



SPECIAL COUNCIL ADDENDUM

**Thursday, March 6, 2014
7:00 p.m.**

4. REPORTS

4.2 CAO Report - Proposed Agreement to Grant an Easement Along the former Rail Corridor for 230 kV Transmission Line – Summary of Revised Terms as of March 4, 2013

Listed on
the agenda

A report from the CAO dated March 6, 2014 with respect to a revised summary of terms of the proposed agreement for an easement along the former rail corridor for a 230 kV transmission line, as of March 4, 2014.

10. BY-LAWS

Listed on
the agenda

2014-11 A by-law to approve an agreement between the Corporation of the County of Dufferin and Dufferin Wind Power Inc. (Easement Agreement – Hydro Transmission Line along the Former Rail Corridor)
(Copy of revised Schedule A is attached)



REPORT TO COUNTY COUNCIL

To: Warden Hill and Members of Council

From: Sonya Pritchard, Chief Administrative Officer

Meeting Date: Thursday, March 6th, 2014

Subject: **Proposed Agreement to Grant an Easement Along the former Rail Corridor for 230 kV Transmission Line – Revised Terms as at March 4th, 2014**

Purpose

The purpose of this report is to provide Council with a summary of the revised terms included in the proposed agreement. This report should be read in conjunction with the report previously circulated and originally provided at the February 13, 2014 Council meeting.

Background and Discussion

At the regularly scheduled meeting of Council on February 13, 2014 Council passed a motion to defer the proposed agreement that was presented. The motion directed that the matter be dealt with at a special meeting to be held prior to March 10, 2014 (the new date for the expropriation hearing). The matter was deferred in order to afford additional time to consider information that was made available about the expropriation hearing and to consider additional items for the proposed agreement.

Discussion between staff, the County solicitors, and Dufferin Wind have taken place and some of the items raised at the previous Council meeting have been incorporated into a revised agreement. However, Dufferin Wind has now made the agreement contingent upon the issuance of permits.

The changes to the agreement are summarised below. In addition a highlighted copy of the agreement identifying the changes from the previous proposed agreement is attached to this report. (Please note that this copy of the agreement includes a series of changes that were made to the document and the highlighted items are those that have changed from the proposed agreement that was presented on February 13th, 2014).

Conditions Introduced by Dufferin Wind

DWPI has inserted clauses to the proposed agreement that requires the County to issue entrance permits within 2 business days of the passing of the agreement. Staff has reviewed the County permits and was prepared to issue them within this timeframe. However, Dufferin Wind has added a further condition requiring all permits for entrances and road use agreements from local municipalities to also be issued by March 18th, 2014. The community contribution amount is to be reduced by \$10,000 for each day beyond March 18th that the permits are not issued. This condition is outside the County's jurisdiction and as such the County cannot agree to this without the consent from the effected local municipalities.

It should be noted that there is some question as to the requirement to obtain the permits in question and whether or not the legislative scheme that governs green energy projects exempts them from such approval.

Compensation for Fencing

An additional sum of \$500,000 has been included to cover the costs of fencing requirements under the Line Fencing Act for requests made within two years of the date of the agreement. This payment is subject to the issuance of the permits. With respect to fencing obligations it is important to stress that in accordance with Section 20 of the Act the owner of a former rail corridor is responsible for fencing properties where a farming business is being carried out and a request has been made by the property owner. Approximately half of the 31.5 km distance of the easement is bordered by properties assessed as farmland.

Location of Transformers and Structures

Clause 7(f) was inserted indicating that no transformers are to be located within the County Lands (the corridor) and that all power poles, communications cables, and overhead/underground transition stations forming part of the transmission line shall be within the easement. In addition, the structures shall not impact recreational or future rail use.

Interference with Farming Operations

A clause indicating that DWPI will use reasonable efforts to minimize interference with farm crossings especially during harvesting and planting seasons.

Construction Hours

A statement restricting construction activities to between 7:00 am to 7:00 pm Monday to Friday and noon to 7:00 pm on Sundays was added.

Species at Risk

A clause was added indicating DWPI has undertaken studies to gather information with respect to the potential impact of species at risk.

Third Party Use of the Transmission Line

Nothing has been added to the agreement with respect to third party use of the transmission line. Dufferin Wind's position is that any potential third party use of the line in the future would be governed by the IESO and provincial regulations at the time a request is made.

Local Municipal Impact

The section of the rail corridor impacted by the transmission line runs through Amaranth, Shelburne, and Melancthon.

Financial Impact

The potential financial compensation totals \$1,400,000 plus an amount of up to \$500,000 for fencing requests made within a two year period plus the value of the non-monetary items in Schedule F plus compensation for legal fees incurred to date. There will also be a savings in legal fees if the expropriation proceedings are not required.

Recommendation

For the consideration of Council.

Respectfully submitted by:

Original signed by,

Sonya Pritchard, CMA
Chief Administrative Officer

AGREEMENT TO GRANT EASEMENT

THIS AGREEMENT dated the _____ day of _____, 2014.

BETWEEN:

THE CORPORATION OF THE COUNTY OF DUFFERIN
(hereinafter called the "**County**")

OF THE FIRST PART

- and -

DUFFERIN WIND POWER INC.
(hereinafter called "**DWPI**")

OF THE SECOND PART

WHEREAS the County is the registered owner in fee simple in possession, of that parcel or tract of land and premises legally described on Schedule "A" attached hereto (the "**County Lands**");

AND WHEREAS DWPI is the registered tenant and/or owner in fee simple, of the lands and premises located in Melancthon Township shown on the plan attached as Schedule "B" attached hereto as the same may be modified from time to time with the approval of the Ontario Power Authority or any successor thereto (the "**OPA**") (the "**DWPI Lands**");

AND WHEREAS the Council of the County enacted By-law No.  authorizing the County to grant to DWPI: (a) a right in the nature of an easement or right-of-way over a part of the County Lands comprising an area of approximately 32 kilometers in length and 10 metres in width, with the exception of three locations (each being approximately 40 metres in length) that will have overhead to underground/underground to overhead structures, which locations will be approximately 11.5 meters in width as shown on the sketch attached hereto as Schedule "C" (the "**Easement Lands**"), to accommodate an electrical transmission line in accordance with the terms and conditions set out below; and (b) a recurring temporary right to use the balance of the County Lands adjacent to the Easement Lands to maintain and repair the Works (as defined below);

WITNESSETH that in consideration of the sum of Ten Dollars (\$10.00) of lawful money of Canada now paid by each of DWPI and the County to the other party, the receipt whereof is hereby acknowledged, the parties agree as follows:

1. Subject to the terms of this Agreement, the County does hereby grant and convey to DWPI for a period of forty-five (45) years commencing on the date hereof (the "**Term**") the following rights (the "**Purposes**"): (i) a non-exclusive easement or right of way (the "**Transmission Easement**") in, over, upon, and through the Easement Lands solely for the purpose of surveying, constructing, operating, using, inspecting, repairing and maintaining on such Easement Lands an electrical transmission line and appurtenant infrastructure and systems (hereinafter collectively referred to as "**Works**") as necessary for the transmission of electricity generated from the operation of a wind power electrical generation facility on the DWPI Lands from the DWPI Lands to the Orangeville Hydro One 230 kV Transformer Station and, (ii) in accordance with Section 44~~12~~¹¹ hereof, a temporary non-exclusive access right on and over the County Lands during the construction of the Works and when inspecting, maintaining and repairing the Works, to access the Easement Lands with vehicles and equipment and to laydown materials and equipment (the "**Temporary Construction Access and Maintenance Easement**").

The County may terminate this Agreement effective as of the 25th anniversary or 35th anniversary of the date hereof, if:

- (a) the Works are no longer being used for the transmission of electricity (other than as a result of Force Majeure, or the Works are being repaired or refurbished) generated by the wind power electrical generation facility on the DWPI Lands (the “DWPI Project”), or
- (b) DWPI has been persistently in material default under this Agreement, by providing written notice of termination to DWPI setting forth the reasons for termination at least one (1) year prior to the 25th or 35th anniversary of the date hereof, as applicable.
2. Prior to the commencement of the Term, DWPI agrees to pay the County the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00), plus Harmonized Sales Tax (the “Fee”) as consideration for the grant contemplated herein on execution and delivery of a fully executed copy of this Agreement.
- ~~3. In addition to the Fee, DWPI agrees to pay the County:~~
- 3. (a) In addition to the Fee, DWPI agrees to pay the County the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) (the “Community Contribution”); and, The Community Contribution will be reduced by \$10,000 for each day after March 18th that it takes for all of the permits referred to in Section 3(b) below to be issued. The Community Contribution shall be paid upon the later of:**
- (b) ~~the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) (the “Corridor Maintenance Contribution”),~~
- upon the later of:
- (a) (c) delivery and registration of the Transfer of Easement (as defined in Section 2324 below); and**
- (b) (d) the issue by the County and all applicable second-tier municipalities of all County permits, including entrance permits and road occupancy permits, required for the initial construction of the Project and the Works, and including the issue of those permits applied for by DWPI in accordance with Section 5(b) of Schedule “F” hereto (whether those permit applications should have been submitted to the County or to a lower-tier municipality).**
- The County shall use the Community Contribution for community betterment projects that the Council of the County deems appropriate. The County shall ensure that the economic benefit provided by DWPI’s Community Contribution is publicly recognized. ~~The County may use the Corridor Maintenance Contribution for maintenance of the County Lands, including the provision and maintenance of fencing.~~
- 4. If and only if all the permits referred to in Section 3(b) have been issued on or before March 18, 2014, DWPI shall deposit with the County, within 30 days after the issue of the last permit, cash or a bank standby letter of credit in the sum of \$500,000 (the “Line Fences Fund”) for a period of two years solely to provide a fund for the County to draw upon to cover its cost of constructing, keeping up or repairing fences which it has been required to carry out pursuant to Section 20 of the Line Fences Act at the request of a farming business which is being carried out on lands adjoining the County Lands where the construction or repairs have been performed prior to the expiry of such two-year period. Upon the expiry of the two-year period the balance of the Line Fences Fund then outstanding will be returned to DWPI.**
- ~~5. Upon payment of the Fee, DWPI, its servants and agents, shall be entitled to access the County Lands to permit DWPI to conduct geotechnical investigations, take soil samples, environmental assessments and, conduct other site assessments, remove snow, trim trees and conduct surveying.~~ Forthwith upon commencement of the Term and the payment of the Fee, DWPI, its servants and agents shall be entitled to enter upon the Easement Lands for the Purposes.
- ~~6. DWPI acknowledges and agrees that the Easement shall be encumbered by, and subject to, present and future, pedestrian and motorized vehicle trail(s), rail line(s), easement and crossing agreements with adjacent owners, registered and unregistered easements, and structures and improvements now existing or which may at any time or times from time to time be constructed or located on the Easement Lands (the “Encroachments”) and the County’s continued unimpeded use of such Encroachments.~~

DWPI agrees to accept the Easement herein granted subject to the Encroachments and agrees that it will not seek the removal or alteration of the Encroachments in the future, provided that any such Encroachments which may hereafter be granted, constructed or located on the Easement Lands shall not materially impair the use by DWPI of the Easement for the Purposes and the Encroachments comply with applicable laws and setbacks required by governmental authorities including the Ontario Energy Board and the Electrical Safety Authority and their respective successors. The County shall obtain from any person to whom it grants a right or permit to use Encroachments and/or the County Lands a written acknowledgement in favour of DWPI acknowledging DWPI's right to use the County Lands for the Purposes.

7. ~~6.~~ DWPI covenants and agrees that:

- (a) DWPI shall use the Easement Lands only for the Purposes and, without limiting the generality of the foregoing, shall not use or permit the Easement Lands to be used for any other purpose.
- (b) The County shall have the right to designate a contractor or agent to supervise DWPI's construction of the Works on the Easement Lands, and DWPI agrees to reimburse the County for all fees and other amounts reasonably charged by such contractor or agent for such supervision.
- (c) DWPI shall (within a reasonable period of receipt by DWPI) provide the County with copies of all testing results and studies obtained by DWPI in connection with the Works and/or the Easement Lands.
- (d) Prior to commencing construction of the Works, DWPI shall provide appropriate public notice including, without limitation, signage.
- (e) It shall promptly provide the County with copies of any input received from any public consultation process conducted by or on DWPI's behalf in respect of DWPI's generation project and/or the use of the County Lands as a transmission corridor along with a summary of DWPI's response to such input.
- (f) **No transformers will be located within the County Lands. All power poles, communications cables, power cables and overhead/underground transition stations forming part of the Transmission Line shall be located entirely within the Easement Lands, and these (and any future) permanent structures on the Easement Lands, will not include any transformers, impact the Temporary Construction Access and Maintenance Easement for recreational use or future rail operations.**

8. ~~7.~~ Except to the extent ordered by the Ontario Energy Board or any successor thereto or as may be required by law, DWPI agrees that it shall not construct or modify in any material respect the Works without the prior written approval of the County and all authorities having jurisdiction including, without limitation, the location and siting of the Works on the Easement Lands. With respect to construction or modifications ordered by the Ontario Energy Board or any successor thereto, DWPI shall provide written notice to the County prior to such commencement of such construction or modifications in accordance with the provisions of this Agreement. DWPI, at its sole cost and expense, shall obtain all permits necessary to utilize the Easements and the Works for the Purposes including, without limitation, all permissions to construct, renewable energy approvals or similar permits. Such construction and modifications, if approved by the County, shall be conducted by DWPI at its sole cost and expense and in compliance with all applicable laws and regulations and the requirements of every authority having jurisdiction and in accordance with good utility practice. All materials and utility line design utilized in connection with such construction and modification shall comply with the standards set by the Ontario Energy Board, the Canadian Standards Association and good utility practices and shall be subject to the County's inspection and approval.

9. ~~8.~~ Upon expiry or earlier termination of the Term, DWPI shall, at its sole cost and expense, decommission and/or remove such of the Works as the County shall require to be decommissioned and/or removed, such decommission and/or removal to be completed on or before the end of the Term. DWPI shall, at its sole cost and expense, repair any damage caused to the Easement Lands or the County Lands by the decommission or removal of such Works and shall restore the impacted lands to their

former state. DWPI's obligations pursuant to this Section shall be secured by the letter of credit or other security provided to the County pursuant to Section ~~2728~~ hereof.

10. ~~9.~~ DWPI covenants and agrees that except to the extent contemplated by this Agreement its use of the Easement Lands is not intended in any material way adversely affect or prohibit:
- (a) the County's operations on the County Lands;
 - (b) the County's use of the Encroachments; and
 - (c) the use of the County Lands by others entitled thereto including, without limitation, users pursuant to specific agreements with the County.
11. ~~10.~~ DWPI shall, at its own risk and expense, during the Term of this Agreement, maintain the Easement Lands, including without limitation the Works, in accordance with good utility practices for tree trimming and clearing transmission line corridors in the Province of Ontario and shall provide all materials and perform all maintenance thereof, to the satisfaction of the County and all authorities having jurisdiction. DWPI covenants and agrees that all maintenance activities will be conducted in a manner to minimize any interference with the use of the Easement Lands by the County or any other party entitled to use the Easement Lands. From and after the date of commencement of the transmission of electricity via the electrical transmission line constructed on the Easement Lands, DWPI shall retain a contractor recognized as having the necessary professional accreditations, expertise, resources and experience to provide ongoing maintenance services for the Works and the Easement Lands in accordance with DWPI's obligations pursuant to this Agreement. DWPI acknowledges that the County Lands may contain Encroachments in the nature of infrastructure improvements such as hydrocarbon pipelines and telecommunication and electrical transmission lines. DWPI covenants and agrees to take all commercially reasonable steps to avoid damaging such systems and agrees to expeditiously repair any damage caused by DWPI or its agents or contactors at DWPI's sole cost and expense.
12. ~~11.~~ The County grants DWPI, its servants and agents, a recurring temporary non-exclusive right to use the County Lands to permit DWPI to maintain and repair the Works (referred to in Section 1 as the Temporary Construction Access and Maintenance Easement). DWPI will notify the County in writing at least ten (10) days prior to the date of such anticipated use, except in the case of emergencies in which case DWPI shall give as much notice, if any, as is practicable. DWPI shall use commercially reasonable efforts to minimize the magnitude and duration of the use of the County Lands pursuant to the Temporary Construction Access and Maintenance Easement, in particular DWPI will use commercially reasonable efforts to minimize interference with any farm crossings across the County Lands especially during key planting and harvesting periods. DWPI will also limit construction activities to the hours of 7:00 a.m. to 7:00 p.m. Monday through Saturday and 9:00 a.m. ~~Noon~~ to 7:00 p.m. on Sundays.
13. ~~12.~~ DWPI shall, at its own expense, comply with, in all material respects, all applicable laws, by-laws, ordinances, regulations and directives relating to DWPI's use and occupation of the Easement Lands including, without limitation, the Ontario Energy Board, the Electrical Safety Authority and all utility companies and/or public authorities having jurisdiction over DWPI's use and occupation of the Easement Lands, and DWPI shall, at its own expense, construct, maintain and repair of the Works in accordance with good utility practice, including, without limitation, all federal and provincial requirements, including, without limitation, the Electrical Safety Code.
14. ~~13.~~ DWPI acknowledges and agrees that should it fail to comply with its requirements under Sections ~~1011~~ and ~~1213~~ of this Agreement, that the County shall have the right and entitlement to enter upon the Easement Lands and undertake such actions and carry out such matters or things as may be required to remedy or rectify DWPI's default and recover the costs or expenses of doing so by presenting evidence of same to DWPI which DWPI undertakes to pay within thirty (30) days. DWPI's obligations pursuant to this Section shall be secured by the letter of credit or other security provided to the County pursuant to Section ~~2728~~ hereof.
15. ~~14.~~ For the purposes of this Agreement:
- (a) **"Environmental Laws"** means any domestic and foreign federal, provincial, municipal or local laws, statutes, regulations, ordinances, guidelines, guidance

notes, policies, judge made laws or common laws and any orders of a court or governmental authority, relating in any way to the natural or human environment (including land, surface water, groundwater, and real, personal, moveable and immoveable property), public or occupational health and safety, and the manufacture, importation, handling, use, reuse, recycling, transportation, storage, disposal, elimination and treatment of a substance, hazardous or otherwise; and

- (b) **“Pollutants”** means any substance which is regulated by or which would be considered a contaminant, pollutant, waste or deleterious or hazardous substance under Environmental Laws, or which is or may be hazardous to persons or property or detrimentally affect property value and includes, without limiting in any way the generality of the foregoing:
- (i) radioactive materials;
 - (ii) explosives;
 - (iii) any substance that, if added to any air, land and/or water, would degrade or alter or form part of a process of degradation or alteration of the quality of that air, land and/or water, to the extent that it is detrimental to its use by human beings or by any animal or plant;
 - (iv) any solid, liquid, gas, microorganism, mould, sound, vibration, ray, heat, radiation, odour or combinations of any of them that is likely to alter the quality of the environment (including air, land and water) in any way or the presence of which in the environment is prohibited by regulation or is likely to affect the life, health, safety, welfare or comfort of human beings or animals or to cause damage to or otherwise impair the quality of soil, vegetation, wildlife or property;
 - (v) toxic substances;
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental or municipal authority having jurisdiction over the County, DWPI, the Easement Lands, or the County Lands of which the Easement Lands form a part;
 - (vii) any substance, the use or transportation of which or the release of which into the environment is prohibited, regulated, controlled or licensed under Environmental Laws; and
 - (viii) anything contaminated by any Pollutants.

16. ~~15.~~ DWPI shall not bring into or allow to be brought onto the Easement Lands or the County Lands any Pollutants, except such as are disclosed in Schedule “D” attached hereto or existed in or on the County Lands at the date of this Agreement. If DWPI or its employees or those for whom it is in law responsible shall bring, create, discharge or release upon, in or from the County Lands, including the Easement Lands, any Pollutants, whether or not disclosed in Schedule “D” and whether during the Term of this Agreement, then such Pollutants shall be and remain the sole property of DWPI and DWPI shall promptly remove same at its sole cost at the expiration or sooner termination of the Term or sooner if required by the County.

17. ~~16.~~ If, during the Term or any renewal or extension of this Agreement or at any time thereafter, any governmental authority shall require the clean-up of any Pollutants:

- (a) held in, discharged in or from, released from, abandoned in, or placed upon the Easement Lands or the County Lands by DWPI or its employees or those for whom it is in law responsible; or
- (b) released or disposed of by DWPI or its employees or those for whom it is in law responsible; or
- (c) disturbed by the Works or DWPI’s operations pursuant to this Agreement which Pollutants would not have required remediation if not for the actions of DWPI or its employees or those for whom it is in law responsible;

whether during DWPI's occupancy of the Easement Lands or any other portion of the County Lands pursuant to this Agreement, then DWPI shall, at its own expense, carry out all required work, including preparing all necessary studies, plans and approvals and providing all bonds and other security required by any governmental authority or required by the County and shall provide full information with respect to all such work to the County; provided that the County may, at its option, perform any such work at DWPI's sole cost and expense, payable on demand.

18. ~~17.~~ In addition to and without restricting any other obligations or covenants herein, DWPI covenants that it will:

- (a) comply in all material respects with all Environmental Laws relating to the Easement Lands or the use of the Easement Lands;
- (b) promptly notify the County in writing of any notice by any governmental authority alleging a possible violation of or with respect to any other matter involving any Environmental Laws relating to operations in the Easement Lands or relating to any Person for whom it is in law responsible or any notice from any other party concerning any release or alleged release of any Pollutants; and
- (c) permit the County to:
 - (i) enter and inspect the Easement Lands and the operations conducted therein,
 - (ii) conduct tests and environmental assessments or appraisals,
 - (iii) remove samples from the Easement Lands, and
 - (iv) examine and make copies of any documents or records relating to the Easement Lands and interview DWPI's employees as necessary; and
- (d) promptly notify the County of the existence of any Pollutants on the County Lands, beyond those reasonably anticipated to be located on the County Lands as a result of their prior use as a rail corridor.

19. ~~18.~~ DWPI shall, during the Term and at all times thereafter, indemnify and hold the County, its elected officials and employees, harmless at all times from and against any and all losses, damages, penalties, fines, costs, fees and expenses (including legal fees on a solicitor and client or substantial indemnity basis and consultants' fees and expenses) resulting from:

- (a) any breach of or non-compliance with the environmental obligations and covenants of DWPI as set out in this Agreement; and
- (b) any legal or administrative action commenced by, or claim made or notice from, any third party, including, without limitation, any governmental authority, to or against the County and pursuant to or under any Environmental Laws or concerning a release or alleged release of Pollutants at or on the Easement Lands into the environment and related to or as a result of the operations of DWPI or those acting under its authority or control on the Easement Lands or any other portion of the County Lands, and any and all costs associated with air quality issues, if any, relating to DWPI's use of the Easement Lands, and whether during the Term of this Agreement or any other agreement between DWPI and the County with respect to the Easement Lands or any other portion of the County Lands

20. ~~19.~~ DWPI shall obtain and provide the County with a pre-construction survey of the Easement Lands and adjacent lands to identify all wells located within 120 metres of the Easement Lands.

21. ~~20.~~ DWPI shall, at its own risk and expense, keep the Easement Lands free of combustible matter and, as required to ensure good and safe operation, to keep the Easement Lands clear of materials and obstructions in accordance with good utility practices.

22. ~~21.~~ DWPI covenants and agrees that:

- (a) it shall, at its expense, maintain throughout the Term and during any period thereafter when it may be permitted or required to have access to the Easement Lands, the insurance (the “**Insurance**”) described below. Such Insurance shall: (1) be primary, non-contributing with and not in excess of other insurance available to the County; and (2) contain a prohibition against cancellation or material change that reduces or restricts the Insurance (except on thirty (30) days prior notice to the County). Prior to its initial access to or occupancy of the Easement Lands by DWPI, and thereafter at any time upon request from the County or upon renewal, amendment or extension of all or any part of the Insurance, DWPI shall immediately deliver to the County evidence of the Insurance satisfactory to the County. The Insurance is as follows:
- (i) all risks property insurance, on the Works and on all chattels, equipment and other personal property owned or operated by DWPI or by others (other than the County) on behalf of DWPI in or upon the Easement Lands, insurance for all property owned by DWPI or for which DWPI is legally liable located within or near the County Lands. The Insurance shall contain a waiver of any subrogation rights that the insurers may have against the County and against those for whom the County is responsible in law;
 - (ii) Ten Million Dollars (\$10,000,000.00) inclusive limits comprehensive general liability insurance. This insurance shall: (1) name the County as an additional insured; (2) contain a provision that precludes invalidation as respects the interest of the County by reason of any breach or violation of warranties, representations, declarations, or conditions; (3) shall protect and indemnify the County in respect of all Claims, including Claims by DWPI, as if the County was separately insured; and (4) such insurance shall include cross liability and severability of interest clauses; and
 - (iii) any other form of commercially available insurance that the County and DWPI, each acting reasonably, determine a prudent user would insure for insurance risks and as to amounts;
- (b) if it fails to take out or keep any such Insurance, the County has the right, without assuming any obligation in connection therewith and without prejudice to any other rights and remedies of the County under this Agreement, to effect the Insurance at the sole cost of DWPI, and all costs incurred by the County to effect such Insurance shall be paid by DWPI to the County on demand; and
- (c) it hereby waives its right of recovery against the County, its employees and those for whom the County is in law responsible with respect to all Claims required to be insured against by DWPI hereunder. Any and all deductibles in DWPI’s insurance policies shall be borne solely by DWPI and shall not be recovered or attempted to be recovered from the County. In addition, all such policies shall be non-contributing with, and will apply only as primary and not excess to, any insurance proceeds available to the County.

23. ~~22.~~ The County, its elected officials, agents, officers, employees, contractors and others for whom the County is legally responsible shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to the County Lands, or damage to the Works, the property of DWPI or of others located on the Easement Lands or elsewhere on the County Lands, nor shall it or they be responsible for any loss of or damage to any property of the County, DWPI or others from any cause whatsoever, other than any such death, injury, loss or damage which results from the willful misconduct or gross negligence of the County, its officers, employees, and others for whom the County is legally responsible.

24. ~~23.~~ To the fullest extent permitted by law, DWPI, and its successors and assigns, hereby release and agree to indemnify, defend and hold harmless the County, its elected officials and employees and its affiliates and the respective employees, officers, directors, shareholders, partners and members of each of the foregoing entities (the “**County Indemnified Party**”) from and against any claim, liability, loss, damage, demand, lawsuit, cause of action, strict liability, penalty, fine, administrative law, action and order, expense including but limited to reasonable legal fees and expenses, and/or cost of every kind and character (collectively a “**Claim**”) whether or not involving a Claim by, or of, a County Indemnified Party arising out of or in any way incident to: (a) the

construction, erection, installation, operation, inspection, repair, replacement or maintenance of any Works associated with the use of the Easement Lands or any other matters related thereto being initiated, provided or performed by DWPI or its contractors, agents, employees or sub-contractors, or any of their respective employees or agents under this Agreement, including without limitation, on account of defective work, breach of agreement, failure of equipment, failure of methods employed, violation of law, personal injuries, death, damage to property, damage to the environment, or infringement of any patent, trademark, copyright or other property right, regardless of whether such harm is to DWPI its employees or officers, the County or any other person or entity; (b) damages and injuries occurring in or upon the Easement Lands or any portion of the County Lands outside the Easement Lands that relates to DWPI's operations, (c) any intentional act, or negligence of DWPI or DWPI's agents, employees, or contractors, (d) any breach or default in the performance of any obligations of DWPI to be performed under this Agreement. This indemnity shall survive the expiration or termination of this Agreement. Notwithstanding the foregoing, DWPI shall not be required to indemnify a County Indemnified Party if such Claim arises from an event caused solely by the gross negligence or wilful misconduct of the County.

25. ~~24.~~The County shall, forthwith upon the request of DWPI, execute and deliver a registerable grant or transfer of easement in favour of DWPI, incorporating the terms herein and in a form acceptable to both parties, each acting reasonably (the "**Transfer of Easement**"). Any reference plan, survey or legal description required for the purposes of description of the County Lands, the DWPI Lands or the Easement Lands shall be prepared or obtained by DWPI at its expense, and shall be subject to approval by the County. The County and DWPI will cause their respective legal counsel to register the Transfer of Easement on title at DWPI's cost (including applicable land transfer tax). The County covenants that at the time of registration of the Transfer of Easement, title to the Easement Lands will be free and clear of all encumbrances other than non-financial encumbrances which will not prevent or restrict DWPI's use of the Easement Lands for the Purposes. Upon expiry of the Term, DWPI agrees that it will, at its sole expense, discharge and delete from title the Transfer of Easement. If such registration is not discharged and withdrawn, the County shall have the right and is hereby appointed by DWPI as its agent to prepare, execute and register such documentation as is required to discharge and delete such registration.

26. ~~25.~~This Agreement shall be conditional upon compliance with Section 50 of the *Planning Act* (Ontario) to the extent applicable.

27. ~~26.~~This Agreement shall be of the same force and effect as a covenant running with the County Lands and the rights hereunder shall be appurtenant to each and every part of the DWPI Lands. DWPI shall not enter into, consent to, or permit any Transfer (as such term is defined below) without the prior written consent of the County, which consent shall not be unreasonably withheld, conditioned or unduly delayed. With respect to such Transfer:

- (a) if there is a permitted Transfer, the County may collect any unpaid portion of the Fee, ~~or Community Contribution or Corridor Maintenance~~ Contribution and, any other amounts due hereunder, from the transferee and apply the amount collected to the Fee, ~~and Community Contribution and Corridor Maintenance~~ Contribution payable under this Agreement but no acceptance by the County of any payments by a transferee shall be deemed to be a waiver of DWPI's covenants or any release of DWPI from the further performance by DWPI of its obligations under this Agreement. Any consent by the County shall be subject to DWPI and the transferee executing, prior to the Transfer being made, an agreement with the County agreeing that the transferee will be bound by all of the terms of this Agreement and that the transferee will be so bound as if it had originally executed this Agreement;
- (b) notwithstanding any Transfer permitted or consented to by the County, DWPI shall remain liable under this Agreement and shall not be released from performing any of the terms of this Agreement;
- (c) if the Transfer in respect of which consent has been given is not completed within one hundred and twenty (120) days of the date of such consent, or if DWPI is in default under this Agreement, then such consent shall, at the County's option, become void; and

- (d) the agreements referred to in this Section ~~26~~**27** and any document evidencing the County's consent to any Transfer shall, at the County's option, be prepared by the County or its solicitors at DWPI's cost.

For the purposes of this Agreement "**Transfer**" means: (i) an assignment of this Agreement in whole or in part including an assignment by operation of law, (ii) a parting with or sharing of possession of all or part of the Easement Lands, (iii) any transaction by which any right of use or occupancy of all or any part of the Easement Lands is conferred upon anyone, (iv) any mortgage, charge or encumbrance of this Agreement or the Easement Lands or any part thereof, or other arrangement under which either this Agreement or the Easement Lands becomes security for any indebtedness or other obligations; and (v) any transaction or occurrence whatsoever which has changed or might change the identity of the person or persons having lawful use or occupancy of any part of the Easement Lands.

Notwithstanding the foregoing, DWPI shall be permitted to assign or charge its interest in this Agreement to: (i) an affiliate within the meaning of the *Ontario Business Corporations Act* or a partnership controlled by DWPI or an affiliate; and (ii) a *bona fide* lender providing financing to DWPI for construction of the proposed wind powered electrical generation, distribution and transmission facility on the DWPI Lands (the "**Project**") provided that such lender agrees to be bound by all of the terms and provisions of this Agreement if such lender enters into possession of the DWPI Lands. The County hereby agrees to execute and deliver an acknowledgement and consent agreement in favour of any of DWPI lenders substantially in the form attached hereto as Schedule "E".

28. ~~27~~-In order to secure DWPI's obligations pursuant to this Agreement:

- (a) within fifteen days of mutual execution of this Agreement, DWPI shall deposit with the County cash in the sum of Five Hundred Thousand Dollars (\$500,000) (the "**General Security**") to be used to guarantee DWPI's compliance with the terms of this Agreement including, without limitation, DWPI's maintenance and decommissioning obligations and to otherwise permit the County to enforce the terms of this Agreement. Upon the fifth anniversary of this Agreement, and upon every fifth anniversary thereafter, DWPI shall increase the General Security by an amount equal to One Hundred Thousand Dollars (\$100,000). Notwithstanding anything in this Agreement to the contrary, the maximum General Security to be deposited with the County shall not exceed One Million Dollars (\$1,000,000). The General Security shall be released to DWPI forthwith after complete decommissioning of the Works and, in any event, no later than 30 days following the date the County receives a certificate from DWPI confirming that all decommissioning work has been completed in accordance with the terms of this Agreement; and
- (b) in addition to the General Security, prior to DWPI commencing construction of the Works, DWPI shall deposit cash or a bank standby letter of credit in the sum of One Million Dollars (\$1,000,000) with the County to guarantee compliance with the terms of this Agreement relating to the construction and installation of the Works (the "**Construction Security**"). The Construction Security shall be released to DWPI upon the later of: the date which is sixty (60) days following the County's receipt of (i) a certificate from DWPI that all Works have been completed in accordance with the terms of this Agreement and have been energized; and (ii) a copy of the written confirmation of completion of construction that DWPI is obliged to provide to the Ontario Energy Board by DWPI pursuant to Section 2(f) of Appendix B to the July 5, 2013 Decision and Order of the Ontario Energy Board (EB-2012-0365) granting DWPI leave to construct the new transmission line and associated facilities.

29. ~~28~~-An "**Event of Default**" will be considered to have occurred when any one or more of the following happens:

- (a) DWPI fails to pay any monetary payment when it is due and the failure continues for ten (10) business days after written notice from the County to DWPI of specifying the failure;
- (b) DWPI fails to observe or perform any other of the terms, covenants, conditions or agreements contained in this Agreement and DWPI fails to diligently

commence to remedy the failure or default within 45 business days after written notice from the County to DWPI specifying the failure;

- (c) the Term, the Works or any of the goods, chattels, or fixtures of DWPI on the Easement Lands or the DWPI Lands are seized or taken or exigible in execution or in attachment or if a writ of execution or enforcement is issued against DWPI, which is not satisfied, lifted or stayed within 45 business days of written notice from the County to DPWI specifying the failure;
- (d) DWPI becomes insolvent or commits an act of bankruptcy or becomes bankrupt or takes the benefit of any statute that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary dissolution, winding up or liquidation proceedings or if a receiver is appointed for all or part of the business, property, affairs or revenues of DWPI, or if DWPI makes a proposal, arrangement or compromise with creditors which is not set aside or stayed within 45 business days of such event occurring;
- (e) DWPI ceases or fails to commence the use of the Works on the Easement Lands on or prior to the date which is thirty-six (36) months following the execution of this Agreement; or
- (f) DWPI effects a Transfer that is not permitted by this Agreement.

Upon an occurrence of an Event of Default the County shall have the right to terminate this Agreement and the Easement and to pursue any other remedies available at law or in equity.

30. ~~29.~~ Upon expiry or earlier termination of the Term, DWPI, at its sole cost and expense, shall execute any and all documents required by the County to transfer, release and abandon the Easement and to register same on title to the County Lands.

31. ~~30.~~ Whenever, and to the extent that, either party is unable to fulfil or is delayed or restricted in the fulfillment of any obligation under any provision of this Agreement by reason of strikes, lock-outs, war or acts of military authority, rebellion or civil commotion, material or labour shortage not within their control, fire or explosion, flood, wind, water, earthquake or other casualty, any event or matter not wholly or mainly within their control (other than lack of funds or any financial condition of the parties hereto) or acts of God (in each case, a "**Force Majeure**") not caused by the default or act of or omission by such party and not avoidable by the exercise or reasonable effort or foresight by it, then, so long as any such impediment exists, such party will be relieved from the fulfillment of such obligation and the other party will not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned. Such party will be required and is entitled to perform such obligation within a period of time immediately following the discontinuance of such impediment that is equal to the period of time that such impediment existed. Such party shall promptly notify the other party of the occurrence of any Force Majeure, which might prevent or delay the doing or performance of acts or things required to be done or performed by such party. The parties will use reasonable efforts to remedy the occurrence and abridge the period of Force Majeure.

32. ~~31.~~ The parties hereby acknowledge and agree that the purpose of this Agreement and the Rights granted herein is for the transmission of electricity within the meaning of the *Electricity Act*, 1998. Nothing contained in this Agreement shall abrogate or prejudice any statutory rights under any applicable laws including the *Ontario Energy Board Act*, 1998, and the *Electricity Act*, 1998.

33. ~~32.~~ The parties acknowledge that the County Lands are comprised of lands previously used by CP Rail as a rail corridor.

34. ~~33.~~ If any notice is required to be provided by DWPI or the County under this Agreement to the other, such notice may be delivered by postage prepaid mail (which shall be deemed to be delivered five (5) days from the date of mailing), by personal delivery, by facsimile transmission or via e-mail as follows:

- (a) to DWPI:

Dufferin Wind Power Inc.

161 Bay Street, Suite 4550

TD Canada Trust Tower
Toronto, Ontario, M5J 2S4

Attention: Senior Vice-President
Fax: (416) 551-3617
E-mail: jeff.hammond@clypg.com.cn

(b) to the County:

County of Dufferin
55 Zina Street
Orangeville, ON L9W 1E5

Attention: County Clerk
Fax: 519-941-4565
E-mail: clerk@dufferincounty.on.ca

Notices of address changes may be changed in the manner contemplated by this section.

35. ~~34.~~ Notwithstanding any other provision in this Agreement, DWPI agrees and acknowledges that this Agreement is not intended to operate, nor shall it have the effect of operating in any way to fetter the County Council or any of its successor councils in the exercise of any of Council's discretionary or legislative powers, duties or authorities.

36. ~~35.~~ The County and DWPI agree as follows:

- (a) all numbers, headings, subheadings and sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (b) this Agreement shall be construed with all changes in number and gender as may be required by the context;
- (c) every provision of this Agreement by which the Owner is obligated in any way shall be deemed to include the words "at the expense of the Owner" unless the context otherwise requires, including the payment of any applicable taxes (including HST);
- (d) references herein to any statute or any provision thereof include such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto;
- (e) all obligations herein contained, although not expressed to be covenants, shall be deemed to be covenants;
- (f) whenever a statement or provision in this Agreement is followed by words denoting inclusion or example and then a list of or reference to specific items, such list or reference shall not be read so as to limit the generality of that statement or provision, even if words such as "without limiting the generality of the foregoing" do not precede such list or reference; and
- (g) that all covenants and conditions contained in this Agreement shall be severable, and that should any covenant or condition in this Agreement be declared invalid or unenforceable by a court of competent jurisdiction, the remaining covenants and conditions and the remainder of the Agreement shall remain valid and not terminate thereby.

37. ~~36.~~ This Agreement shall extend to, be binding upon and enure to the benefit of the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto.

38. ~~37.~~ Schedule "F" attached hereto sets forth certain obligations of the parties as to matters relating to: the provision of notice; activities during construction; the provision of information and emergency management plans; and the processing of permits and other documentation. Each of the parties covenant and agree to comply with their respective obligations under Schedule "F" attached hereto.

39. ~~38.~~ The County shall have the right, but not the obligation, to terminate this Agreement on not less than 12 months' prior written notice to DWPI if the DWPI Project cannot be constructed because the Renewable Energy Approval No. 5460-98BPH8 issued to DWPI by the Ministry of the Environment on June 10, 2013 for the DWPI Project is revoked or cancelled and not reinstated or a replacement approval issued to permit the construction of the DWPI Project. In the event of such termination, the County will repay to DWPI the Fee, Community Contribution and ~~Corridor Maintenance Contribution~~ **Line Fences Fund**, and DWPI will decommission and remove the Works in accordance with Section ~~89~~ hereof and transfer, release and abandon the Easement in accordance with Section ~~2930~~ hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

**THE CORPORATION OF THE COUNTY OF
DUFFERIN**

Per: _____
Name: Bill Hill
Title: Warden

Per: _____
Name: Pam Hillock
Title: Clerk
I/We have authority to bind the Corporation.

DUFFERIN WIND POWER INC.

Per: _____
Name: Wu Hao
Title: President

Per: _____
Name: Jeff Hammond
Title: Senior Vice-President
I/We have authority to bind the Corporation.

SCHEDULE "A"
THE COUNTY LANDS

	PIN	Legal Description
1.	34153-0111(LT)	PT LT 262, CON 1 SWTS AS IN MEL3218; PT LT 263, CON 1 SWTS AS IN MEL546; PT LTS 264 & 265, CON 1 SWTS AS IN MEL410; PT LT 266, CON 1 SWTS AS IN MEL517; PT LTS 267 & 268, CON 1 SWTS AS IN MEL409; PT LT 269, CON 1 SWTS AS IN MEL547; PT LT 270, CON 1 SWTS AS IN MEL385 ; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-626]
2.	34153-0110(LT)	PT LT 271, CON 1 SWTS AS IN MF85357; PT LT 272 & 273, CON 1 SWTS AS IN MEL392; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-691]
3.	34153-0126(LT)	PT LT 274-276 CON 1 SWTS MELANCTHON AS IN MF230831; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-691]
4.	34153-0127(LT)	PT LT 277, CON 1 SWTS AS IN MEL526 ; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-691]
5.	34153-0128(LT)	PT LT 278-280 CON 1 SWTS MELANCTHON AS IN MF230831; MELANCTHON designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-691]
6.	34153-0080(LT)	PT LT 281, CON 1 SWTS AS IN MEL386 ; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-690]
7.	34153-0071(R)	PT LTS 282 TO 290, CON 1 SWTS; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-690]
8.	34154-0086(R)	PT LT 291, CON 1 SWTS; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-692]
9.	34154-0087(R)	PT LT 292, CON 1 SWTS; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-692]
10.	34154-0072(LT)	PT LT 293, CON 1 SWTS AS IN MF207807 ; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-692]
11.	34154-0089(LT)	PT LTS 294 TO 296, CON 1 SWTS AS IN MEL363, MEL362 & MEL550; MELANCTHON designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-692]
12.	34154-0090(R)	PT LT 297, CON 1 SWTS; MELANCTHON designated as Parts 9 & 10 on Plan 7R_____ [Plan No. P-692]
13.	34154-0081(LT)	PT LT 298, CON 1 SWTS AS IN LTD26201; MELANCTHON designated as Parts 11 & 12 on Plan 7R_____ [Plan No. P-692]
14.	34154-0110(LT)	PT LT 299 CON 1 SWTS PTS 1, 2 & 3, 7R6170; SUBJECT TO AN EASEMENT IN GROSS AS IN DC136264; TOWNSHIP OF MELANCTHON designated as Parts 13, 14, 15, 16, 17 & 18 on Plan 7R_____ [Plan No. P-692]
15.	34154-0091(LT)	PT LT 300, CON 1 SWTS AS IN MEL548; MELANCTHON designated as Parts 19 & 20 on Plan 7R_____ [Plan No. P-692]
16.	34154-0085(R)	PT LT 301, CON 2 SWTS; MELANCTHON designated as Parts 21 & 22 on

	PIN	Legal Description
		Plan 7R_____ [Plan No. P-692]
17.	34133-0431(LT)	PT LT 5, CON 4 OS, PT 6, 7R567 ; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-698]
18.	34133-0432(R)	PT LT 4, CON 4 OS; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-698]
19.	34133-0417(LT)	PT LTS 3 & 4 CON 4 OS, AS IN MEL397 & MEL398 ; SHELBURNE designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-698]
20.	34133-0433(R)	PT LT 3, CON 3, OS; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-627]
21.	34133-0418(LT)	PT LTS 1 & 2, CON 3 OS, AS IN MEL396, MEL340, MEL364 ; SHELBURNE designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-627]
22.	34133-0630(LT)	PT LT 1 CON 3 OS MELANCTHON AS IN MF230830; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-627]
23.	34132-0022(LT)	PT LTS 31 & 32 CON 3 AS IN AM696 & AM752 ; SHELBURNE designated as Parts 7 & 8 on Plan 7R_____ [Plan No. E-531]
24.	34129-0133(LT)	PT LT 31, CON 2 AS IN AM692 & AM693 ; SHELBURNE; S/T EASEMENT IN GROSS OVER PT 2, 7R5737 AS IN DC92752; designated as Parts 1, 2, 3, 4, 5 & 6 on Plan 7R_____ [Plan No. E-531]
25.	34053-0021(R)	PT LT 30, CON 2; AMARANTH designated as Parts 11 & 12 on Plan 7R_____ [Plan No. P-687]
26.	34053-0020(LT)	PT LT 30, CON 2 AS IN AM694 ; AMARANTH designated as Parts 9 & 11 on Plan 7R_____ [Plan No. P-687]
27.	34053-0036(LT)	N1/2 OF W1/2 LT 29 CON 2 ; AMARANTH designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-687]
28.	34053-0018(LT)	PT LTS 28 AND 29, CON 2 AS IN AM837 & AM691 ; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-687]
29.	34053-0016(R)	PT LT 27, CON 2; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-687]
30.	34053-0017(LT)	PT LTS 26 AND 27, CON 2 AS IN AM695 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-687]
31.	34052-0006(LT)	PT LT 25 CON 2 AS IN AM690; PT LT 24 CON 2 AS IN AM754; PT LT 23 CON 2 AS IN AM702 AND AM689; PT LTS 21 AND 22 CON 2 AS IN AM832; ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-686]
32.	34052-0007(LT)	PT LT 21 CON 3 AS IN AM709 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-685]
33.	34047-0078(R)	PT LT 20, CON 3; AMARANTH designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-685]
34.	34047-0077(LT)	PT LT 19, CON 3 AS IN AM697 & AM701 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-685]
35.	34047-0076(R)	PT LT 18, CON 3; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-685]

	PIN	Legal Description
36.	34047-0085(LT)	PT LT 17 CON 3 AMARANTH PT 1, 7R4816; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. DDD-2640]
37.	34047-0074(R)	PT LT 16, CON 3; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. DDD-2640]
38.	34163-0061(LT)	PT LT 15, CON 3 AS IN AM704 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. DDD-2639]
39.	34163-0137(LT)	PT E 1/2 LOT 14, CON 3 DES AS PT 1, 7R4815; AMARANTH ; COUNTY OF DUFFERIN designated as Parts 1 & 2 on Plan 7R_____ [Plan No. DDD-2639]
40.	34163-0052(LT)	PT LT 13, CON 3 AS IN AM887 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-684]
41.	34163-0048(R)	PT LT 12, CON 3; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-684]
42.	34163-0040(LT)	PT LT 11, CON 3 AS IN AM703 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-684]
43.	34046-0023(LT)	PT LTS 9 & 10, CON 3 AS IN AM700, AM4344, AM10688, AM12905 & AM12906 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-683]
44.	34046-0019(R)	PT LT 8, CON 3; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-683]
45.	34046-0008(LT)	PT LTS 6 & 7, CON 3 AS IN AM822 & AM977 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-683]
46.	34038-0121(LT)	PT LT 2, CON 3 AS IN AM633, AM9311, AM698, AM5294, AM9874, PT LT 3 CON3 AS IN AM722, PT LT 4 CON 3 AS IN AM699, PT LT 5 CON 3 AS IN AM755, AM756 EXCEPT PT 1, 7R4644; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-682]
47.	34038-0007(LT)	PT LT 2 CON 2 AS IN AM543 AND AM559; PT LT 1 CON 2 AS IN AM542; ; AMARANTH designated as Parts 1, 2, 8 & 9 on Plan 7R_____ [Plan No. DDD-2636]

SCHEDULE "B"

DWPI LANDS

See attached
Dufferin Wind Farm
Site Plan

SCHEDULE "C"

SKETCH OF EASEMENT LANDS

See attached draft reference plans for the

230 kV Transmission Line

The "County Lands" consist of the Temporary Construction Access and Maintenance Easement and the Transmission Easement described therein.

The "Easement Lands" consist of the Transmission Easement described therein.

SCHEDULE "D"

LIST OF POLLUTANTS

Potentially hazardous materials routinely used or stored for construction and maintenance activities related to the Project include Garlon 4, petroleum, oils, lubricants, hydraulic fluids, paints, solvents and preservatives for the transmission poles.

SCHEDULE "E"

Acknowledgement and Consent Agreement

to an Agreement dated _____

between

THE CORPORATION OF THE COUNTY OF DUFFERIN

and



ACKNOWLEDGEMENT AND CONSENT AGREEMENT

This Owner's Acknowledgement and Consent Agreement ("**Acknowledgement**") made as of the • day of •, 2014 by and between THE CORPORATION OF THE COUNTY OF DUFFERIN (the "**Owner**") and •, as agent (the "**Agent**") pursuant to a credit agreement dated •, 2014 (as amended, supplemented, restated, extended, renewed or replaced from time to time, the "**Credit Agreement**") between, Dufferin Wind Power Inc. ("**Dufferin Wind**"), *inter alia*, _____ the Agent, • and the other financial institutions from time to time party thereto, as lenders (collectively, the "**Lenders**") and •, in its capacity as collateral agent, under the Agreement made as of •, 2014 (as amended, supplemented, restated, extended, renewed or replaced from time to time, the "**Collateral Agency Agreement**") between Dufferin Wind, the persons who are, and from time to time become, parties thereto as guarantors (including •) and • (the "**Collateral Agent**"), as agent for the Secured Creditors (as defined therein).

WHEREAS:

- A. Dufferin Wind entered into an Agreement to Grant Easement dated •, 2014 and the Transfer of Easement referred to therein which was registered against title to the lands described therein as the Easement Lands (the "**Lands**") on • as Instrument No. • (the Agreement to Grant Easement and the Transfer of Easement are hereinafter collectively called the "**Agreement**"), pursuant to which the Owner has granted to Dufferin Wind, *inter alia*, certain rights in the nature of an easement or right of way to accommodate an electrical transmission line (the "**Rights**") on the terms and conditions set out in the Agreement.
- B. Pursuant to, respectively, the Credit Agreement and the Collateral Agency Agreement (and documentation delivered in connection therewith), the Agent and Collateral Agent, respectively, have been granted charges, mortgages, assignments and security interests (collectively, the "**Security Interests**") in all of the property, undertaking, assets, interests, rights and benefits of Dufferin Wind, including without limitation, all of Dufferin Wind's right title, estate, interest and equity in the Lands, the Agreement, the Easement, all rights, privileges, benefits, agreements and interests therein, and all improvements, equipment, structures, chattels, personal property and appurtenance thereto in, on, under or appurtenant to the Lands (collectively, the "**Collateral**").
- C. The Owner has agreed to execute and deliver this Acknowledgement to the Agent and the Collateral Agent pursuant to the provisions of the Agreement.

NOW THEREFORE in consideration of the sum of Two Dollars (\$2) paid by each of the Agent and the Collateral Agent to the Owner and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner hereby acknowledges, covenants and confirms to each of the Agent and the Collateral Agent, as follows:

- 1. The Owner consents to the creation of the Security Interests and the registration thereof on the title to the Lands in the applicable land registry office(s).

2. The Owner acknowledges that, following an event of default by Dufferin Wind under the Credit Agreement or an event of default as defined in the Collateral Agency Agreement (each, and “**Event of Default**”), the Collateral Agent, the Lenders, the Agent or the Secured Creditors or any nominee or designee thereof or any receiver or receiver-manager (individual and collectively, an “**Agent Party**”) shall have the right to enforce the Security Interests, including, without limitation, the right to enjoy and enforce the rights of Dufferin Wind under the Agreement and, in the course of the enforcement of such rights, shall be entitled to sell, assign, transfer, negotiate or otherwise dispose of the Agreement provided that the Agent Party obtains the consent of the Owner which consent shall not be unreasonably withheld, delayed or unreasonably conditioned, provided that in exercising such rights the Agent Party shall assume all of the liabilities and obligations of Dufferin Wind

3. The Owner agrees:
 - (a) to give the Collateral Agent written notice (at the address below) of any default by Dufferin Wind under the Agreement, concurrent with the delivery of such notice to Dufferin Wind. The Owner shall not be in breach of its obligation under this Agreement if it fails to give notice to the Agent but the Owner shall not be entitled to terminate the Agreement without giving to the Agent in accordance with the same requirements as giving notice to Dufferin Wind pursuant to the Agreement;
 - (b) that, if Dufferin Wind fails to cure the breach or default identified in such notice, the Collateral Agent may, but shall be obliged to, cure such default and the Owner shall not terminate the Agreement or exercise any other remedy under the Agreement if the Collateral Agent, within 30 days of giving date of giving written notice referred to in section 3(a) above, is proceeding to cure such breach or default;
 - (c) that, if any default by Dufferin Wind under the Agreement is not of a curable nature, it shall not exercise any right to terminate if the Collateral Agent or its nominee (provided the Owner consents to such nominee which consent shall not be unreasonably or arbitrarily withheld or delayed) agrees to assume the rights and obligations of Dufferin Wind under the Agreement;
 - (d) that, if the Agreement is terminated or surrendered for any reason prior to the expiry of the term thereof, whether as a result of a default by Dufferin Wind thereunder or otherwise, the Owner shall offer to enter into a new or replacement agreement (the “**Replacement Agreement**”) with the Collateral Agent, or its nominee (provided the Owner consents to such nominee which consent shall not be unreasonably or arbitrarily withheld or delayed) which Replacement Agreement shall be upon the same terms and conditions as the Agreement; and
 - (e) that, if within 10 business days of the date of the notice referred to in section 3(d) above, the Collateral Agent requests a Replacement Agreement, the Owner shall enter into such Replacement Agreement with Collateral Agent. Notwithstanding any of the foregoing, the Collateral Agent confirms and acknowledges that the Owner shall not be liable to the Collateral Agent or its nominee for non-delivery of any notice pursuant to section 3(a) above.
 - (f) that the Owner and Dufferin Wind may modify the Agreement from time to time between themselves without the Collateral Agent’s prior written consent; and
 - (g) that the Owner will, at any time and from time to time, upon not less than five (5) business days’ prior request by the Collateral Agent, deliver to the Collateral Agent a statement in writing certifying that: (i) the Agreement is in full force and full effect unamended (or setting out any such amendments), (ii) all amounts owing and payable under the Agreement have been paid (or setting out any unpaid amounts), and (iii) to the Owner’s knowledge, Dufferin Wind is not in default of its obligations under the Agreement in any material respect (or setting out any such defaults).

4. The Agent covenants and agrees with the Owner that during any period the Agent exercises its Security Interests and takes possession of Dufferin Wind’s interest in the Lands (either directly or indirectly through an Agent Party) or takes control of or manages Dufferin Wind’s interest in the Lands or the Collateral or any part thereof, or forecloses upon the Agreement, or succeeds to the interest of Dufferin Wind under the

Agreement, it will assume all of the obligations of Dufferin Wind under or in connection with the Agreement during such period to the extent that they may be performed by the Collateral Agent, and thereafter observe and perform all of Dufferin Wind's obligations under the Agreement to the extent that they may be performed by the Collateral Agent.

5. The Collateral Agent covenants and agrees with the Owner that during any period the Collateral Agent exercises its Security Interests and takes possession of Dufferin Wind's interest in the Lands (either directly or indirectly through an Agent Party) or takes control of or manages Dufferin Wind's interest in the Lands or the Collateral or any part thereof, or forecloses upon the Agreement, or succeeds to the interest of Dufferin Wind under the Agreement, it will assume all of the obligations of Dufferin Wind under or in connection with the Agreement during such period to the extent that they may be performed by the Collateral Agent, and thereafter observe and perform all of Dufferin Wind's obligations under the Agreement.
6. The Owner confirms and acknowledges that in the event that the Collateral Agent or any other Agent Party assigns, transfers or otherwise disposes of its interest in the Agreement pursuant to its Security Interests (a "**Transfer**"), it will not unreasonably withhold, delay or unreasonably condition its consent to the Transfer, and, upon such assignee or transferee covenanting and agreeing in writing with the Owner to assume and perform all of the covenants and obligations of Dufferin Wind pursuant to the Agreement, each of the Collateral Agent and the other Agent Party shall, thereupon and without further agreement, be freed and relieved of all liability with respect to the Agreement from and after the effective date of such Transfer.
7. All notices hereunder shall be in writing, sent by registered mail, return receipt requested or by telecopy, to the respective parties and the addresses set forth on the signature page or at such other address as the receiving party shall designate in writing.
8. This Acknowledgement may be executed in any number of counterparts, shall be governed by the laws of the Province of Ontario and binds and enures to the benefit of the Agent Parties, and its successors and assigns and shall be binding upon the heirs, personal representatives, successors and assigns of the Owner.
9. Each of the parties hereto agrees to do, make and execute all such further documents, agreements, assurances, acts, matters and things and take such further action as may be reasonably required by any other party hereto in order to more effectively carry out the true intent of this Acknowledgement.
10. The provisions of this Acknowledgement shall continue in effect until the Owner shall have received the written certification of the Collateral Agent that all amounts advanced, and obligations arising, under the Credit Agreement and all Obligations (as defined in the Collateral Agency Agreement) have been paid and performed in full.

IN WITNESS WHEREOF, this Acknowledgement is executed by the parties.

ADDRESS FOR NOTICE

County of Dufferin
55 Zina Street
Orangeville, Ontario, L9W 1E5
Attention: Clerk
Fax: 1-519-941-4565
E-mail: clerk@dufferincounty.ca

ADDRESS FOR NOTICE

■

THE CORPORATION OF THE COUNTY OF DUFFERIN

By: _____
Bill Hill, Warden

By: _____
Pam Hillock, Clerk

[■]

By: _____
Name:
Title:

By: _____
Name:
Title

We have authority to bind the corporation.

SCHEDULE "F"

NOTICES, CONSTRUCTION, DOCUMENTATION, EMERGENCY MANAGEMENT AND PERMITS

This schedule describes the expectations of the parties with respect to matters relating to the provision of notice, activities during construction, the provision of information, emergency management, and the processing of permits and other documentation.

1. Notices

- (a) DWPI will provide to (i) the County, (ii) key users of the recreational trail and (iii) adjacent landowners prior written notice of any planned entry onto the Easement Lands for purposes of construction, operation, inspection, maintenance, repair or decommissioning activities by DWPI, including its employees, authorized representatives and contractors.
- (b) Notice to the County will be provided to the Director of Public Works.
- (c) Notice to key users of the recreational trail will be provided where planned entry onto the County Lands may impact on the use of the recreational trail and will be provided to representatives of key user groups which may be identified by DWPI and the County from time to time. Such notice will be delivered to the representatives of the key user groups by a means agreed upon with such group.
- (d) DWPI will endeavour to provide all notices described in this schedule at the earliest opportunity in advance of each planned entry.
- (e) If, upon receiving a notice of planned entry from DWPI, the County determines that it has concerns about the planned entry, the County shall promptly advise DWPI of such concerns and the parties shall, acting reasonably and in good faith, work together to address the County's concerns and DWPI's need to enter onto the property within a suitable timeframe.
- (f) DWPI will provide updates of its planned entries onto the Easement Lands on its project website and will indicate in such notices the locations and timing of all expected interruptions in the availability of the recreational trail, including detour routing if available. For significant interruptions, DWPI will take reasonable steps to provide additional notice to the public using other media, such as radio or local newspaper publication.
- (g) In the event of unplanned and/or emergency entry onto the County Lands which may impact the use of the recreational trail, DWPI shall give as much notice, if any, as is practicable and such notice will be delivered to the representatives of the key user groups by a means agreed upon with such group.

2. Construction-Related Activities

- (a) Further to section 19 of the Agreement, DWPI has provided to the County a pre-construction survey of the Easement Lands, consisting of:
 - (i) A topographic survey;
 - (ii) A geotechnical survey;
 - (iii) an inventory of existing bridges and culverts, including their GIS location, general condition, and functionality assessment (this information to be provided in both paper and electronic shape file format); and
 - (iv) a vegetation management plan.
- (b) DWPI will provide the County within 10 days of execution of this Agreement a summary analysis of slope stability on the former rail bed to confirm safety and stability for DWPI vehicles and equipment during construction and maintenance activities.
- (c) Inclusive of the Works, DWPI will undertake post-construction restoration of the former rail bed to ensure that the site is restored to a condition at least equal to

its original condition, subject to the improvements to be incorporated by DWPI pursuant to the Agreement (including this Schedule).

- (d) For greater certainty DWPI is not responsible for making improvements to the recreational trail but rather has provided the Community Contribution and ~~Corridor Maintenance Contribution~~ **Line Fences Fund** which the County, in its discretion, may allocate in whole or in part to such improvements.
- (e) **DWPI has undertaken studies to gather information on Species At Risk and habitat that may be affected by the Works. This information may be found in DWPI's Species At Risk Information Gathering Form which is available on DWPI's website www.dufferinwindpower.ca.**

3. Information to be Provided

- (a) As part of the pre-construction survey and in accordance with subsection 6(c) of the Agreement, DWPI will provide the County with copies of, or access to, material studies, plans, and drawings DWPI has prepared concerning the Easement Lands relating to its:
 - (i) Geotechnical investigations;
 - (ii) Environmental investigations;
 - (iii) Topographical studies;
 - (iv) Landowner consultation report; and
 - (v) Vegetation Management Plan.
- (b) If during the term of the Agreement DWPI updates or produces or causes to be produced additional studies, plans, drawings, testing results or similar documentation concerning the Easement Lands, DWPI will promptly upon completion provide a copy of same to the County. For greater certainty, within 180 days of the construction of the Works being completed, DWPI will provide "as-built" drawings and related documentation to the County.
- (c) DWPI will provide the County on a timely basis with summaries DWPI prepares for its own use of requests or complaints DWPI receives from landowners and residents in the vicinity of the Project and DWPI's responses.
- (d) DWPI will consult with County staff to determine the appropriate format in which documentation is to be provided.

4. Emergency Management

- (a) DWPI will provide to the County by no later than 10 days of execution of this Agreement a copy of its emergency management plan applicable to the construction phase of the Works.
- (b) At the onset of Construction activities, DWPI will consult and coordinate with the County to install emergency "mile-marker" signs, utilizing materials and design approved by the County, along the portion of rail corridor where the Works will be installed as well as emergency number signs at each entrance where the Easement Lands intersect or terminate at a public road. Such emergency number signs will be in the County's standard format (materials and design).
- (c) DWPI will develop and implement an emergency management and response plan applicable to the operational phase of the Works, and provide a copy of same to the County by no later than thirty (3) days prior to commercial operations of the transmission line;
- (d) DWPI will consult and coordinate with the County, the Dufferin-Grey ATV Club and the Ontario Federation of Snowmobile Clubs (OFSC) for installation of gates at designated intersections of the Easement Lands with municipal rights-of-way.
- (e) DWPI will install paige-wire fencing at the terminus of each segment of the rail corridor at its intersection with the municipal right-of-way. Such fencing will be

installed across the full width of the County Lands at such terminus subject to the gates to be installed pursuant to Section 4(d) above. The fencing will allow full closure of each segment of the rail corridor when such closure may be necessary to accommodate construction, operation, maintenance or other activity.

- (f) DWPI will provide and install fencing, reflective markers and appropriate warning signage at each 'step-down' or 'transformer' enclosure within close proximity to the former rail bed to ensure users are sufficiently notified of the potential hazard.
- (g) During construction of the Works, DWPI will ensure, at its cost and expense, that construction vehicles may safely use the former rail bed to access those portions of the County Lands where construction is occurring and will, to the extent necessary, grade and add required support to permit such use. Upon completion of construction of the Works, DWPI will, at its cost and expense, restore any culverts and drainage ditches to their condition prior to the commencement of construction or to a better condition.

5. County Permits

- (a) The County shall act reasonably and in good faith when approving plans, documents and permit applications made by DWPI, and promptly process and issue to DWPI any permit or approval requests.
- (b) The County shall:
 - (i) within ~~five~~**two (52)** business days following execution of this Agreement by both parties, issue and deliver to DWPI those entrance permits which have been previously been reviewed by the County's department of public works and which were re-submitted, in accordance with comments previously received, by DWPI on or prior to noon on February 14, 2014;
 - (ii) will issue and deliver to DWPI within two (2) business days of the County's department of public works processing and approving any new entrance permits applied for by DWPI on or prior to noon on February 14, 2014. The County undertakes to process such permit applications within two (2) business days following execution of this Agreement by both parties. To be clear, should there be issues requiring further clarification or documentation, approval will not be provided until the matters are resolved. The County will work with DWPI to do this as quickly as possible;
 - (iii) within two (2) business days following execution of this Agreement by both parties, execute and deliver to DWPI the owner consents required by the Nottawasaga Valley Conservation Authority and the Grand River Conservation Authority and delivered to the County by DWPI on or prior to February 11, 2014; and
 - (iv) within two (2) business days following execution of this Agreement by both parties, execute and deliver to DWPI the Early Access Agreement required by Hydro One Networks Inc. ("HONI") providing access across the County Lands from DWPI's switching station to HONI's Orangeville Transformer Station, which agreement was delivered to the County by DWPI on or prior to February 11, 2014.
- (c) The County will execute and deliver to DWPI promptly upon request, a transmission easement agreement in favour of HONI across a 160 foot wide section of the County Lands described in subsection 5(b)(iv) of this Schedule "F" in the form of Schedule "F-1" attached hereto (the "**HONI Easement**"). The HONI Easement will not be used to construct poles or towers on the lands subject thereto nor will it obstruct the use of such lands as a recreational trail.

SCHEDULE "F-1"
GRANT OF EASEMENT IN GROSS

A. **THE CORPORATION OF THE COUNTY OF DUFFERIN** (the "Transferor") is the owner in fee simple and in possession of **Part Lot 2, Concession 2 as in AM543 and AMD559 and Part Lot 1, Concession 2 as in AM542; Amaranth being PIN 34038-0007 (LT)** (the "Lands").

B. **HYDRO ONE NETWORKS INC.** (the "Transferee") has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) in, through, under, over, across, and along and upon the Lands.

IN CONSIDERATION of the payment of TEN DOLLARS (\$10.00) paid by the Transferee to the Transferor, mutual covenants hereinafter set forth and other good and valuable consideration, the Transferor and Transferee hereto agree as follows:

6. The Transferor hereby grants and conveys to the Transferee, its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges for a term of twenty-one (21) years less one (1) day from and including the date of registration of this Grant of Easement (the "Term") (the "Rights") in, through, under, over across, along and upon that portion of the Lands of the Transferor being Part of Lot 2, Concession 2, shown as Parts ● & ●, on Reference Plan 7R-●●●● (the "Strip") for the following purposes:

- (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip and electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the ("**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
- (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
- (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
- (e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the "**obstruction**") whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.

- (f) To enter on and exit by the Transferor's access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.
- (g) To remove, relocate and reconstruct the line on or under the Strip.

7. The Transferor agrees that:

- (a) It will not interfere with any Works established on or in the Strip and shall not, without the Transferee's consent in writing erect or cause to be erected or permit in, under or upon the strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee's consent in writing, change or permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the "Installation") or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days' notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorized interference aforesaid or contravention of this paragraph, or if any authorized interference, obstruction or Installation is not maintained in accordance with the Transferee's instructions or in the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction , Installation or contravention complained of from the Strip, without being liable for any damages cause thereby.
- (b) Notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.
- (c) No other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.
- (d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.
- (e) The Rights hereby granted:
 - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip; and
 - (ii) is declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a).

- 8. The Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.
- 9. Unless the Transferee advises the Transferor upon 60 days' prior written notice, the Term shall be automatically renewed for an additional term of twenty-one (21) years less one (1) day upon the same terms and conditions save for the right of renewal.
- 10. There are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
- 11. No waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
- 12. The burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 13. The Transferee declares, pursuant to Section 50(3)(d) of the *Planning Act*, R.S.O. 1990 c. P.13 that the Rights are being acquired, for the purpose of an electricity distribution line or an electricity transmission line within the meaning of Part VI of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B.

IN WITNESS WHEREOF the parties hereto have executed this Grant of Easement.

Signed by the Transferee this day of , 2014.

HYDRO ONE NETWORKS INC.

Per: _____
Name:
Position:

I have authority to bind the Corporation.

Signed by the Transferor this day of , 2014.

**THE CORPORATION OF THE COUNTY OF
DUFFERIN**

Per: _____
Name:
Position:

Per: _____
Name:
Position:

We/I have authority to bind the Corporation.

Document comparison by Workshare Compare on March-04-14 4:27:03 PM

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Description	#14258048v16<TorysAtWork> - Agreement to Grant Easement
Rendering set	strikeout-michael

Legend:	
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Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Deletions	93
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	153

CORPORATION OF THE COUNTY OF DUFFERIN

BY-LAW NUMBER 2014-11

A BY-LAW TO APPROVE AN AGREEMENT BETWEEN THE CORPORATION OF THE COUNTY OF DUFFERIN AND DUFFERIN WIND POWER INC. (Easement Agreement – Hydro Transmission Line along the Former Rail Corridor)

BE IT ENACTED BY THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE COUNTY OF DUFFERIN AS FOLLOWS:

1. That the Agreement between the County of Dufferin and Dufferin Wind Power Inc., in a form substantially the same as attached hereto as Schedule “A” be approved.
2. That the Warden and Clerk be hereby authorized to execute the agreement and affix the corporate seal thereto.
3. That the staff of the County of Dufferin is hereby authorized to take such actions as are appropriate, and the Warden and Clerk are hereby authorized to execute such documents as are appropriate to implement the agreement referred to herein.

READ a first, second and third time and finally passed this 6th day of March, 2014.

Bill Hill, Warden

Pam Hillock, Clerk



AGREEMENT TO GRANT EASEMENT

THIS AGREEMENT dated the _____ day of _____, 2014.

BETWEEN:

THE CORPORATION OF THE COUNTY OF DUFFERIN
(hereinafter called the "**County**")

OF THE FIRST PART

- and -

DUFFERIN WIND POWER INC.
(hereinafter called "**DWPI**")

OF THE SECOND PART

WHEREAS the County is the registered owner in fee simple in possession, of that parcel or tract of land and premises legally described on Schedule "A" attached hereto (the "**County Lands**");

AND WHEREAS DWPI is the registered tenant and/or owner in fee simple, of the lands and premises located in Melancthon Township shown on the plan attached as Schedule "B" attached hereto as the same may be modified from time to time with the approval of the Ontario Power Authority or any successor thereto (the "**OPA**") (the "**DWPI Lands**");

AND WHEREAS the Council of the County enacted By-law No. <*> authorizing the County to grant to DWPI: (a) a right in the nature of an easement or right-of-way over a part of the County Lands comprising an area of approximately 32 kilometers in length and 10 metres in width, with the exception of three locations (each being approximately 40 metres in length) that will have overhead to underground/underground to overhead structures, which locations will be approximately 11.5 meters in width as shown on the sketch attached hereto as Schedule "C" (the "**Easement Lands**"), to accommodate an electrical transmission line in accordance with the terms and conditions set out below; and (b) a recurring temporary right to use the balance of the County Lands adjacent to the Easement Lands to maintain and repair the Works (as defined below);

WITNESSETH that in consideration of the sum of Ten Dollars (\$10.00) of lawful money of Canada now paid by each of DWPI and the County to the other party, the receipt whereof is hereby acknowledged, the parties agree as follows:

1. Subject to the terms of this Agreement, the County does hereby grant and convey to DWPI for a period of forty-five (45) years commencing on the date hereof (the "**Term**") the following rights (the "**Purposes**"): (i) a non-exclusive easement or right of way (the "**Transmission Easement**") in, over, upon, and through the Easement Lands solely for the purpose of surveying, constructing, operating, using, inspecting, repairing and maintaining on such Easement Lands an electrical transmission line and appurtenant infrastructure and systems (hereinafter collectively referred to as "**Works**") as necessary for the transmission of electricity generated from the operation of a wind power electrical generation facility on the DWPI Lands from the DWPI Lands to the Orangeville Hydro One 230 kV Transformer Station and, (ii) in accordance with Section 12 hereof, a temporary non-exclusive access right on and over the County Lands during the construction of the Works and when inspecting, maintaining and repairing the Works, to access the Easement Lands with vehicles and equipment and to laydown materials and equipment (the "**Temporary Construction Access and Maintenance Easement**").

The County may terminate this Agreement effective as of the 25th anniversary or 35th anniversary of the date hereof, if:

- (a) the Works are no longer being used for the transmission of electricity (other than as a result of Force Majeure, or the Works are being repaired or refurbished) generated by the wind power electrical generation facility on the DWPI Lands (the "**DWPI Project**"), or
 - (b) DWPI has been persistently in material default under this Agreement, by providing written notice of termination to DWPI setting forth the reasons for termination at least one (1) year prior to the 25th or 35th anniversary of the date hereof, as applicable.
2. Prior to the commencement of the Term, DWPI agrees to pay the County the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00), plus Harmonized Sales Tax (the "**Fee**") as consideration for the grant contemplated herein on execution and delivery of a fully executed copy of this Agreement.
 3. In addition to the Fee, DWPI agrees to pay the County the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) (the "**Community Contribution**"). The Community Contribution will be reduced by \$10,000 for each day after March 18th that it takes for all of the permits referred to in Section 3(b) below to be issued. The Community Contribution shall be paid upon the later of:
 - (a) delivery and registration of the Transfer of Easement (as defined in Section 24 below); and
 - (b) the issue by the County and all applicable second-tier municipalities of all permits, including entrance permits and road occupancy permits, required for the initial construction of the Project and the Works, including the issue of those permits applied for by DWPI in accordance with Section 5(b) of Schedule "F" hereto (whether those permit applications should have been submitted to the County or to a lower-tier municipality).

The County shall use the Community Contribution for community betterment projects that the Council of the County deems appropriate. The County shall ensure that the economic benefit provided by DWPI's Community Contribution is publicly recognized.

4. If and only if all the permits referred to in Section 3(b) have been issued on or before March 18, 2014, DWPI shall deposit with the County, within 30 days after the issue of the last permit, cash or a bank standby letter of credit in the sum of \$500,000 (the "**Line Fences Fund**") for a period of two years solely to provide a fund for the County to draw upon to cover its cost of constructing, keeping up or repairing fences which it has been required to carry out pursuant to Section 20 of the *Line Fences Act* at the request of a farming business which is being carried out on lands adjoining the County Lands where the construction or repairs have been performed prior to the expiry of such two-year period. Upon the expiry of the two-year period the balance of the Line Fences Fund then outstanding will be returned to DWPI.
5. Upon payment of the Fee, DWPI, its servants and agents, shall be entitled to access the County Lands to permit DWPI to conduct geotechnical investigations, take soil samples, environmental assessments, conduct other site assessments, remove snow, trim trees and conduct surveying. Forthwith upon commencement of the Term and the payment of the Fee, DWPI, its servants and agents shall be entitled to enter upon the Easement Lands for the Purposes.
6. DWPI acknowledges and agrees that the Easement shall be encumbered by, and subject to, present and future, pedestrian and motorized vehicle trail(s), rail line(s), easement and crossing agreements with adjacent owners, registered and unregistered easements, and structures and improvements now existing or which may at any time or times from time to time be constructed or located on the Easement Lands (the "**Encroachments**") and the County's continued unimpeded use of such Encroachments. DWPI agrees to accept the Easement herein granted subject to the Encroachments and agrees that it will not seek the removal or alteration of the Encroachments in the future, provided that any such Encroachments which may hereafter be granted, constructed or located on the Easement Lands shall not materially impair the use by DWPI of the Easement for the Purposes and the Encroachments comply with applicable laws and setbacks required by governmental authorities including the Ontario Energy Board and the Electrical Safety Authority and their respective successors. The County shall obtain from any person to whom it grants a right or permit to use Encroachments and/or the County Lands a written acknowledgement in favour of DWPI acknowledging DWPI's right to use the County Lands for the Purposes.

7. DWPI covenants and agrees that:
- (a) DWPI shall use the Easement Lands only for the Purposes and, without limiting the generality of the foregoing, shall not use or permit the Easement Lands to be used for any other purpose.
 - (b) The County shall have the right to designate a contractor or agent to supervise DWPI's construction of the Works on the Easement Lands, and DWPI agrees to reimburse the County for all fees and other amounts reasonably charged by such contractor or agent for such supervision.
 - (c) DWPI shall (within a reasonable period of receipt by DWPI) provide the County with copies of all testing results and studies obtained by DWPI in connection with the Works and/or the Easement Lands.
 - (d) Prior to commencing construction of the Works, DWPI shall provide appropriate public notice including, without limitation, signage.
 - (e) It shall promptly provide the County with copies of any input received from any public consultation process conducted by or on DWPI's behalf in respect of DWPI's generation project and/or the use of the County Lands as a transmission corridor along with a summary of DWPI's response to such input.
 - (f) No transformers will be located within the County Lands. All power poles, communications cables, power cables and overhead/underground transition stations forming part of the Transmission Line shall be located entirely within the Easement Lands, and these (and any future) permanent structures on the Easement Lands, will not include any transformers, impact the Temporary Construction Access and Maintenance Easement for recreational use or future rail operations.
8. Except to the extent ordered by the Ontario Energy Board or any successor thereto or as may be required by law, DWPI agrees that it shall not construct or modify in any material respect the Works without the prior written approval of the County and all authorities having jurisdiction including, without limitation, the location and siting of the Works on the Easement Lands. With respect to construction or modifications ordered by the Ontario Energy Board or any successor thereto, DWPI shall provide written notice to the County prior to such commencement of such construction or modifications in accordance with the provisions of this Agreement. DWPI, at its sole cost and expense, shall obtain all permits necessary to utilize the Easements and the Works for the Purposes including, without limitation, all permissions to construct, renewable energy approvals or similar permits. Such construction and modifications, if approved by the County, shall be conducted by DWPI at its sole cost and expense and in compliance with all applicable laws and regulations and the requirements of every authority having jurisdiction and in accordance with good utility practice. All materials and utility line design utilized in connection with such construction and modification shall comply with the standards set by the Ontario Energy Board, the Canadian Standards Association and good utility practices and shall be subject to the County's inspection and approval.
9. Upon expiry or earlier termination of the Term, DWPI shall, at its sole cost and expense, decommission and/or remove such of the Works as the County shall require to be decommissioned and/or removed, such decommission and/or removal to be completed on or before the end of the Term. DWPI shall, at its sole cost and expense, repair any damage caused to the Easement Lands or the County Lands by the decommission or removal of such Works and shall restore the impacted lands to their former state. DWPI's obligations pursuant to this Section shall be secured by the letter of credit or other security provided to the County pursuant to Section 28 hereof.
10. DWPI covenants and agrees that except to the extent contemplated by this Agreement its use of the Easement Lands is not intended to in any material way adversely affect or prohibit:
- (a) the County's operations on the County Lands;
 - (b) the County's use of the Encroachments; and
 - (c) the use of the County Lands by others entitled thereto including, without limitation, users pursuant to specific agreements with the County.

11. DWPI shall, at its own risk and expense, during the Term of this Agreement, maintain the Easement Lands, including without limitation the Works, in accordance with good utility practices for tree trimming and clearing transmission line corridors in the Province of Ontario and shall provide all materials and perform all maintenance thereof, to the satisfaction of the County and all authorities having jurisdiction. DWPI covenants and agrees that all maintenance activities will be conducted in a manner to minimize any interference with the use of the Easement Lands by the County or any other party entitled to use the Easement Lands. From and after the date of commencement of the transmission of electricity via the electrical transmission line constructed on the Easement Lands, DWPI shall retain a contractor recognized as having the necessary professional accreditations, expertise, resources and experience to provide ongoing maintenance services for the Works and the Easement Lands in accordance with DWPI's obligations pursuant to this Agreement. DWPI acknowledges that the County Lands may contain Encroachments in the nature of infrastructure improvements such as hydrocarbon pipelines and telecommunication and electrical transmission lines. DWPI covenants and agrees to take all commercially reasonable steps to avoid damaging such systems and agrees to expeditiously repair any damage caused by DWPI or its agents or contactors at DWPI's sole cost and expense.
12. The County grants DWPI, its servants and agents, a recurring temporary non-exclusive right to use the County Lands to permit DWPI to maintain and repair the Works (referred to in Section 1 as the Temporary Construction Access and Maintenance Easement). DWPI will notify the County in writing at least ten (10) days prior to the date of such anticipated use, except in the case of emergencies in which case DWPI shall give as much notice, if any, as is practicable. DWPI shall use commercially reasonable efforts to minimize the magnitude and duration of the use of the County Lands pursuant to the Temporary Construction Access and Maintenance Easement, in particular DWPI will use reasonable efforts to minimize interference with any farm crossings across the County Lands especially during key planting and harvesting periods. DWPI will also limit construction activities to the hours of 7:00 a.m. to 7:00 p.m. Monday through Saturday and Noon to 7:00 p.m. on Sundays.
13. DWPI shall, at its own expense, comply with, in all material respects, all applicable laws, by-laws, ordinances, regulations and directives relating to DWPI's use and occupation of the Easement Lands including, without limitation, the Ontario Energy Board, the Electrical Safety Authority and all utility companies and/or public authorities having jurisdiction over DWPI's use and occupation of the Easement Lands, and DWPI shall, at its own expense, construct, maintain and repair of the Works in accordance with good utility practice, including, without limitation, all federal and provincial requirements, including, without limitation, the Electrical Safety Code.
14. DWPI acknowledges and agrees that should it fail to comply with its requirements under Sections 11 and 13 of this Agreement, that the County shall have the right and entitlement to enter upon the Easement Lands and undertake such actions and carry out such matters or things as may be required to remedy or rectify DWPI's default and recover the costs or expenses of doing so by presenting evidence of same to DWPI which DWPI undertakes to pay within thirty (30) days. DWPI's obligations pursuant to this Section shall be secured by the letter of credit or other security provided to the County pursuant to Section 28 hereof.
15. For the purposes of this Agreement:
 - (a) **"Environmental Laws"** means any domestic and foreign federal, provincial, municipal or local laws, statutes, regulations, ordinances, guidelines, guidance notes, policies, judge made laws or common laws and any orders of a court or governmental authority, relating in any way to the natural or human environment (including land, surface water, groundwater, and real, personal, moveable and immovable property), public or occupational health and safety, and the manufacture, importation, handling, use, reuse, recycling, transportation, storage, disposal, elimination and treatment of a substance, hazardous or otherwise; and
 - (b) **"Pollutants"** means any substance which is regulated by or which would be considered a contaminant, pollutant, waste or deleterious or hazardous substance under Environmental Laws, or which is or may be hazardous to persons or property or detrimentally affect property value and includes, without limiting in any way the generality of the foregoing:
 - (i) radioactive materials;

- (ii) explosives;
 - (iii) any substance that, if added to any air, land and/or water, would degrade or alter or form part of a process of degradation or alteration of the quality of that air, land and/or water, to the extent that it is detrimental to its use by human beings or by any animal or plant;
 - (iv) any solid, liquid, gas, microorganism, mould, sound, vibration, ray, heat, radiation, odour or combinations of any of them that is likely to alter the quality of the environment (including air, land and water) in any way or the presence of which in the environment is prohibited by regulation or is likely to affect the life, health, safety, welfare or comfort of human beings or animals or to cause damage to or otherwise impair the quality of soil, vegetation, wildlife or property;
 - (v) toxic substances;
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental or municipal authority having jurisdiction over the County, DWPI, the Easement Lands, or the County Lands of which the Easement Lands form a part;
 - (vii) any substance, the use or transportation of which or the release of which into the environment is prohibited, regulated, controlled or licensed under Environmental Laws; and
 - (viii) anything contaminated by any Pollutants.
16. DWPI shall not bring into or allow to be brought onto the Easement Lands or the County Lands any Pollutants, except such as are disclosed in Schedule "D" attached hereto or existed in or on the County Lands at the date of this Agreement. If DWPI or its employees or those for whom it is in law responsible shall bring, create, discharge or release upon, in or from the County Lands, including the Easement Lands, any Pollutants, whether or not disclosed in Schedule "D" and whether during the Term of this Agreement, then such Pollutants shall be and remain the sole property of DWPI and DWPI shall promptly remove same at its sole cost at the expiration or sooner termination of the Term or sooner if required by the County.
17. If, during the Term or any renewal or extension of this Agreement or at any time thereafter, any governmental authority shall require the clean-up of any Pollutants:
- (a) held in, discharged in or from, released from, abandoned in, or placed upon the Easement Lands or the County Lands by DWPI or its employees or those for whom it is in law responsible; or
 - (b) released or disposed of by DWPI or its employees or those for whom it is in law responsible; or
 - (c) disturbed by the Works or DWPI's operations pursuant to this Agreement which Pollutants would not have required remediation if not for the actions of DWPI or its employees or those for whom it is in law responsible;
- whether during DWPI's occupancy of the Easement Lands or any other portion of the County Lands pursuant to this Agreement, then DWPI shall, at its own expense, carry out all required work, including preparing all necessary studies, plans and approvals and providing all bonds and other security required by any governmental authority or required by the County and shall provide full information with respect to all such work to the County; provided that the County may, at its option, perform any such work at DWPI's sole cost and expense, payable on demand.
18. In addition to and without restricting any other obligations or covenants herein, DWPI covenants that it will:
- (a) comply in all material respects with all Environmental Laws relating to the Easement Lands or the use of the Easement Lands;
 - (b) promptly notify the County in writing of any notice by any governmental authority alleging a possible violation of or with respect to any other matter involving any

Environmental Laws relating to operations in the Easement Lands or relating to any Person for whom it is in law responsible or any notice from any other party concerning any release or alleged release of any Pollutants; and

- (c) permit the County to:
 - (i) enter and inspect the Easement Lands and the operations conducted therein,
 - (ii) conduct tests and environmental assessments or appraisals,
 - (iii) remove samples from the Easement Lands, and
 - (iv) examine and make copies of any documents or records relating to the Easement Lands and interview DWPI's employees as necessary; and
 - (d) promptly notify the County of the existence of any Pollutants on the County Lands, beyond those reasonably anticipated to be located on the County Lands as a result of their prior use as a rail corridor.
19. DWPI shall, during the Term and at all times thereafter, indemnify and hold the County, its elected officials and employees, harmless at all times from and against any and all losses, damages, penalties, fines, costs, fees and expenses (including legal fees on a solicitor and client or substantial indemnity basis and consultants' fees and expenses) resulting from:
- (a) any breach of or non-compliance with the environmental obligations and covenants of DWPI as set out in this Agreement; and
 - (b) any legal or administrative action commenced by, or claim made or notice from, any third party, including, without limitation, any governmental authority, to or against the County and pursuant to or under any Environmental Laws or concerning a release or alleged release of Pollutants at or on the Easement Lands into the environment and related to or as a result of the operations of DWPI or those acting under its authority or control on the Easement Lands or any other portion of the County Lands, and any and all costs associated with air quality issues, if any, relating to DWPI's use of the Easement Lands, and whether during the Term of this Agreement or any other agreement between DWPI and the County with respect to the Easement Lands or any other portion of the County Lands
20. DWPI shall obtain and provide the County with a pre-construction survey of the Easement Lands and adjacent lands to identify all wells located within 120 metres of the Easement Lands.
21. DWPI shall, at its own risk and expense, keep the Easement Lands free of combustible matter and, as required to ensure good and safe operation, to keep the Easement Lands clear of materials and obstructions in accordance with good utility practices.
22. DWPI covenants and agrees that:
- (a) it shall, at its expense, maintain throughout the Term and during any period thereafter when it may be permitted or required to have access to the Easement Lands, the insurance (the "**Insurance**") described below. Such Insurance shall: (1) be primary, non-contributing with and not in excess of other insurance available to the County; and (2) contain a prohibition against cancellation or material change that reduces or restricts the Insurance (except on thirty (30) days prior notice to the County). Prior to its initial access to or occupancy of the Easement Lands by DWPI, and thereafter at any time upon request from the County or upon renewal, amendment or extension of all or any part of the Insurance, DWPI shall immediately deliver to the County evidence of the Insurance satisfactory to the County. The Insurance is as follows:
 - (i) all risks property insurance, on the Works and on all chattels, equipment and other personal property owned or operated by DWPI or by others (other than the County) on behalf of DWPI in or upon the Easement Lands, insurance for all property owned by DWPI or for which DWPI is legally liable located within or near the County Lands. The Insurance shall contain a waiver of any subrogation rights that the insurers may have

against the County and against those for whom the County is responsible in law;

- (ii) Ten Million Dollars (\$10,000,000.00) inclusive limits comprehensive general liability insurance. This insurance shall: (1) name the County as an additional insured; (2) contain a provision that precludes invalidation as respects the interest of the County by reason of any breach or violation of warranties, representations, declarations, or conditions; (3) shall protect and indemnify the County in respect of all Claims, including Claims by DWPI, as if the County was separately insured; and (4) such insurance shall include cross liability and severability of interest clauses; and
 - (iii) any other form of commercially available insurance that the County and DWPI, each acting reasonably, determine a prudent user would insure for insurance risks and as to amounts;
- (b) if it fails to take out or keep any such Insurance, the County has the right, without assuming any obligation in connection therewith and without prejudice to any other rights and remedies of the County under this Agreement, to effect the Insurance at the sole cost of DWPI, and all costs incurred by the County to effect such Insurance shall be paid by DWPI to the County on demand; and
- (c) it hereby waives its right of recovery against the County, its employees and those for whom the County is in law responsible with respect to all Claims required to be insured against by DWPI hereunder. Any and all deductibles in DWPI's insurance policies shall be borne solely by DWPI and shall not be recovered or attempted to be recovered from the County. In addition, all such policies shall be non-contributing with, and will apply only as primary and not excess to, any insurance proceeds available to the County.
23. The County, its elected officials, agents, officers, employees, contractors and others for whom the County is legally responsible shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to the County Lands, or damage to the Works, the property of DWPI or of others located on the Easement Lands or elsewhere on the County Lands, nor shall it or they be responsible for any loss of or damage to any property of the County, DWPI or others from any cause whatsoever, other than any such death, injury, loss or damage which results from the willful misconduct or gross negligence of the County, its officers, employees, and others for whom the County is legally responsible.
24. To the fullest extent permitted by law, DWPI, and its successors and assigns, hereby release and agree to indemnify, defend and hold harmless the County, its elected officials and employees and its affiliates and the respective employees, officers, directors, shareholders, partners and members of each of the foregoing entities (the "**County Indemnified Party**") from and against any claim, liability, loss, damage, demand, lawsuit, cause of action, strict liability, penalty, fine, administrative law, action and order, expense including but limited to reasonable legal fees and expenses, and/or cost of every kind and character (collectively a "**Claim**") whether or not involving a Claim by, or of, a County Indemnified Party arising out of or in any way incident to: (a) the construction, erection, installation, operation, inspection, repair, replacement or maintenance of any Works associated with the use of the Easement Lands or any other matters related thereto being initiated, provided or performed by DWPI or its contractors, agents, employees or sub-contractors, or any of their respective employees or agents under this Agreement, including without limitation, on account of defective work, breach of agreement, failure of equipment, failure of methods employed, violation of law, personal injuries, death, damage to property, damage to the environment, or infringement of any patent, trademark, copyright or other property right, regardless of whether such harm is to DWPI its employees or officers, the County or any other person or entity; (b) damages and injuries occurring in or upon the Easement Lands or any portion of the County Lands outside the Easement Lands that relates to DWPI's operations, (c) any intentional act, or negligence of DWPI or DWPI's agents, employees, or contractors, (d) any breach or default in the performance of any obligations of DWPI to be performed under this Agreement. This indemnity shall survive the expiration or termination of this Agreement. Notwithstanding the foregoing, DWPI shall not be required to indemnify a County Indemnified Party if such Claim arises from an event caused solely by the gross negligence or wilful misconduct of the County.

25. The County shall, forthwith upon the request of DWPI, execute and deliver a registerable grant or transfer of easement in favour of DWPI, incorporating the terms herein and in a form acceptable to both parties, each acting reasonably (the “**Transfer of Easement**”). Any reference plan, survey or legal description required for the purposes of description of the County Lands, the DWPI Lands or the Easement Lands shall be prepared or obtained by DWPI at its expense, and shall be subject to approval by the County. The County and DWPI will cause their respective legal counsel to register the Transfer of Easement on title at DWPI’s cost (including applicable land transfer tax). The County covenants that at the time of registration of the Transfer of Easement, title to the Easement Lands will be free and clear of all encumbrances other than non-financial encumbrances which will not prevent or restrict DWPI’s use of the Easement Lands for the Purposes. Upon expiry of the Term, DWPI agrees that it will, at its sole expense, discharge and delete from title the Transfer of Easement. If such registration is not discharged and withdrawn, the County shall have the right and is hereby appointed by DWPI as its agent to prepare, execute and register such documentation as is required to discharge and delete such registration.
26. This Agreement shall be conditional upon compliance with Section 50 of the *Planning Act* (Ontario) to the extent applicable.
27. This Agreement shall be of the same force and effect as a covenant running with the County Lands and the rights hereunder shall be appurtenant to each and every part of the DWPI Lands. DWPI shall not enter into, consent to, or permit any Transfer (as such term is defined below) without the prior written consent of the County, which consent shall not be unreasonably withheld, conditioned or unduly delayed. With respect to such Transfer:
- (a) if there is a permitted Transfer, the County may collect any unpaid portion of the Fee or Community Contribution and, any other amounts due hereunder, from the transferee and apply the amount collected to the Fee and Community Contribution payable under this Agreement but no acceptance by the County of any payments by a transferee shall be deemed to be a waiver of DWPI’s covenants or any release of DWPI from the further performance by DWPI of its obligations under this Agreement. Any consent by the County shall be subject to DWPI and the transferee executing, prior to the Transfer being made, an agreement with the County agreeing that the transferee will be bound by all of the terms of this Agreement and that the transferee will be so bound as if it had originally executed this Agreement;
 - (b) notwithstanding any Transfer permitted or consented to by the County, DWPI shall remain liable under this Agreement and shall not be released from performing any of the terms of this Agreement;
 - (c) if the Transfer in respect of which consent has been given is not completed within one hundred and twenty (120) days of the date of such consent, or if DWPI is in default under this Agreement, then such consent shall, at the County’s option, become void; and
 - (d) the agreements referred to in this Section 27 and any document evidencing the County’s consent to any Transfer shall, at the County’s option, be prepared by the County or its solicitors at DWPI’s cost.

For the purposes of this Agreement “**Transfer**” means: (i) an assignment of this Agreement in whole or in part including an assignment by operation of law, (ii) a parting with or sharing of possession of all or part of the Easement Lands, (iii) any transaction by which any right of use or occupancy of all or any part of the Easement Lands is conferred upon anyone, (iv) any mortgage, charge or encumbrance of this Agreement or the Easement Lands or any part thereof, or other arrangement under which either this Agreement or the Easement Lands becomes security for any indebtedness or other obligations; and (v) any transaction or occurrence whatsoever which has changed or might change the identity of the person or persons having lawful use or occupancy of any part of the Easement Lands.

Notwithstanding the foregoing, DWPI shall be permitted to assign or charge its interest in this Agreement to: (i) an affiliate within the meaning of the *Ontario Business Corporations Act* or a partnership controlled by DWPI or an affiliate; and (ii) a *bona fide* lender providing financing to DWPI for construction of the proposed wind powered electrical generation, distribution and transmission facility on the DWPI Lands (the

“Project”) provided that such lender agrees to be bound by all of the terms and provisions of this Agreement if such lender enters into possession of the DWPI Lands. The County hereby agrees to execute and deliver an acknowledgement and consent agreement in favour of any of DWPI lenders substantially in the form attached hereto as Schedule “E”.

28. In order to secure DWPI’s obligations pursuant to this Agreement:
- (a) within fifteen days of mutual execution of this Agreement, DWPI shall deposit with the County cash in the sum of Five Hundred Thousand Dollars (\$500,000) (the **“General Security”**) to be used to guarantee DWPI’s compliance with the terms of this Agreement including, without limitation, DWPI’s maintenance and decommissioning obligations and to otherwise permit the County to enforce the terms of this Agreement. Upon the fifth anniversary of this Agreement, and upon every fifth anniversary thereafter, DWPI shall increase the General Security by an amount equal to One Hundred Thousand Dollars (\$100,000). Notwithstanding anything in this Agreement to the contrary, the maximum General Security to be deposited with the County shall not exceed One Million Dollars (\$1,000,000). The General Security shall be released to DWPI forthwith after complete decommissioning of the Works and, in any event, no later than 30 days following the date the County receives a certificate from DWPI confirming that all decommissioning work has been completed in accordance with the terms of this Agreement; and
 - (b) in addition to the General Security, prior to DWPI commencing construction of the Works, DWPI shall deposit cash or a bank standby letter of credit in the sum of One Million Dollars (\$1,000,000) with the County to guarantee compliance with the terms of this Agreement relating to the construction and installation of the Works (the **“Construction Security”**). The Construction Security shall be released to DWPI upon the later of: the date which is sixty (60) days following the County’s receipt of (i) a certificate from DWPI that all Works have been completed in accordance with the terms of this Agreement and have been energized; and (ii) a copy of the written confirmation of completion of construction that DWPI is obliged to provide to the Ontario Energy Board by DWPI pursuant to Section 2(f) of Appendix B to the July 5, 2013 Decision and Order of the Ontario Energy Board (EB-2012-0365) granting DWPI leave to construct the new transmission line and associated facilities.
29. An **“Event of Default”** will be considered to have occurred when any one or more of the following happens:
- (a) DWPI fails to pay any monetary payment when it is due and the failure continues for ten (10) business days after written notice from the County to DWPI of specifying the failure;
 - (b) DWPI fails to observe or perform any other of the terms, covenants, conditions or agreements contained in this Agreement and DWPI fails to diligently commence to remedy the failure or default within 45 business days after written notice from the County to DWPI specifying the failure;
 - (c) the Term, the Works or any of the goods, chattels, or fixtures of DWPI on the Easement Lands or the DWPI Lands are seized or taken or exigible in execution or in attachment or if a writ of execution or enforcement is issued against DWPI, which is not satisfied, lifted or stayed within 45 business days of written notice from the County to DPWI specifying the failure;
 - (d) DWPI becomes insolvent or commits an act of bankruptcy or becomes bankrupt or takes the benefit of any statute that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary dissolution, winding up or liquidation proceedings or if a receiver is appointed for all or part of the business, property, affairs or revenues of DWPI, or if DWPI makes a proposal, arrangement or compromise with creditors which is not set aside or stayed within 45 business days of such event occurring;
 - (e) DWPI ceases or fails to commence the use of the Works on the Easement Lands on or prior to the date which is thirty-six (36) months following the execution of this Agreement; or

- (f) DWPI effects a Transfer that is not permitted by this Agreement.

Upon an occurrence of an Event of Default the County shall have the right to terminate this Agreement and the Easement and to pursue any other remedies available at law or in equity.

30. Upon expiry or earlier termination of the Term, DWPI, at its sole cost and expense, shall execute any and all documents required by the County to transfer, release and abandon the Easement and to register same on title to the County Lands.
31. Whenever, and to the extent that, either party is unable to fulfil or is delayed or restricted in the fulfillment of any obligation under any provision of this Agreement by reason of strikes, lock-outs, war or acts of military authority, rebellion or civil commotion, material or labour shortage not within their control, fire or explosion, flood, wind, water, earthquake or other casualty, any event or matter not wholly or mainly within their control (other than lack of funds or any financial condition of the parties hereto) or acts of God (in each case, a "**Force Majeure**") not caused by the default or act of or omission by such party and not avoidable by the exercise or reasonable effort or foresight by it, then, so long as any such impediment exists, such party will be relieved from the fulfillment of such obligation and the other party will not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned. Such party will be required and is entitled to perform such obligation within a period of time immediately following the discontinuance of such impediment that is equal to the period of time that such impediment existed. Such party shall promptly notify the other party of the occurrence of any Force Majeure, which might prevent or delay the doing or performance of acts or things required to be done or performed by such party. The parties will use reasonable efforts to remedy the occurrence and abridge the period of Force Majeure.
32. The parties hereby acknowledge and agree that the purpose of this Agreement and the Rights granted herein is for the transmission of electricity within the meaning of the *Electricity Act*, 1998. Nothing contained in this Agreement shall abrogate or prejudice any statutory rights under any applicable laws including the *Ontario Energy Board Act*, 1998, and the *Electricity Act*, 1998.
33. The parties acknowledge that the County Lands are comprised of lands previously used by CP Rail as a rail corridor.
34. If any notice is required to be provided by DWPI or the County under this Agreement to the other, such notice may be delivered by postage prepaid mail (which shall be deemed to be delivered five (5) days from the date of mailing), by personal delivery, by facsimile transmission or via e-mail as follows:

- (a) to DWPI:

Dufferin Wind Power Inc.

161 Bay Street, Suite 4550
TD Canada Trust Tower
Toronto, Ontario, M5J 2S4

Attention: Senior Vice-President
Fax: (416) 551-3617
E-mail: jeff.hammond@clypg.com.cn

- (b) to the County:

County of Dufferin
55 Zina Street
Orangeville, ON L9W 1E5

Attention: County Clerk
Fax: 519-941-4565
E-mail: clerk@dufferincounty.on.ca

Notices of address changes may be changed in the manner contemplated by this section.

35. Notwithstanding any other provision in this Agreement, DWPI agrees and acknowledges that this Agreement is not intended to operate, nor shall it have the effect of operating in any way to fetter the County Council or any of its successor councils in the exercise of any of Council's discretionary or legislative powers, duties or authorities.
36. The County and DWPI agree as follows:
- (a) all numbers, headings, subheadings and sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
 - (b) this Agreement shall be construed with all changes in number and gender as may be required by the context;
 - (c) every provision of this Agreement by which the Owner is obligated in any way shall be deemed to include the words "at the expense of the Owner" unless the context otherwise requires, including the payment of any applicable taxes (including HST);
 - (d) references herein to any statute or any provision thereof include such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto;
 - (e) all obligations herein contained, although not expressed to be covenants, shall be deemed to be covenants;
 - (f) whenever a statement or provision in this Agreement is followed by words denoting inclusion or example and then a list of or reference to specific items, such list or reference shall not be read so as to limit the generality of that statement or provision, even if words such as "without limiting the generality of the foregoing" do not precede such list or reference; and
 - (g) that all covenants and conditions contained in this Agreement shall be severable, and that should any covenant or condition in this Agreement be declared invalid or unenforceable by a court of competent jurisdiction, the remaining covenants and conditions and the remainder of the Agreement shall remain valid and not terminate thereby.
37. This Agreement shall extend to, be binding upon and enure to the benefit of the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto.
38. Schedule "F" attached hereto sets forth certain obligations of the parties as to matters relating to: the provision of notice; activities during construction; the provision of information and emergency management plans; and the processing of permits and other documentation. Each of the parties covenant and agree to comply with their respective obligations under Schedule "F" attached hereto.
39. The County shall have the right, but not the obligation, to terminate this Agreement on not less than 12 months' prior written notice to DWPI if the DWPI Project cannot be constructed because the Renewable Energy Approval No. 5460-98BPH8 issued to DWPI by the Ministry of the Environment on June 10, 2013 for the DWPI Project is revoked or cancelled and not reinstated or a replacement approval issued to permit the construction of the DWPI Project. In the event of such termination, the County will repay to DWPI the Fee, Community Contribution and Line Fences Fund, and DWPI will decommission and remove the Works in accordance with Section 9 hereof and transfer, release and abandon the Easement in accordance with Section 30 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

**THE CORPORATION OF THE COUNTY OF
DUFFERIN**

Per: _____
Name: Bill Hill
Title: Warden

Per: _____
Name: Pam Hillock
Title: Clerk
I/We have authority to bind the Corporation.

DUFFERIN WIND POWER INC.

Per: _____
Name: Wu Hao
Title: President

Per: _____
Name: Jeff Hammond
Title: Senior Vice-President
I/We have authority to bind the Corporation.

SCHEDULE "A"
THE COUNTY LANDS

	PIN	Legal Description
1.	34153-0111(LT)	PT LT 262, CON 1 SWTS AS IN MEL3218; PT LT 263, CON 1 SWTS AS IN MEL546; PT LTS 264 & 265, CON 1 SWTS AS IN MEL410; PT LT 266, CON 1 SWTS AS IN MEL517; PT LTS 267 & 268, CON 1 SWTS AS IN MEL409; PT LT 269, CON 1 SWTS AS IN MEL547; PT LT 270, CON 1 SWTS AS IN MEL385 ; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-626]
2.	34153-0110(LT)	PT LT 271, CON 1 SWTS AS IN MF85357; PT LT 272 & 273, CON 1 SWTS AS IN MEL392; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-691]
3.	34153-0126(LT)	PT LT 274-276 CON 1 SWTS MELANCTHON AS IN MF230831; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-691]
4.	34153-0127(LT)	PT LT 277, CON 1 SWTS AS IN MEL526 ; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-691]
5.	34153-0128(LT)	PT LT 278-280 CON 1 SWTS MELANCTHON AS IN MF230831; MELANCTHON designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-691]
6.	34153-0080(LT)	PT LT 281, CON 1 SWTS AS IN MEL386 ; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-690]
7.	34153-0071(R)	PT LTS 282 TO 290, CON 1 SWTS; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-690]
8.	34154-0086(R)	PT LT 291, CON 1 SWTS; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-692]
9.	34154-0087(R)	PT LT 292, CON 1 SWTS; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-692]
10.	34154-0072(LT)	PT LT 293, CON 1 SWTS AS IN MF207807 ; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-692]
11.	34154-0089(LT)	PT LTS 294 TO 296, CON 1 SWTS AS IN MEL363, MEL362 & MEL550; MELANCTHON designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-692]
12.	34154-0090(R)	PT LT 297, CON 1 SWTS; MELANCTHON designated as Parts 9 & 10 on Plan 7R_____ [Plan No. P-692]
13.	34154-0081(LT)	PT LT 298, CON 1 SWTS AS IN LTD26201; MELANCTHON designated as Parts 11 & 12 on Plan 7R_____ [Plan No. P-692]
14.	34154-0110(LT)	PT LT 299 CON 1 SWTS PTS 1, 2 & 3, 7R6170; SUBJECT TO AN EASEMENT IN GROSS AS IN DC136264; TOWNSHIP OF MELANCTHON designated as Parts 13, 14, 15, 16, 17 & 18 on Plan 7R_____ [Plan No. P-692]
15.	34154-0091(LT)	PT LT 300, CON 1 SWTS AS IN MEL548; MELANCTHON designated as Parts 19 & 20 on Plan 7R_____ [Plan No. P-692]

	PIN	Legal Description
16.	34154-0085(R)	PT LT 301, CON 2 SWTS; MELANCTHON designated as Parts 21 & 22 on Plan 7R_____ [Plan No. P-692]
17.	34133-0431(LT)	PT LT 5, CON 4 OS, PT 6, 7R567 ; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-698]
18.	34133-0432(R)	PT LT 4, CON 4 OS; MELANCTHON designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-698]
19.	34133-0417(LT)	PT LTS 3 & 4 CON 4 OS, AS IN MEL397 & MEL398 ; SHELBURNE designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-698]
20.	34133-0433(R)	PT LT 3, CON 3, OS; MELANCTHON designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-627]
21.	34133-0418(LT)	PT LTS 1 & 2, CON 3 OS, AS IN MEL396, MEL340, MEL364 ; SHELBURNE designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-627]
22.	34133-0630(LT)	PT LT 1 CON 3 OS MELANCTHON AS IN MF230830; MELANCTHON designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-627]
23.	34132-0022(LT)	PT LTS 31 & 32 CON 3 AS IN AM696 & AM752 ; SHELBURNE designated as Parts 7 & 8 on Plan 7R_____ [Plan No. E-531]
24.	34129-0133(LT)	PT LT 31, CON 2 AS IN AM692 & AM693 ; SHELBURNE; S/T EASEMENT IN GROSS OVER PT 2, 7R5737 AS IN DC92752; designated as Parts 1, 2, 3, 4, 5 & 6 on Plan 7R_____ [Plan No. E-531]
25.	34053-0021(R)	PT LT 30, CON 2; AMARANTH designated as Parts 11 & 12 on Plan 7R_____ [Plan No. P-687]
26.	34053-0020(LT)	PT LT 30, CON 2 AS IN AM694 ; AMARANTH designated as Parts 9 & 11 on Plan 7R_____ [Plan No. P-687]
27.	34053-0036(LT)	N1/2 OF W1/2 LT 29 CON 2 ; AMARANTH designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-687]
28.	34053-0018(LT)	PT LTS 28 AND 29, CON 2 AS IN AM837 & AM691 ; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-687]
29.	34053-0016(R)	PT LT 27, CON 2; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-687]
30.	34053-0017(LT)	PT LTS 26 AND 27, CON 2 AS IN AM695 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-687]
31.	34052-0006(LT)	PT LT 25 CON 2 AS IN AM690; PT LT 24 CON 2 AS IN AM754; PT LT 23 CON 2 AS IN AM702 AND AM689; PT LTS 21 AND 22 CON 2 AS IN AM832; ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-686]
32.	34052-0007(LT)	PT LT 21 CON 3 AS IN AM709 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-685]
33.	34047-0078(R)	PT LT 20, CON 3; AMARANTH designated as Parts 7 & 8 on Plan 7R_____ [Plan No. P-685]
34.	34047-0077(LT)	PT LT 19, CON 3 AS IN AM697 & AM701 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-685]
35.	34047-0076(R)	PT LT 18, CON 3; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-685]

	PIN	Legal Description
36.	34047-0085(LT)	PT LT 17 CON 3 AMARANTH PT 1, 7R4816; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. DDD-2640]
37.	34047-0074(R)	PT LT 16, CON 3; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. DDD-2640]
38.	34163-0061(LT)	PT LT 15, CON 3 AS IN AM704 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. DDD-2639]
39.	34163-0137(LT)	PT E 1/2 LOT 14, CON 3 DES AS PT 1, 7R4815; AMARANTH ; COUNTY OF DUFFERIN designated as Parts 1 & 2 on Plan 7R_____ [Plan No. DDD-2639]
40.	34163-0052(LT)	PT LT 13, CON 3 AS IN AM887 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-684]
41.	34163-0048(R)	PT LT 12, CON 3; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-684]
42.	34163-0040(LT)	PT LT 11, CON 3 AS IN AM703 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-684]
43.	34046-0023(LT)	PT LTS 9 & 10, CON 3 AS IN AM700, AM4344, AM10688, AM12905 & AM12906 ; AMARANTH designated as Parts 3 & 4 on Plan 7R_____ [Plan No. P-683]
44.	34046-0019(R)	PT LT 8, CON 3; AMARANTH designated as Parts 5 & 6 on Plan 7R_____ [Plan No. P-683]
45.	34046-0008(LT)	PT LTS 6 & 7, CON 3 AS IN AM822 & AM977 ; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-683]
46.	34038-0121(LT)	PT LT 2, CON 3 AS IN AM633, AM9311, AM698, AM5294, AM9874, PT LT 3 CON3 AS IN AM722, PT LT 4 CON 3 AS IN AM699, PT LT 5 CON 3 AS IN AM755, AM756 EXCEPT PT 1, 7R4644; AMARANTH designated as Parts 1 & 2 on Plan 7R_____ [Plan No. P-682]
47.	34038-0007(LT)	PT LT 2 CON 2 AS IN AM543 AND AM559; PT LT 1 CON 2 AS IN AM542; ; AMARANTH designated as Parts 1, 2, 8 & 9 on Plan 7R_____ [Plan No. DDD-2636]

SCHEDULE "B"

DWPI LANDS

See attached
Dufferin Wind Farm
Site Plan

SCHEDULE "C"

SKETCH OF EASEMENT LANDS

See attached draft reference plans for the

230 kV Transmission Line

The "County Lands" consist of the Temporary Construction Access and Maintenance Easement and the Transmission Easement described therein.

The "Easement Lands" consist of the Transmission Easement described therein.

SCHEDULE "D"

LIST OF POLLUTANTS

Potentially hazardous materials routinely used or stored for construction and maintenance activities related to the Project include Garlon 4, petroleum, oils, lubricants, hydraulic fluids, paints, solvents and preservatives for the transmission poles.

SCHEDULE "E"

Acknowledgement and Consent Agreement

to an Agreement dated _____

between

THE CORPORATION OF THE COUNTY OF DUFFERIN

and



ACKNOWLEDGEMENT AND CONSENT AGREEMENT

This Owner's Acknowledgement and Consent Agreement ("**Acknowledgement**") made as of the • day of •, 2014 by and between THE CORPORATION OF THE COUNTY OF DUFFERIN (the "**Owner**") and •, as agent (the "**Agent**") pursuant to a credit agreement dated •, 2014 (as amended, supplemented, restated, extended, renewed or replaced from time to time, the "**Credit Agreement**") between, Dufferin Wind Power Inc. ("**Dufferin Wind**"), *inter alia*, _____ the Agent, • and the other financial institutions from time to time party thereto, as lenders (collectively, the "**Lenders**") and •, in its capacity as collateral agent, under the Agreement made as of •, 2014 (as amended, supplemented, restated, extended, renewed or replaced from time to time, the "**Collateral Agency Agreement**") between Dufferin Wind, the persons who are, and from time to time become, parties thereto as guarantors (including •) and • (the "**Collateral Agent**"), as agent for the Secured Creditors (as defined therein).

WHEREAS:

- A. Dufferin Wind entered into an Agreement to Grant Easement dated •, 2014 and the Transfer of Easement referred to therein which was registered against title to the lands described therein as the Easement Lands (the "**Lands**") on • as Instrument No. • (the Agreement to Grant Easement and the Transfer of Easement are hereinafter collectively called the "**Agreement**"), pursuant to which the Owner has granted to Dufferin Wind, *inter alia*, certain rights in the nature of an easement or right of way to accommodate an electrical transmission line (the "**Rights**") on the terms and conditions set out in the Agreement.
- B. Pursuant to, respectively, the Credit Agreement and the Collateral Agency Agreement (and documentation delivered in connection therewith), the Agent and Collateral Agent, respectively, have been granted charges, mortgages, assignments and security interests (collectively, the "**Security Interests**") in all of the property, undertaking, assets, interests, rights and benefits of Dufferin Wind, including without limitation, all of Dufferin Wind's right title, estate, interest and equity in the Lands, the Agreement, the Easement, all rights, privileges, benefits, agreements and interests therein, and all improvements, equipment, structures, chattels, personal property and appurtenance thereto in, on, under or appurtenant to the Lands (collectively, the "**Collateral**").
- C. The Owner has agreed to execute and deliver this Acknowledgement to the Agent and the Collateral Agent pursuant to the provisions of the Agreement.

NOW THEREFORE in consideration of the sum of Two Dollars (\$2) paid by each of the Agent and the Collateral Agent to the Owner and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner hereby acknowledges, covenants and confirms to each of the Agent and the Collateral Agent, as follows:

- 1. The Owner consents to the creation of the Security Interests and the registration thereof on the title to the Lands in the applicable land registry office(s).

2. The Owner acknowledges that, following an event of default by Dufferin Wind under the Credit Agreement or an event of default as defined in the Collateral Agency Agreement (each, and “**Event of Default**”), the Collateral Agent, the Lenders, the Agent or the Secured Creditors or any nominee or designee thereof or any receiver or receiver-manager (individual and collectively, an “**Agent Party**”) shall have the right to enforce the Security Interests, including, without limitation, the right to enjoy and enforce the rights of Dufferin Wind under the Agreement and, in the course of the enforcement of such rights, shall be entitled to sell, assign, transfer, negotiate or otherwise dispose of the Agreement provided that the Agent Party obtains the consent of the Owner which consent shall not be unreasonably withheld, delayed or unreasonably conditioned, provided that in exercising such rights the Agent Party shall assume all of the liabilities and obligations of Dufferin Wind

3. The Owner agrees:
 - (a) to give the Collateral Agent written notice (at the address below) of any default by Dufferin Wind under the Agreement, concurrent with the delivery of such notice to Dufferin Wind. The Owner shall not be in breach of its obligation under this Agreement if it fails to give notice to the Agent but the Owner shall not be entitled to terminate the Agreement without giving to the Agent in accordance with the same requirements as giving notice to Dufferin Wind pursuant to the Agreement;
 - (b) that, if Dufferin Wind fails to cure the breach or default identified in such notice, the Collateral Agent may, but shall be obliged to, cure such default and the Owner shall not terminate the Agreement or exercise any other remedy under the Agreement if the Collateral Agent, within 30 days of giving date of giving written notice referred to in section 3(a) above, is proceeding to cure such breach or default;
 - (c) that, if any default by Dufferin Wind under the Agreement is not of a curable nature, it shall not exercise any right to terminate if the Collateral Agent or its nominee (provided the Owner consents to such nominee which consent shall not be unreasonably or arbitrarily withheld or delayed) agrees to assume the rights and obligations of Dufferin Wind under the Agreement;
 - (d) that, if the Agreement is terminated or surrendered for any reason prior to the expiry of the term thereof, whether as a result of a default by Dufferin Wind thereunder or otherwise, the Owner shall offer to enter into a new or replacement agreement (the “**Replacement Agreement**”) with the Collateral Agent, or its nominee (provided the Owner consents to such nominee which consent shall not be unreasonably or arbitrarily withheld or delayed) which Replacement Agreement shall be upon the same terms and conditions as the Agreement; and
 - (e) that, if within 10 business days of the date of the notice referred to in section 3(d) above, the Collateral Agent requests a Replacement Agreement, the Owner shall enter into such Replacement Agreement with Collateral Agent. Notwithstanding any of the foregoing, the Collateral Agent confirms and acknowledges that the Owner shall not be liable to the Collateral Agent or its nominee for non-delivery of any notice pursuant to section 3(a) above.
 - (f) that the Owner and Dufferin Wind may modify the Agreement from time to time between themselves without the Collateral Agent’s prior written consent; and
 - (g) that the Owner will, at any time and from time to time, upon not less than five (5) business days’ prior request by the Collateral Agent, deliver to the Collateral Agent a statement in writing certifying that: (i) the Agreement is in full force and full effect unamended (or setting out any such amendments), (ii) all amounts owing and payable under the Agreement have been paid (or setting out any unpaid amounts), and (iii) to the Owner’s knowledge, Dufferin Wind is not in default of its obligations under the Agreement in any material respect (or setting out any such defaults).

4. The Agent covenants and agrees with the Owner that during any period the Agent exercises its Security Interests and takes possession of Dufferin Wind’s interest in the Lands (either directly or indirectly through an Agent Party) or takes control of or manages Dufferin Wind’s interest in the Lands or the Collateral or any part thereof, or forecloses upon the Agreement, or succeeds to the interest of Dufferin Wind under the

Agreement, it will assume all of the obligations of Dufferin Wind under or in connection with the Agreement during such period to the extent that they may be performed by the Collateral Agent, and thereafter observe and perform all of Dufferin Wind's obligations under the Agreement to the extent that they may be performed by the Collateral Agent.

5. The Collateral Agent covenants and agrees with the Owner that during any period the Collateral Agent exercises its Security Interests and takes possession of Dufferin Wind's interest in the Lands (either directly or indirectly through an Agent Party) or takes control of or manages Dufferin Wind's interest in the Lands or the Collateral or any part thereof, or forecloses upon the Agreement, or succeeds to the interest of Dufferin Wind under the Agreement, it will assume all of the obligations of Dufferin Wind under or in connection with the Agreement during such period to the extent that they may be performed by the Collateral Agent, and thereafter observe and perform all of Dufferin Wind's obligations under the Agreement.
6. The Owner confirms and acknowledges that in the event that the Collateral Agent or any other Agent Party assigns, transfers or otherwise disposes of its interest in the Agreement pursuant to its Security Interests (a "**Transfer**"), it will not unreasonably withhold, delay or unreasonably condition its consent to the Transfer, and, upon such assignee or transferee covenanting and agreeing in writing with the Owner to assume and perform all of the covenants and obligations of Dufferin Wind pursuant to the Agreement, each of the Collateral Agent and the other Agent Party shall, thereupon and without further agreement, be freed and relieved of all liability with respect to the Agreement from and after the effective date of such Transfer.
7. All notices hereunder shall be in writing, sent by registered mail, return receipt requested or by telecopy, to the respective parties and the addresses set forth on the signature page or at such other address as the receiving party shall designate in writing.
8. This Acknowledgement may be executed in any number of counterparts, shall be governed by the laws of the Province of Ontario and binds and enures to the benefit of the Agent Parties, and its successors and assigns and shall be binding upon the heirs, personal representatives, successors and assigns of the Owner.
9. Each of the parties hereto agrees to do, make and execute all such further documents, agreements, assurances, acts, matters and things and take such further action as may be reasonably required by any other party hereto in order to more effectively carry out the true intent of this Acknowledgement.
10. The provisions of this Acknowledgement shall continue in effect until the Owner shall have received the written certification of the Collateral Agent that all amounts advanced, and obligations arising, under the Credit Agreement and all Obligations (as defined in the Collateral Agency Agreement) have been paid and performed in full.

IN WITNESS WHEREOF, this Acknowledgement is executed by the parties.

ADDRESS FOR NOTICE

County of Dufferin
55 Zina Street
Orangeville, Ontario, L9W 1E5
Attention: Clerk
Fax: 1-519-941-4565
E-mail: clerk@dufferincounty.ca

ADDRESS FOR NOTICE

■

**THE CORPORATION OF THE COUNTY OF
DUFFERIN**

By: _____
Bill Hill, Warden

By: _____
Pam Hillock, Clerk

[■]

By: _____
Name:
Title:

By: _____
Name:
Title

We have authority to bind the corporation.

SCHEDULE "F"

NOTICES, CONSTRUCTION, DOCUMENTATION, EMERGENCY MANAGEMENT AND PERMITS

This schedule describes the expectations of the parties with respect to matters relating to the provision of notice, activities during construction, the provision of information, emergency management, and the processing of permits and other documentation.

1. Notices

- (a) DWPI will provide to (i) the County, (ii) key users of the recreational trail and (iii) adjacent landowners prior written notice of any planned entry onto the Easement Lands for purposes of construction, operation, inspection, maintenance, repair or decommissioning activities by DWPI, including its employees, authorized representatives and contractors.
- (b) Notice to the County will be provided to the Director of Public Works.
- (c) Notice to key users of the recreational trail will be provided where planned entry onto the County Lands may impact on the use of the recreational trail and will be provided to representatives of key user groups which may be identified by DWPI and the County from time to time. Such notice will be delivered to the representatives of the key user groups by a means agreed upon with such group.
- (d) DWPI will endeavour to provide all notices described in this schedule at the earliest opportunity in advance of each planned entry.
- (e) If, upon receiving a notice of planned entry from DWPI, the County determines that it has concerns about the planned entry, the County shall promptly advise DWPI of such concerns and the parties shall, acting reasonably and in good faith, work together to address the County's concerns and DWPI's need to enter onto the property within a suitable timeframe.
- (f) DWPI will provide updates of its planned entries onto the Easement Lands on its project website and will indicate in such notices the locations and timing of all expected interruptions in the availability of the recreational trail, including detour routing if available. For significant interruptions, DWPI will take reasonable steps to provide additional notice to the public using other media, such as radio or local newspaper publication.
- (g) In the event of unplanned and/or emergency entry onto the County Lands which may impact the use of the recreational trail, DWPI shall give as much notice, if any, as is practicable and such notice will be delivered to the representatives of the key user groups by a means agreed upon with such group.

2. Construction-Related Activities

- (a) Further to section 19 of the Agreement, DWPI has provided to the County a pre-construction survey of the Easement Lands, consisting of:
 - (i) A topographic survey;
 - (ii) A geotechnical survey;
 - (iii) an inventory of existing bridges and culverts, including their GIS location, general condition, and functionality assessment (this information to be provided in both paper and electronic shape file format); and
 - (iv) a vegetation management plan.
- (b) DWPI will provide the County within 10 days of execution of this Agreement a summary analysis of slope stability on the former rail bed to confirm safety and stability for DWPI vehicles and equipment during construction and maintenance activities.
- (c) Inclusive of the Works, DWPI will undertake post-construction restoration of the former rail bed to ensure that the site is restored to a condition at least equal to

its original condition, subject to the improvements to be incorporated by DWPI pursuant to the Agreement (including this Schedule).

- (d) For greater certainty DWPI is not responsible for making improvements to the recreational trail but rather has provided the Community Contribution and Line Fences Fund which the County, in its discretion, may allocate in whole or in part to such improvements.
- (e) DWPI has undertaken studies to gather information on Species At Risk and habitat that may be affected by the Works. This information may be found in DWPI's Species At Risk Information Gathering Form which is available on DWPI's website www.dufferinwindpower.ca.

3. Information to be Provided

- (a) As part of the pre-construction survey and in accordance with subsection 6(c) of the Agreement, DWPI will provide the County with copies of, or access to, material studies, plans, and drawings DWPI has prepared concerning the Easement Lands relating to its:
 - (i) Geotechnical investigations;
 - (ii) Environmental investigations;
 - (iii) Topographical studies;
 - (iv) Landowner consultation report; and
 - (v) Vegetation Management Plan.
- (b) If during the term of the Agreement DWPI updates or produces or causes to be produced additional studies, plans, drawings, testing results or similar documentation concerning the Easement Lands, DWPI will promptly upon completion provide a copy of same to the County. For greater certainty, within 180 days of the construction of the Works being completed, DWPI will provide "as-built" drawings and related documentation to the County.
- (c) DWPI will provide the County on a timely basis with summaries DWPI prepares for its own use of requests or complaints DWPI receives from landowners and residents in the vicinity of the Project and DWPI's responses.
- (d) DWPI will consult with County staff to determine the appropriate format in which documentation is to be provided.

4. Emergency Management

- (a) DWPI will provide to the County by no later than 10 days of execution of this Agreement a copy of its emergency management plan applicable to the construction phase of the Works.
- (b) At the onset of Construction activities, DWPI will consult and coordinate with the County to install emergency "mile-marker" signs, utilizing materials and design approved by the County, along the portion of rail corridor where the Works will be installed as well as emergency number signs at each entrance where the Easement Lands intersect or terminate at a public road. Such emergency number signs will be in the County's standard format (materials and design).
- (c) DWPI will develop and implement an emergency management and response plan applicable to the operational phase of the Works, and provide a copy of same to the County by no later than thirty (3) days prior to commercial operations of the transmission line;
- (d) DWPI will consult and coordinate with the County, the Dufferin-Grey ATV Club and the Ontario Federation of Snowmobile Clubs (OFSC) for installation of gates at designated intersections of the Easement Lands with municipal rights-of-way.
- (e) DWPI will install paige-wire fencing at the terminus of each segment of the rail corridor at its intersection with the municipal right-of-way. Such fencing will be

installed across the full width of the County Lands at such terminus subject to the gates to be installed pursuant to Section 4(d) above. The fencing will allow full closure of each segment of the rail corridor when such closure may be necessary to accommodate construction, operation, maintenance or other activity.

- (f) DWPI will provide and install fencing, reflective markers and appropriate warning signage at each 'step-down' or 'transformer' enclosure within close proximity to the former rail bed to ensure users are sufficiently notified of the potential hazard.
- (g) During construction of the Works, DWPI will ensure, at its cost and expense, that construction vehicles may safely use the former rail bed to access those portions of the County Lands where construction is occurring and will, to the extent necessary, grade and add required support to permit such use. Upon completion of construction of the Works, DWPI will, at its cost and expense, restore any culverts and drainage ditches to their condition prior to the commencement of construction or to a better condition.

5. County Permits

- (a) The County shall act reasonably and in good faith when approving plans, documents and permit applications made by DWPI, and promptly process and issue to DWPI any permit or approval requests.
- (b) The County shall:
 - (i) within two (2) business days following execution of this Agreement by both parties, issue and deliver to DWPI those entrance permits which have been previously reviewed by the County's department of public works and which were re-submitted, in accordance with comments previously received, by DWPI on or prior to noon on February 14, 2014;
 - (ii) will issue and deliver to DWPI within two (2) business days of the County's department of public works processing and approving any new entrance permits applied for by DWPI on or prior to noon on February 14, 2014. The County undertakes to process such permit applications within two (2) business days following execution of this Agreement by both parties. To be clear, should there be issues requiring further clarification or documentation, approval will not be provided until the matters are resolved. The County will work with DWPI to do this as quickly as possible;
 - (iii) within two (2) business days following execution of this Agreement by both parties, execute and deliver to DWPI the owner consents required by the Nottawasaga Valley Conservation Authority and the Grand River Conservation Authority and delivered to the County by DWPI on or prior to February 11, 2014; and
 - (iv) within two (2) business days following execution of this Agreement by both parties, execute and deliver to DWPI the Early Access Agreement required by Hydro One Networks Inc. ("**HONI**") providing access across the County Lands from DWPI's switching station to HONI's Orangeville Transformer Station, which agreement was delivered to the County by DWPI on or prior to February 11, 2014.
- (c) The County will execute and deliver to DWPI promptly upon request, a transmission easement agreement in favour of HONI across a 160 foot wide section of the County Lands described in subsection 5(b)(iv) of this Schedule "F" in the form of Schedule "F-1" attached hereto (the "**HONI Easement**"). The HONI Easement will not be used to construct poles or towers on the lands subject thereto nor will it obstruct the use of such lands as a recreational trail.

SCHEDULE "F-1"
GRANT OF EASEMENT IN GROSS

A. **THE CORPORATION OF THE COUNTY OF DUFFERIN** (the "Transferor") is the owner in fee simple and in possession of **Part Lot 2, Concession 2 as in AM543 and AMD559 and Part Lot 1, Concession 2 as in AM542; Amaranth being PIN 34038-0007 (LT)** (the "Lands").

B. **HYDRO ONE NETWORKS INC.** (the "Transferee") has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) in, through, under, over, across, and along and upon the Lands.

IN CONSIDERATION of the payment of TEN DOLLARS (\$10.00) paid by the Transferee to the Transferor, mutual covenants hereinafter set forth and other good and valuable consideration, the Transferor and Transferee hereto agree as follows:

6. The Transferor hereby grants and conveys to the Transferee, its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges for a term of twenty-one (21) years less one (1) day from and including the date of registration of this Grant of Easement (the "Term") (the "Rights") in, through, under, over across, along and upon that portion of the Lands of the Transferor being Part of Lot 2, Concession 2, shown as Parts ● & ●, on Reference Plan 7R-●●●● (the "Strip") for the following purposes:
 - (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip and electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the ("**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
 - (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
 - (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
 - (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.
 - (e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the "**obstruction**") whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
 - (f) To enter on and exit by the Transferor's access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as

is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.

(g) To remove, relocate and reconstruct the line on or under the Strip.

7. The Transferor agrees that:

(a) It will not interfere with any Works established on or in the Strip and shall not, without the Transferee's consent in writing erect or cause to be erected or permit in, under or upon the strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee's consent in writing, change or permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the "Installation") or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days' notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorized interference aforesaid or contravention of this paragraph, or if any authorized interference, obstruction or Installation is not maintained in accordance with the Transferee's instructions or in the Transferee's reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor's expense, forthwith remove, relocate, clear or correct the offending interference, obstruction , Installation or contravention complained of from the Strip, without being liable for any damages cause thereby.

(b) Notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.

(c) No other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.

(d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.

(e) The Rights hereby granted:

(i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip; and

(ii) is declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a).

8. The Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the

transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.

- 9. Unless the Transferee advises the Transferor upon 60 days' prior written notice, the Term shall be automatically renewed for an additional term of twenty-one (21) years less one (1) day upon the same terms and conditions save for the right of renewal.
- 10. There are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
- 11. No waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
- 12. The burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 13. The Transferee declares, pursuant to Section 50(3)(d) of the *Planning Act*, R.S.O. 1990 c. P.13 that the Rights are being acquired, for the purpose of an electricity distribution line or an electricity transmission line within the meaning of Part VI of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B.

IN WITNESS WHEREOF the parties hereto have executed this Grant of Easement.

Signed by the Transferee thisday of _____, 2014.

HYDRO ONE NETWORKS INC.

Per: _____
Name:
Position:

I have authority to bind the Corporation.

Signed by the Transferor this day of _____, 2014.

THE CORPORATION OF THE COUNTY OF DUFFERIN

Per: _____
Name:
Position:

Per: _____
Name:
Position:

We/I have authority to bind the Corporation.