NIAGARA REINFORCEMENT PROJECT

AGREEMENT

BETWEEN:

SIX NATIONS OF THE GRAND RIVER

- and -

SIX NATIONS OF THE GRAND RIVER DEVELOPMENT CORPORATION

- and -

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO
AS REPRESENTED BY THE MINISTER OF ENERGY

(each a “Party” and collectively the “Parties”)

WHEREAS SNGRDC (as defined below), in conjunction with the Ontario Ministry of Energy, and other parties have brought forth a solution to see the Niagara Reinforcement Line Project completed in exchange for an opportunity for long-term value for the Six Nations community;

AND WHEREAS the Parties would like the Niagara Reinforcement Line Project to be completed on mutually agreeable, advantageous and respectful terms;

AND WHEREAS the Parties wish to provide an opportunity for SNGRDC to pursue economic benefits from the completion of the NRP (as defined below), subject to the terms and conditions of this Agreement;

NOW THEREFORE, in consideration of the payment of $10.00 by each Party to the other, the mutual agreements and covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

DEFINITIONS

1. In this Agreement:
(i) "INESO" means Independent Electricity System Operator;

(ii) "In-Service Date" means September 1, 2019, or such later date as the Parties may mutually agree in writing, acting reasonably;

(iii) "NRP" means the Niagara Reinforcement Line Project, a 76-kilometer double circuit 230 kilovolt (kV) transmission line primarily along existing Hydro One rights-of-way between Allanburg Transformer Station (TS) and Middle Port TS;

(iv) "Ontario" means Her Majesty the Queen in right of Ontario as represented by the Minister of Energy;

(v) "Six Nations" means the elected government of the Six Nations of the Grand River First Nation including the Chief and Council;

(vi) "SNGRDC" means the Six Nations of the Grand River Development Corporation, a corporation wholly owned by Six Nations;

**EARLY TERMINATION**

2. The Parties agree that:

   a. if this Agreement or any definitive agreement is unilaterally terminated by Ontario at its sole discretion; at any time prior to January 1, 2034, and the NRP has been completed (in service and electrified) by the In-Service Date, a termination fee of $15 million is payable by Ontario to SNGRDC.

   b. Ontario shall be deemed to have unilaterally terminated this agreement in the event that Ontario fails to maintain the Set-aside in section 3 of this Agreement.

Notwithstanding any other provision of this Agreement and for greater clarity, this provision is binding on Ontario as of the date this Agreement takes effect.

**ONTARIO COMMITMENTS TO SIX NATIONS AND SNGRDC**

**The Set-aside**

3. The Minister of Energy will take the necessary measures (i) to reserve 300 megawatts (MW) of grid connection capacity for new SNGRDC-led or partnered renewable energy projects (the "SNGRDC Projects"), or (ii) in accordance with section 12, to implement an agreement with Six Nations and/or SNGRDC of equivalent value, both subject to the NRP being completed (in service and electrified) on or before the In-Service Date (together, the "Set-aside").
4. The Set-aside shall be available for use by SNGRDC Projects if Ontario determines at its sole discretion to proceed with one or more procurements for which renewable energy projects located in Haldimand County, Brant County, Niagara Region and the City of Hamilton are eligible. Nothing in this Agreement obligates Ontario to undertake a procurement at any time.

5. The Set-aside reserved in accordance with this Agreement, shall begin on the actual in-service date of the NRP and remain in force and effect and binding on Ontario, until January 1, 2034.

6. The Set-aside shall be made available for SNGRDC Projects connecting to the 230kV circuits that connect to Nanticoke TS and/or the NRP only if the IESO determines that this is technically feasible and not detrimental to the operation of the Ontario electricity system. The Set-aside may be available for SNGRDC Projects connecting to the 500kV circuits that terminate at the Nanticoke TS and/or the NRP only if the IESO determines that this is technically feasible and not detrimental to the operation of the Ontario electricity system.

7. The Set-aside shall not be assignable by SNGRDC without the prior written consent of Ontario.

8. The Set-aside shall be available to SNGRDC Projects provided that the SNGRDC owns or controls at least a majority equity interest in the SNGRDC Project.

9. All procurement requirements shall apply to SNGRDC Projects for which SNGRDC proposes to use the Set-aside, including without limitation any IESO eligibility, bidding or pricing conditions or rules, assignment and change of control provisions, and the Set-aside shall have no bearing on the eligibility of SNGRDC for any available Indigenous participation price adders available under such a procurement or procurements.

10. The total amount of the Set-aside shall be 300 MW, for use by one or more SNGRDC Projects, provided that:

a. the amount of connection capacity utilized by a given SNGRDC Project will be based on the total size of the SNGRDC Project to be connected;

b. the amount of connection capacity utilized by a given SNGRDC Project shall be finally determined by IESO; and
c. any part of the Set-aside which is not utilized in its entirety by a SNGRDC Project shall be carried forward, maintained, and made available for subsequent SNGRDC Projects until January 1, 2034.

11. The Parties acknowledge that nothing in this Agreement is determinative of the amount of connection capacity which may actually be utilized in connection with any SNGRDC Project in the future.

Alternate Arrangements

12. In the event that each of the Parties agree that market renewal or other initiatives affecting the structure of the electricity market in Ontario affects the implementation of the Set-aside or otherwise undermines the intended value of the Set-aside, the Parties shall in good faith negotiate an alternative arrangement of equivalent value that achieves the objective of providing an opportunity for SNGRDC to pursue economic benefits from the completion of the NRP.

13. Ontario will, from time to time, discuss with SNGRDC projects of mutual interest.

SIX NATIONS AND SNGRDC COMMITMENTS TO ONTARIO

Completion of NRP

14. SNGRDC shall work with Hydro One and other relevant partners and entities and make commercially reasonable efforts to complete (in service and electrified) the NRP on or before the In-Service Date.

Mississaugas of the New Credit First Nation

15. SNGRDC Projects for which SNGRDC proposes to utilize part or all of the Set-aside shall demonstrate that such SNGRDC Projects have employed commercially reasonable efforts to gain support from the Mississaugas of the New Credit First Nation.

Acknowledgment, Declaration and Warranty

16. Considering the consultation and engagement process undertaken regarding any impacts of completion of the NRP on Six Nations of the Grand River First Nation community rights, interests or the environment, and considering the actions taken by Ontario and/or Hydro One to address, mitigate and accommodate any such impacts, Six Nations hereby acknowledges and declares that any consultation, engagement or accommodation obligations required of Ontario and/or Hydro One in respect of the NRP have been fulfilled to the full satisfaction of Six Nations.
17. Six Nations will make no claim against Ontario or Hydro One with respect to any impact of the NRP or any infringement of community rights or asserted rights caused by or related to the NRP, subject to Ontario fulfilling all of the applicable terms and conditions under this Agreement.

18. It is acknowledged that Six Nations and SNGRDC have had an opportunity to consult with independent counsel of their choice and understand the terms contained in this Agreement and that it is being entered into voluntarily and without duress.

19. It is warranted and acknowledged that this Agreement has been duly authorized by the Six Nations by way of Band Council Resolution dated April 28, 2018 authorizing execution of this Agreement and that the President and Chief Executive Officer of the SNGRDC has authority to enter into this Agreement on behalf of the corporation.

GENERAL TERMS

20. This Agreement reflects the common understanding of the Parties and is entered into to facilitate the completion of the NRP by the In-Service Date and form the basis of a definitive agreement to give effect to the terms outlined herein. Except for section 2 of this Agreement, which the Parties agree is binding as of the date this Agreement takes effect, the remainder of Agreement does not impose any legally binding obligations on the Parties. Any definitive agreement is subject to all necessary approvals as the Parties shall identify to each other during negotiation of the definitive agreement.

21. This Agreement shall be governed by and construed in accordance with and subject to the laws of the Province of Ontario.

22. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. This Agreement takes effect as of the date hereof.

[SIGNATURE PAGE TO FOLLOW]
DATED THIS 3rd DAY OF MAY, 2018.

Witness

Ava Hill
Chief of the Six Nations of the Grand River

Witness

Matt Jamieson
President and Chief Executive Officer of Six Nations of the Grand River Development Corporation

Witness

Glenn Thibeault
Minister of Energy