



PRIVILEGED and CONFIDENTIAL

January 28, 2022

Six Nations of the Grand River First Nation (SNFN)
1695 Chiefswood Road,
P.O. Box 5000
Ohsweken, ON
N0A 1M0

Six Nations of the Grand River Development Corporation (SNGRDC)
2498 Chiefswood Road,
P.O. Box 569
Ohsweken, ON
N0A 1M0

Dear Chief Mark Hill and Matt Jamieson

Re: Proposed Lake Erie Connector Transmission Project (the “**Project**”)

On behalf of Lake Erie LP (“**LE LP**”), we thank you for the opportunity to formally present a summary of our proposed participation options for the Project (the “**Term Sheet**”).

We understand that the SNGRDC has been delegated the responsibility to consider the participation benefits and options on behalf of the elected council of the SNFN and make a recommendation on: i) executing the Term Sheet; and ii) completing the Project Documents (defined below) contemplated herein.

While we anticipate that the terms set forth in this Term Sheet form the basis for the Project Documents to be entered into by SNFN, SNGRDC and LE LP (collectively, the “**Parties**”), the Parties acknowledge that this Term Sheet is non-binding and other matters may require the terms contained in this Term Sheet to be amended or updated in the future.

The principal terms and conditions of this Term Sheet are as follows:

1. Project

LE LP, together with its affiliates, is currently developing a proposed 1,000 MW, bi-directional, high-voltage direct current (HVDC) underwater transmission line in Lake Erie between Ontario and the PJM electricity market in the United States (the “**Project**”). To complete the development of the Project, LE LP requires a Transmission Services Agreement (“**TSA**”) from the Independent Electricity System Operator (“**IESO**”). Construction is currently proposed to commence in 2022 with commercial operation scheduled for 2026 (“**COD**”). The term of the TSA is proposed to be for 40 years.

PRIVILEGED and CONFIDENTIAL

**2. Acknowledgement of
Aboriginal Rights**

LE LP acknowledges that it plays an important role in carrying out procedural consultation aspects of the duty to consult on behalf of the Government of Canada and Province of Ontario with respect to the Project. LE LP will continue to engage with SNFN throughout the development, construction, operation, and decommissioning of the Project. LE LP and SNGRDC will develop a local consultation plan for future engagement on the Project.

**3. Economic
Participation**

There are two options to receive participation benefits tied to the commercial operation of the Project, upon terms to be more particularly set out in the Project Documents which shall also include the terms contained in Schedule A and B hereto:

- (i) *Equity Ownership*: become an equity owner in the Canadian portion of the Project by becoming a partner in LE LP. Equity is valued at approximately [\$25,800,000M] CAD, without mark up by LE LP and would result in a holding of approximately [7.5%] of the total issued and outstanding limited partnership units in the LE LP. Non-recourse equity financing can be provided by the Project **upon request** and would be structured and arranged by LE LP on the same terms as the senior debt for the Project. Debt repayment is solely made from Project on a non-recourse basis, without mark up by LE LP; **OR**
- (ii) *Participation Payment*: an annual fixed participation payment for the term of the Transmission Services Agreement equal to approximately [\$750,000 to 1,000,000] CAD per year, payable in quarterly payments once the Project reaches commercial operation, which may be subject to an annual inflation adjustment mechanism that mirrors inflation calculations for annual revenue from the TSA;

There are timing important considerations to the Economic Participation proposed above: it is proposed that SNFN make the following decision within no less than [60] days from the receipt of a notice of Financial Close Notification Date from LE LP, currently scheduled to be sent on April 1, 2022 with a decision to be provided by no later than June 1, 2022;

OPTION 1: Choose equity participation in the LE LP and advise if require LE LP to arrange financing; OR

PRIVILEGED and CONFIDENTIAL

OPTION 2: Choose participation payment; OR

OPTION 3: Choose NOT to participate in the Project.

4. Community Benefit Payments

In addition to the Economic Participation proposed above, **and notwithstanding the decision to not participate in the Project (i.e. OPTION 3 above)**, LE LP offers to provide long term community benefits to SNFN, upon entering into a community benefit agreement with LE LP that contemplates the following, among other standard terms and conditions including those set out in Schedule A and Schedule B hereto:

- (i) *Initial Payment*: An initial payment of \$100,000 CAD to be paid within 10 business days of signing of the Community Benefit Agreement;
- (ii) *Annual Payment prior to COD*: A payment of \$225,000 CAD to be paid on the Financial Close Date of the Project and annually for three subsequent years (totaling \$900,000 CAD); and
- (iii) *Annual Payment commencing at COD*: A payment of approximately [\$118,000] CAD per year. This payment is an annual Project cost which would continue until the Project is abandoned or decommissioned.

5. Employment & Training

One of the objectives of SNGRDC is to facilitate and coordinate: (i) contracting opportunities for businesses directly or indirectly owned or controlled by SNFN or its members; and (ii) employment, training and educational opportunities for SNFN members. The Parties acknowledge they will consider potential opportunities for such businesses to provide labour, materials, equipment and services to the Project, including through contracting and employment opportunities on a Competitive Basis. For further certainty, "**Competitive Basis**" shall refer to commercial arrangements that are cost competitive, schedule effective and represent value for money without the provision of set-aside contracts. For further certainty, Competitive Basis does not include "set-aside" type preferred procurement contracting or preferred employment opportunities in connection with the construction or operation of the Project.

PRIVILEGED and CONFIDENTIAL

6. Definitive Documents:

In the event SNFN agrees to participate in the Project, it is proposed that the Parties enter into the following definitive documents to complete the terms proposed by this Term Sheet, as applicable (collectively, the “**Project Documents**”) by no later than the current proposed date of **June 1, 2022**:

- (i) *Project Participation Agreement;*
- (ii) *Equity Subscription and Limited Partnership Agreement including documentation required for completing the non-recourse financing for the Project;*
- (iii) *Community Benefit Agreement;*

Should you be in agreement with these proposed terms, which include Schedules “A” and “B” attached hereto, we would appreciate hearing back from you by no later than 5:00 pm on January 31, 2022, unless the time for signature is mutually extended by the Parties. Please indicate your acceptance of this Term Sheet by signing and returning one copy by pdf. An electronic copy of this Term Sheet will be treated for all purposes as an original and a copy of this Term Sheet executed in counterparts will be treated as one and same document for all purposes.

We look forward to working with you on completing this Project.

Sincerely,

LAKE ERIE LP

By its general partner LEC GP Inc.

DocuSigned by:
By: Jon Jipping
Jon E. Jipping, Executive Vice
President and Chief Operating Officer



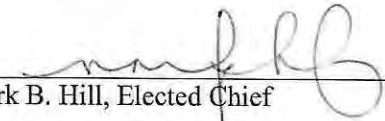
PRIVILEGED and CONFIDENTIAL

AGREED AND ACCEPTED AS OF

Date: February 8, 2022

SIX NATIONS OF THE GRAND RIVER FIRST NATION

By: Elected Council of the Six Nations of the Grand
River First Nation

By: 
Mark B. Hill, Elected Chief

SIX NATIONS OF THE GRAND RIVER DEVELOPMENT CORPORATION

By: 
Matt Jamieson, President/CEO

PRIVILEGED and CONFIDENTIAL

SCHEDULE "A"

Support Provisions

The Project Documents (Project Participation Agreement, Community Benefit Agreement, the Limited Partnership Agreement) shall include the following support provisions from SNFN with such amendments as necessary where the covenants are provided by its nominees and subsidiaries as may be required:

- a. SNFN supports the development, financing, construction, operation, maintenance and decommissioning of the Project within its traditional territory;
- b. SNFN will refrain from (and will take reasonable steps to try to prevent or stop its Members from) any actions that delay or block the development, financing, construction and/or ongoing operation and maintenance of the Project, including objecting to any existing or future permit, approval, consent, directive, order in council (including any and all renewals or extensions thereof) to be issued by any Governmental Authorities with respect to the Project (collectively, the "**Permits and Approvals**");
- c. SNFN will not knowingly obstruct or impede any reasonable actions by ITC or LE LP to seek legal relief against any of SNFN's Members in breach of subsection (b) above;
- d. SNFN will provide written statements of support for the Project, from time to time, to assist in obtaining Permits and Approvals and otherwise advancing the development, construction, operation, maintenance and proposed decommissioning of the Project including financings from time to time;
- e. SNFN acknowledges, and will promptly confirm in a manner acceptable to ITC and LE LP, that:
 - i. as at the date of this Agreement, SNFN has been adequately consulted in the assessment of the Project's potential impacts on its Aboriginal and treaty rights; and
 - ii. The commitments made by LE LP herein (and as contained in the Community Benefit Agreement) are full and final accommodation for all past, present and future impacts of the Project on SNFN's Aboriginal and treaty rights, including Aboriginal title claims, provided that there is no Material Change which results in additional impacts on SNFN's Aboriginal and treaty rights;

Nothing in this Term Sheet or in the Project Documents shall preclude SNFN from: (i) participating in regulatory proceedings or reviews related the Project or the Permits and Approvals; (ii) applying for and accessing funding from third party commissions, agencies, or boards to support SNFN's participation in such proceedings; and (iii) making submissions to such regulatory



PRIVILEGED and CONFIDENTIAL

proceedings, commissions, agencies or boards, so long as SNFN's participation in the above are consistent with its commitments in (a) through (e) above;

Nothing in this Term Sheet or in the Project Documents will affect or limit any current or future Crown consultation obligations owing to SNFN by the Provincial or Federal Crown with respect to the Project. Likewise, nothing in this Term Sheet or in the Project Documents shall be interpreted to preclude SNFN's participation in any current or future Crown consultation, so long as SNFN's participation is consistent with its commitments in (a) through (e) above;

Nothing in this Term Sheet or in the Project Documents precludes SNFN from engaging in any discussions or reaching any mutually agreeable arrangements, agreements or settlements with the Provincial and/or Federal Crown in relation to SNFN's Aboriginal and treaty rights, provided that, in the event that SNFN secures a court order or an agreement with the Crown that recognizes SNFN as having Aboriginal title over any area that includes the Project, SNFN will issue such approvals and tenures as LE LP, including its successors and assigns, may reasonably be required to replace or supplement existing government approvals and tenures, at no additional cost to the Project for such approvals or tenures other than reasonable administrative or similar expenses incurred by SNFN in connection with issuing same;

Nothing in this Term Sheet or the Project Documents precludes SNFN from taking or supporting any actions arising from impacts of the Project that arise after the execution of this Agreement, including related to decommissioning, remediation, and/or abandonment of the Project, so long as SNFN's participation in the above are consistent with its commitments in (a) through (e) above.

SCHEDULE "B"

Other Terms

1. **Non-Derogation:** Except as otherwise may be contemplated in this Term Sheet and/or Project Documents, nothing in this Term Sheet or Project Documents are intended to derogate from or abrogate the aboriginal or treaty rights of the Six Nations of the Grand River First Nation or any of its members including any and all claims of the 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 and as amended May 7, 2020 Toronto Court File No. CV-18-594281-0000.
2. **Other First Nation Term Sheet and Project Documents:** LE LP confirms that with regard to this Project no Indigenous community, organization, association, corporation, partnership, person or other entity formed for the benefit thereof will have rights or other benefits substantially similar to the economic participation benefits described in Section 3 (*Economic Participation*) of this Term Sheet other than SNFN and Mississaugas of the Credit First Nation (SNFN and Mississaugas of the Credit First Nation being referred to herein as a "**First Nation Party**") and their respective affiliated entities. LE LP further confirms it is seeking to treat each First Nation Party equally with respect to such economic participation benefits and with the intent that no one First Nation Party would be more favoured than the other in respect of the total economic value of benefits being offered by way of equity or effective equity interest, community benefit or recognition type payments in or from the Project. The Parties each acknowledge and recognize that every Indigenous community has its own unique engagement and consultation protocols, and its own interests, objectives and outcomes including unique rights and recognition requirements based on historical treaty and other rights. For this reason, the Parties further acknowledge that any payments to an Indigenous community, organization, association, corporation, partnership, person or other entity formed for the benefit thereof are based on its unique objectives, rights and recognition.