Model or revised Financial Model (as applicable). The revised Financial Model shall show that the Interest in the Project is not less than \$ 30,737,120.00. ENERCON shall be responsible for any reasonable expenses incurred by Six Nations Co in determining how a proposed change would affect its interest in the Project.

For greater clarity, the Parties acknowledge that the amounts of net cash distributable shown in the Financial Model are projections only and that the actual amounts of net cash distributable may vary from such projections.

**N.  
Management of the  
Project:**

The General Partner will be responsible for the day-to-day management of the Project as well as for negotiating and approving all Project Agreements related to the development, construction, financing, operation and maintenance of the Project.

Six Nations acknowledges that certain agreements may be made with affiliates of one or more Limited Partners and approves:

1. Lease Agreement with a Limited Partner affiliate that is acceptable to the project lenders;
2. An O&M agreement with a Limited Partner affiliate with a fee structure consistent with the operating expenses set forth in the Project model reviewed by Six Nations; and
3. An Administration agreement with a Limited Partner affiliate with a fee structure with the operating expenses set forth in the Project model reviewed by Six Nations.

The General Partner may approve the Partnership entering into any new affiliated agreements or any amendment, waiver or termination of any affiliate agreement so long as such agreement, amendment, waiver, or termination is (i) permitted under the Project's third party financing or (ii) is on market terms. In the event Six Nations disputes whether clause (ii) applies, such agreement, amendment, waiver or termination shall not be

challenged if supported by the advice of an independent qualified third party consultant (determined by Six Nations from a list of three to be forwarded by the General Partner) that such action is on market terms.

**O.  
Voting:**

Subject to the terms and conditions of the Limited Partnership Agreement, management of all Partnership business and decision making shall be vested in the General Partner. The following matters however shall also require the unanimous approval of all limited partners:

- issue any new interest in or create a new class of equity interests in the Partnership that would have the effect of reducing Six Nations Co's continuing economic interest in the Partnership; and
- amend the Limited Partnership Agreement if such amendment would adversely and disproportionately affect any rights Six Nations Co has under the Limited Partnership Agreement.

**P.  
Partnership  
Distributions:**

The Limited Partners will share in the Available Cash (to be defined in the Lease Agreement) on a *pro rata* basis relative to their respective percentage ownership interests. No Limited Partner will be entitled to any disproportionate share of Available Cash. The Partnership distribution policy will be to distribute all Available Cash on a periodic basis, no less frequently than annually, subject to the terms and conditions of the Lease Agreement. Available Cash will be defined in the Lease Agreement to be the excess of (i) gross receipts from the Project over (ii) the sum of (A) required payments under the Lease Agreement (which will include the debt service requirements of LeaseCo under its financing arrangements and any other reserve requirements under LeaseCo's financing arrangements) plus (B) other operating costs including taxes payable by the Partnership.

In addition, the General Partner will have the discretion to reserve cash as it in good faith determines prudent or necessary in the best interests of the Partnership to meet anticipated costs, expenses or liabilities of the Partnership.

**Q. LeaseCo  
Financing  
Arrangements:**

LeaseCo will enter into financial arrangements with its lenders to finance the engineering, construction and development of the Project. It will be a condition of that financing that the Partnership guarantee the repayment of LeaseCo's financing arrangements and grant security to LeaseCo's lenders over all the Project assets. This security will rank in priority to the security that the Partnership will grant to LeaseCo to secure the Partnership's obligations under the Lease Agreement.

**R.  
Transfer  
Restrictions:**

Neither ENERCON nor DPC affiliates will be restricted from transferring their partnership interests to each other or to others provided always that any such transferee agrees to be bound by the terms of the Limited Partnership Agreement and all other obligations of the transferor relating thereto.

Six Nations is prohibited from selling, encumbering, assigning or transferring any direct or indirect interest in its 50% partnership interest, unless it satisfies all Permitted Transfer Conditions.

Permitted Transfer Conditions:

- (a) The transferee is a First Nation that would permit the Partnership to continue to qualify fully for the Aboriginal Price Adder;
- (b) Either (A) written confirmation of Condition (a) is received from IESO before such transfer or (B) prior to such transfer, Six Nations shall obtain and provide at its own expense a legal opinion from a qualified and recognized law firm confirming that the Aboriginal Price Adder will not be adversely affected and Six Nations will provide the Partners with a full indemnity against the loss of such Aboriginal Price Adder, on terms and conditions reasonably acceptable to the other Partners which will be secured by the Six Nations limited partnership interest and all rights to distributions, as security for such indemnity; and
- (c) Six Nations complies with customary transfer conditions that are reasonably acceptable to Six Nations that will apply to any transfer of a Partnership interest, such as (i) preserving the lenders security interest in all partnership interests, (ii) information sufficient to satisfy applicable lender "know your customer" requirements, (iii) customary assignment and assumption agreement to reflect the assumption of all assignor obligations, (iv) compliance with applicable law, and (v) no "prohibited persons" such as ENERCON competitors or trading with enemy, terrorism or other persons that are precluded under US and Canadian law.

**S.  
Due Diligence:**

Six Nations will have timely access to all Project Documents, technical studies, opinions and other material Project information to thoroughly review the opportunity and to make an informed investment decision. To the fullest extent feasible, Six Nations will rely on the reports commissioned by ENERCON that are intended for review by the lenders. Six Nations diligence shall be completed on or before May 8, 2015. In the event Six Nations has not completed its diligence by such time or has raised diligence concerns that could, in the reasonable opinion of ENERCON, delay the Financial Closing Date, the Participation Opportunity shall terminate.

**T.  
Expenses:**

The fees and costs incurred by Six Nations in the evaluation, negotiation and documentation of the economic interest in the Partnership will be reimbursed by the Partnership as provided in, and without limiting, a Capacity Funding Agreement to be entered into between Six Nations and the Partnership. Such reimbursed amounts, as well as all fees, costs and



expenses incurred by ENERCON in connection therewith shall be a Partnership expense.

**U.  
Project Support by  
Six Nations:  
  
Acknowledgements**

- (a) Six Nations has been adequately consulted regarding the development, construction, operation, maintenance and management of the Project and all of their potential impacts and effects on the traditional territory and the aboriginal rights to the extent required by all applicable law (including case law);
- (b) All of Six Nations' concerns relating to the Project have been adequately accommodated, assessed and mitigated to the extent required by all by applicable law (including case law);
- (c) The Definitive Agreement is entered into in full and final satisfaction of any present or future claim by Six Nations for any impact or infringement by or otherwise related to the Project or its operation on aboriginal rights, and for greater certainty, the Definitive Agreement will satisfy, for all time and to the extent permitted by the applicable law, the requirements of any future provincial or federal legislation respecting consultation, accommodation or reconciliation associated with Six Nations and their aboriginal rights that may relate to the Project and despite any other provision herein, the existence of the Definitive Agreement and, if necessary, its content, may be disclosed by NRWC, ENERCON and/or DPC, its affiliates, or their respective successors, to governmental authorities to the extent necessary to demonstrate compliance with any such requirements;
- (d) Six Nations consents to the planning, development, construction, operation, maintenance and management of the Project;
- (e) The Partnership and the General Partner acknowledge the importance to Six Nations of its unique culture and its desire to preserve and protect the traditional lifestyle of its members. Accordingly, the Partnership and the General Partner will conduct themselves with due respect for Six Nations and Six Nations' culture and traditional lifestyle during the planning, development, construction, operation, management, maintenance and decommissioning of the Project. The Parties agree that the foregoing only requires the Partnership and the General Partner to act in a commercially reasonable manner and does not require them to incur any material liabilities or expenses; and
- (f) The Partnership and the General Partner acknowledge that, as it relates to anything other than the Project, this agreement is without prejudice to, and does not intend to abrogate or derogate from, the aboriginal or treaty rights of the Six Nations or any claims of the Six Nations 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 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.

**V.  
Project Support by  
Six Nations:**

**Covenants of Six  
Nations**

1. Six Nations agrees not to prevent, impede, dispute, object to the advancement of, or interfere with, the Project in any way, including taking any action, legal or otherwise, to set aside or vary, or take any action that could interfere with or frustrate the issuance of, or result in the suspension of, any permit, approval, authorization or the material project documents, or that could in any way frustrate or interfere with the planning, development, construction, operation, maintenance and management of the Project.
2. At any time after the execution of the Definitive Agreement and at the request of the General Partner and/or ENERCON, Six Nations will give written notice, in a form acceptable to the General Partner and/or ENERCON, to IESO, Ontario Energy Board, the Ontario Ministry of Environment, Ontario Ministry of Tourism and Culture, Ontario Ministry of Natural Resources or to any other governmental and regulatory authorities having any jurisdiction over the Projects or any part of it (together referred to as “**Regulatory Authorities**”) as identified by the General Partner and/or ENERCON that:
  - (a) they support the Project;
  - (b) they have reached a satisfactory agreement with NRWC with respect to the Project and all of its effects, including with respect to aboriginal rights and the environment;
  - (c) adequate consultation and accommodation in respect of the potential adverse effects of the Project on aboriginal rights has occurred; and
  - (d) they have no objection to, and will not object to, the advancement of the Project, or the issuance of any permit, approval or authorization required or necessary with respect to it;

or such any other matter (including without limitation any matter set out in this paragraph 2) as may reasonably be requested by the General Partner and/or ENERCON and that is, in the opinion of the General Partner and/or ENERCON, necessary or desirable for the planning, approval, permitting, development, construction,

operation or maintenance of the Project.

3. Six Nations covenants and agrees that in the event that any agreement is entered into or any legislation, regulation, court order or the like is made following the date of execution of the Definitive Agreement with respect to aboriginal rights, which could potentially affect the Project, Six Nations agrees:
  - (a) that any permits, approvals or authorization that have been or may be granted will be recognized and preserved unaltered in form and substance notwithstanding such agreement, legislation, regulation or court order or, if necessary to maintain the rights and benefits of NRWC under such permits, approvals or authorization, will be replaced with new permits, approvals or authorization on the same terms and conditions;
  - (b) that the Definitive Agreement and Six Nations' obligations hereunder will be assumed, adopted and ratified unaltered in form and substance by any successor organization or government following any such agreement, legislation, regulation or court order; and
  - (c) not to impose or levy any property tax or other assessment, charge, levy, rate, royalty or tax on the General Partner, ENERCON and their affiliates or on or in respect of or relating to all or part of the Project.
4. Six Nations agrees to provide the General Partner, ENERCON and/or their affiliates and any third party with access to the Project area for the purpose of planning, surveying, developing, constructing, operating, maintaining, managing and decommissioning the Project, and access required in furtherance of the issuance of permits, approvals or authorizations required or necessary for the Project.
5. Six Nations will not take, any action that may interfere with, prevent, frustrate, impede or delay the General Partner and/or ENERCON from carrying out any of its rights in respect of the Project or planning, studying, developing, constructing, operating, maintaining, managing or decommissioning the Project and agrees that it will not support, financially or otherwise, any Member (as defined below) or any other person or entity who takes any such action but instead will publicly discourage such actions. A "Member" means, under clauses 5 and 6, a member of the Six Nations in accordance with the *Indian Act*, including the Haudenosaunee Confederacy Chiefs Council or the Haudenosaunee Development Institute.

6. Six Nations will co-operate with the General Partner and/or ENERCON in their taking of reasonable efforts to prevent or mitigate actions by any Member that may interfere with, prevent, frustrate, impede or delay the Project and will take all reasonable efforts within its power and authority to prevent or mitigate actions by any Member that may interfere with, prevent, frustrate, impede or delay the Partnership from carrying out its obligations relating to the Project.
7. In addition and for greater clarity of the Project, the support that Six Nations will provide for the Project as contemplated herein, such efforts will include, but will not be limited to, public meetings, consultation with an individual Member or a group of Members, communication via electronic mails or other available media, providing presentations regarding, and advertisement of, the Project and the estimated economic benefit from Six Nations economic participation in the Project.

If at any time Six Nations is in material default of its obligations above, any distributions or other amounts owing to Six Nations Co pursuant to the Limited Partnership Agreement will retained by the Partnership or paid to the other Limited Partners until such time as the Partnership and/or the other Limited Partners have been fully compensated for any damages incurred as a result of such material default by Six Nations.

**W.  
Scholarships and  
Employment  
Opportunities:**

In exchange for Six Nations support, ENERCON shall cause LeaseCo to provide annual Scholarship funding of \$20,000 (indexed to the consumer price index) to the Grand River Post Secondary Education Office. Such funding is to be used to finance the education of students of the Six Nations who are recognized as members of the Six Nations in accordance with the *Indian Act*. The term of this funding commitment shall commence upon the Project achieving commercial operation and coincide with the term of the FIT Contract, renewals or extensions thereto, and any new feed-in tariff contracts with IESO that may be issued in the future in respect of the Project.

In exchange for Six Nations support, the General Partner also agrees to work with Six Nations to present employment opportunities to qualified members of Six Nations, including members of Iron Workers' Local 763 Hamilton, during both construction and long-term operation of the Project. Employment opportunities will include immediate employment when needed, and technical skills and management training where such opportunities may exist. This provision is intended only to provide to Six Nations members the same equal opportunity to receive jobs as other qualified individuals who are not members of Six Nations and is not intended to represent a quota or preference. The General Partner will provide the community planner appointed by Six Nations with the

employment opportunities, other recruitment/ job fairs or any other positions to be publicly advertised (“**Job Posting**”) as soon as the Job Posting being available for general public disclosure. Six Nations may make public such Job Posting, through

- (a) its community newspapers of (i) Turtle Island News and (ii) Two Row Times (“**Six Nations Community Newspapers**”);
- (b) Grand River Employment and Training agency,
- (c) Six Nations Elected Council newsletter; and/or
- (d) Sixnationsfuture.com website.

The General Partner shall reimburse the cost and expense for advertisement reasonably incurred by Six Nations for publicizing Job Posting through Six Nations Community Newspapers if such cost is commercially reasonable and does not exceed the rate regularly chargeable to other sponsors of advertisement in similar nature. Notwithstanding the foregoing, the General Partner reserves the right to directly contact the Six Nations Community Newspapers and publicize the Job Posting at its cost and expense.

The General Partner will use its commercially reasonable efforts to require its contractors and subcontractors (other than ones already in the contractual relationship with the Partnership or ENERCON in respect of the Project) to present the available employment opportunities to qualified members of Six Nations, including members of Iron Workers’ Local 763 Hamilton, during both construction and long-term operation of the Project by providing the Job Posting to the community planner of Six Nations to the extent that the General Partner’s requiring its contractors or subcontractors of such activity of providing Job Posting will not adversely affect the contract amount or other material terms and conditions of the contract that the General Partner is negotiating with such contractor or subcontractor.

## **General**

- 5. This Term Sheet is conclusively deemed to be made under, and for all purposes, to be governed by, and construed in accordance with, the laws of Ontario.
- 6. Until the earlier of: (i) such time as the Six Nations Elected Council decides to consult with members of the Six Nations community regarding whether to enter into a Definitive Agreement, and (ii) the Deadline Date, the terms of this Term Sheet will be kept confidential and may not be disclosed to any person, without the prior written consent of the Parties, other than to: (a) a Party, DPC, NRWC or Boralex Inc.; or (b) such person’s directors, officers, employees and legal and financial advisers, in each case who have a need to know such information and subject to them being aware of its confidential nature.

Notwithstanding the permitted disclosure of the Term Sheet after the occurrence of the events set forth in clauses (i) and (ii) above, Schedule A to this Term Sheet will continue to be kept confidential and may not be disclosed to any person, without the prior written consent of the Parties and ENERCON, other than those persons listed in clauses (a) and (b), above.

7. This Term Sheet may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Term Sheet by either party by electronic transmission will be as effective as delivery of a manually executed copy of the Term Sheet by such party.
8. This term sheet supersedes and replaces all prior agreements and understandings of the Parties, including the Capacity Funding Agreement dated as of December 12, 2011, and reflects the entire agreement and understanding of the Parties.

**[signature page to follow]**

Dated: May \_\_\_\_, 2015

**SIX NATIONS OF THE GRAND RIVER**

By: G. Ava Hill  
Name: G. Ava Hill  
Title: Elected Chief

**ENERCON CANADA INC.**

By: Michael Weidemann  
Name: Michael Weidemann  
Title: Executive Vice President

**SCHEDULE A  
FINANCIAL MODEL**

**(see attached)**