

ROAD USE AGREEMENT

THIS ROAD USE AGREEMENT made this ____ day of _____, 2015 (the “Effective Date”)

BETWEEN:

WINDLECTRIC INC.

(“Windlectric”)

-and-

THE CORPORATION OF LOYALIST TOWNSHIP

(the “Municipality”)

- and -

ALGONQUIN POWER CO.

(“Algonquin”)

WHEREAS Windlectric has entered into the Supply Contract (as defined below) for the supply of electricity from the Project (as defined below) located on lands and premises within the geographic limits of the Municipality;

AND WHEREAS the Project is expected to include approximately 26 Wind Turbines (as defined below) with an aggregate rated nameplate capacity of approximately 74.3 megawatts installed on Amherst Island within the Municipality, together with appurtenant equipment, buildings, collection systems, transmission facilities, transformer stations, switchyards, access roads and leased real property;

AND WHEREAS the Municipality is the owner of, or otherwise exercises jurisdiction over, certain public rights-of-way, highways, streets, sidewalks, walkways, driveways, ditches, municipal drains and associated grassy areas and the allowances therefor (collectively referred to as the “**Road Allowances**”);

AND WHEREAS Windlectric wishes to undertake certain Collection System Work (as defined below) relating to the transmission or distribution of electricity from the Project on, over, under, along and through the Road Allowances;

AND WHEREAS pursuant to Subsection 41(1) and 41(2) of the Electricity Act (as defined below), a transmitter or distributor “may, over, under or on” any public street or highway construct and maintain such structures, equipment and other facilities as necessary for the purpose of its transmission or distribution system, including poles and lines;

AND WHEREAS Subsection 41(8) of the Electricity Act provides that no compensation is required to be paid by a transmitter or distributor for use of public streets and highways in its exercise of the powers granted to a transmitter or distributor by Subsections 41(1) and 41(2);

AND WHEREAS in connection with the development of the Project, Windlectric will make an application to the Ontario Energy Board to obtain a transmitter or distributor license, as applicable, in accordance with the Electricity Act;

AND WHEREAS the Rights (as defined below) granted pursuant to this Agreement relate to a transmitter's or distributor's exercise of its rights in accordance with the Electricity Act, among other things;

AND WHEREAS the construction, operation, maintenance and decommissioning of the Project by Windlectric also requires access and modifications to the Road Allowances and other infrastructure within the Municipality in order to perform the Pre-construction Preparatory Work, the Construction Period Work and the Post-construction Remedial Work (each as defined below);

AND WHEREAS Windlectric is a wholly-owned subsidiary of Algonquin and Algonquin has agreed to provide certain assurances to the Township concerning the performance of the Proponent's obligations under this Agreement;

AND WHEREAS the parties have agreed that Windlectric's rights and obligations to undertake such modifications to the Road Allowances and other infrastructure shall be determined in accordance with this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the parties agree as follows:

PART I - DEFINITIONS

1. In this Agreement:

- (a) "Additional Term" has the meaning given to it in Section 4;
- (b) "Agreement" means this Road Use Agreement, and any Schedules, Exhibits or Appendices hereto, and any amendment or restatement thereof;
- (c) "Collection System Work" means the poles, lines, underground cables or conduits and other related structures, equipment and facilities (whether above ground or underground) for the collection, distribution and transmission of electricity on, over, under, along and through the Road Allowances in connection with the Project;
- (d) "commercial operation" has the same meaning as in the Supply Contract and means the point in time when the Project is deemed by the terms of the Supply Contract to have achieved commercial operation;
- (e) "Commercial Operation Date" has the same meaning as in the Supply Contract and means the date on which commercial operation of the Project is attained;
- (f) "Community Benefit Agreement" means the community benefit agreement dated the date hereof between the parties hereto, among others;
- (g) "Construction LC" has the meaning given to it in Section Part V23;
- (h) "Construction Period" means the period of time between the commencement of the Works and the first anniversary of the Commercial Operation Date;
- (i) "Construction Period Work" means maintenance and/or repair of the Municipal Infrastructure to a reasonable standard and service level for the duration of the Construction Period;

- (j) "Council" means the Council of the Municipality;
- (k) "Damages" means any loss, cost, liability, claim, fine, penalty, expense (including court costs and reasonable fees and expenses of lawyers and other experts and professionals) and damages available at law or in equity;
- (l) "Decommission" means to permanently demolish, remove and dispose off-site substantially all of the Wind Turbines used for the Project and the terms "decommissioned" and "decommissioning" shall have similar meanings;
- (m) "Distribution Company" means Hydro One Networks Inc.;
- (n) "Effective Date" has the meaning given to it in the preamble;
- (o) "Electricity Act" means the *Electricity Act, 1998* (Ontario), as it may be amended or restated and any successor legislation thereto;
- (p) "Indemnity Agreement" has the meaning given to it in Section 81;
- (q) "Initial Term" has the meaning given to it in Section 3;
- (r) "Letter of credit" means an irrevocable standby letter of credit issued by a Canadian chartered bank in an industry standard form and satisfactory to the Municipality, acting reasonably;
- (s) "Municipal Costs" shall mean all reasonable costs incurred by the Municipality arising directly as a result of this Agreement or in connection with the Project, including without limitation, the Municipality's legal, planning, engineering, consulting and administrative costs to review and approve the Pre-Construction Study and Post-Construction Study, to review, approve and monitor compliance with the Operations Plan, to monitor the maintenance, repair and restoration of the Municipal Infrastructure, and any other matters related thereto, but does not include hearing costs, application fees for approvals under the *Planning Act* (Ontario), building permit fees, costs incurred by the Municipality that are to be recovered from other persons, or any costs incurred by the Municipality related to any dispute between the parties hereunder which includes, but is not limited to, the preparation and defense thereof;
- (t) "Municipal Costs Security" has the meaning given to it in Section 9;
- (u) "Municipal Engineer" means the independent professional engineer qualified to practice engineering in Ontario appointed by the Municipality in accordance with Part V of this Agreement;
- (v) "Municipal Infrastructure" means any roads, structures, services or facilities of any kind owned or operated by or for the benefit of the Municipality;
- (w) "Municipality" has the meaning given to it in the preamble;
- (x) "Operations Plan" has the meaning given to it in Section 35;
- (y) "Post-construction Remedial Work" has the meaning given to it in Section 24(c);

- (z) "Pre-construction Preparatory Work" means the work necessary to ready the Municipal Infrastructure for construction of the Project including, but not limited to, upgrades to existing road surfaces, private road entrances, installation of culverts and increasing turning radii at intersections;
- (aa) "Pre-Construction Study" means the report to be prepared by the Project Engineer in accordance with Sections 18 and 19 of this Agreement;
- (bb) "Project" means the renewable energy generating facility and its appurtenant Wind Turbines, buildings, facilities, equipment and distribution or transmission systems to be constructed by Windlectric on Amherst Island or the mainland within the Municipality for the purpose of generating and supplying electricity in accordance with the Supply Contract;
- (cc) "Project Engineer" means the independent professional engineer qualified to practice engineering in Ontario appointed by Windlectric, and satisfactory to the Municipality, acting reasonably, provided that the parties agree that Hatch Ltd. and, Stantec Inc. are satisfactory for purposes of the foregoing;
- (dd) "Post-Construction Remedial Work" means work required to restore the Municipal Infrastructure to the specification set out in Section Part V19(h) or as may be otherwise agreed to by the parties;
- (ee) "Post-Construction Study" means the report to be prepared by the Project Engineer in accordance with Section 24 of this Agreement;
- (ff) "Repair Estimate" has the meaning given to it in Section 27;
- (gg) "Rights" has the meaning given to it in Section 2 of this Agreement;
- (hh) "Road Allowances" has the meaning given to it in the Recitals;
- (ii) "Road Use Payment" has the meaning given to it in Section 16;
- (jj) "Supply Contract" means the Feed-in Tariff Contract dated February 25, 2011, between Windlectric and the Ontario Power Authority, and any amendments, restatements or renewals thereof;
- (kk) "Term" means the Initial Term, plus any Additional Term(s);
- (ll) "Warranty Period" has the meaning given to it in Section 26;
- (mm) "Warranty Security" has the meaning given to it in Section 27;
- (nn) "Wind Turbine" means a wind driven turbine that is or will be installed as part of the Project;
- (oo) "Windlectric" has the meaning given to it in the preamble;
- (pp) "Works" means individually and collectively, the Pre-construction Preparatory Work, the Collection System Work, the Construction Period Work and the Post-construction Remedial Work; and
- (qq) "Year" means a calendar year.

PART II – GRANT OF RIGHTS AND TERM

2. The Municipality grants and transfers to Windlectric for the Term, the right, privilege, interest, benefit and use to enter upon the Road Allowances with such persons, vehicles, equipment and machinery necessary to place, replace, construct, reconstruct, maintain, inspect, remove, operate and repair the Works over, along, across, or under such Road Allowances (hereinafter collectively referred to as the “**Rights**”).
3. This Agreement shall become effective as of the Effective Date and shall continue for a term of forty (40) years commencing on the first day of January immediately following the year in which the Commercial Operation Date is achieved (the “**Initial Term**”). Notwithstanding the foregoing, Windlectric agrees that it will not commence Pre-Construction Preparatory Work, Collection System Work or Construction Period Work until it has received the applicable Renewable Energy Approval from the Ministry of the Environment and, in the event of any appeal from such approval, until the earlier of (i) the favourable disposition of the appeal by the Ontario Environmental Review Tribunal or (ii) March 8, 2016, being the anticipated Ontario Environmental Review Tribunal decision date, but that it may commence work associated with the Pre-Construction Study at any time following the Effective Date. In the event that the Renewable Energy Approval is (i) successfully appealed or (ii) amended in a manner that a portion of the Work is no longer permitted, in each case in a final decision that has become non-appealable, Windlectric shall remove all Works, or in the case of (ii) the portion of the Work no longer permitted, in a manner that is in full compliance with this Agreement including, without limitation, Section 48 of this Agreement.
4. The parties may renew this Agreement for an aggregate of four (4) additional terms of ten (10) years each (each an “**Additional Term**”) on the same terms and conditions set out herein, except that the parties shall negotiate in good faith to their mutual satisfaction, any other term or condition, whether such term or condition is now part of this Agreement or involves a new subject matter not previously addressed by this Agreement, that either party may request be negotiated between the parties by written notice given to the other party at least 180 days before the expiry of the Initial Term or the then current Additional Term.
5. If, by June 30 of the final year of the Initial Term or an Additional Term, as applicable, the parties are unable to successfully renegotiate the renewal terms and conditions that will be in effect during the applicable Additional Term, either party may thereafter request that the form and substance of this Agreement to be in effect during the Additional Term be submitted to binding arbitration in accordance with the dispute resolution provisions in Part X of this Agreement and the decision of the arbitrator shall be binding and come into full force and effect on January 1 of the applicable Additional Term.
6. Despite Section 4, if one of the parties has requested that this Agreement be submitted to binding arbitration in accordance with Section 5 and no decision has been made by the arbitrator prior to the expiration of the Initial Term or Additional Term, as applicable, this Agreement shall be deemed to continue on the same terms and conditions until the decision of the arbitrator becomes final, subject to the right of either party to request that an adjustment be made for any amount paid or for any other matter under this Agreement that is inconsistent with the agreement selected by the arbitrator and such adjustment shall be retroactive to the first day of the Additional Term.

PART III - MUNICIPAL COSTS

7. Windlectric shall reimburse the Municipality for all reasonably incurred Municipal Costs in accordance with the terms of this Agreement. This obligation shall survive any early termination of this Agreement until it has been discharged in full.
8. If, in Windlectric's opinion, the Municipality has incurred an unreasonable Municipal Cost, Windlectric shall pay such cost within the time prescribed by this Agreement, but may indicate that such payment is made "under protest" and without prejudice to Windlectric's right to have the matter resolved in accordance with Part X of this Agreement.
9. Upon entering into this Agreement, Windlectric shall deliver a letter of credit issued in favour of the Municipality in the amount of \$500,000 as security for Windlectric's obligation to pay the Municipal Costs hereunder from the Effective Date until the date that is six (6) months after the expiry of the Warranty Period (the "**Municipal Costs Security**").
10. The Municipality shall invoice Windlectric monthly for Municipal Costs incurred, and shall provide supporting documentation including, but not limited to, the name, date, time, activity and average rate of such municipal staff, consultants, legal counsel or other personnel and such other detail as may be reasonably requested by Windlectric in connection with any invoice issued hereunder.
11. Prior to the commencement of the Pre-Construction Preparatory Works, Windlectric may direct the Municipality to cease any or all activities conducted by it in connection with this Agreement and/or the Project that will result in the Municipality incurring Municipal Costs. Windlectric will only exercise this right where it believes, acting reasonably, that the Municipal Costs being incurred are in excess of those anticipated by Windlectric or where Windlectric believes that such costs are not reasonable in the circumstances. Following any such direction the Municipality acknowledges that Windlectric shall have no responsibility for Municipal Costs incurred in connection with activities undertaken after the delivery of such direction and until Windlectric provides direction to the Municipality to recommence such activities. Windlectric acknowledges that, unless otherwise permitted under applicable law, upon giving such direction, its right to undertake the Pre-construction Preparatory Works, the Collection System Works and the Construction Period Works shall be suspended which may negatively impact on the schedule of the Works.
12. Any invoice issued pursuant to this Agreement will be due and payable within forty-five (45) days of receipt thereof. If Windlectric fails to pay such invoice by such date then the Municipality will provide Windlectric with written notice of such failure and, unless Windlectric remedies such failure within 30 days, such failure or refusal by Windlectric to pay such invoice when due shall constitute default and the Municipality may, in addition to any other remedies available to it, including the right to stop incurring Municipal Costs in respect of the Project, draw on the Municipal Costs Security for the purpose of paying the invoice.
13. At any time and from time to time, Windlectric may, in its sole discretion, deliver a new letter of credit representing the Municipal Costs Security. The Municipality shall return any letter of credit previously delivered as Municipal Costs Security promptly upon receipt of a new letter of credit in accordance with this Section.

14. The Municipality shall keep proper accounts and records for the Municipal Costs. The Municipality shall provide Windlectric each year with a full accounting for the Municipal Costs, and all accounts, records, invoices and all supporting documentation, bills, receipts and other relevant information shall at all times during business hours be open to inspection and independent audit by Windlectric or its representatives, and such persons may make any copies and take any extracts that they require.
15. If the parties are unable to resolve any dispute between them involving Municipal Costs, the Municipal Costs Security or any other letter of credit delivered pursuant to this Agreement, or their respective rights, duties and obligations in connection therewith, either party may request that the dispute be submitted to binding arbitration in accordance with the dispute resolution provisions in Part X of this Agreement.

PART IV – ROAD USE PAYMENTS AND FINANCIAL ASSURANCES

16. Notwithstanding the rights granted pursuant to the Electricity Act, Windlectric shall pay to the Municipality annually an amount equal to \$75,000.00 (the “**Road Use Payment**”) in connection with the Rights granted herein in respect of the Municipal Infrastructure. The Road Use Payment shall be due and payable on the date that the Construction Period commences and thereafter annually on the anniversary of such date during the Term. The Road Use Payment shall be increased on January 1 of each year, commencing on January 1 of the second year following the year of the Project’s Commercial Operation Date, in an amount equal to 20% of the change in the Consumer Price Index for “All Items” for Ontario published or established by Statistics Canada (or any successor thereof) between December of the year that is two years prior to the current year and December of the year immediately preceding the current year. Algonquin agrees to guarantee the payment of the Road Use Payment.

PART V - MUNICIPAL INFRASTRUCTURE AND OTHER SERVICES

17. Windlectric shall engage, at its sole expense, the Project Engineer to prepare the Pre-Construction Study and Post-Construction Study in accordance with good engineering practices.
18. The Pre-Construction Study shall be prepared prior to the commencement of the Construction Period. Windlectric agrees to submit a draft(s) of the study to the Municipality in advance of submitting a final study to enable the Municipality to review and provide comments and avoid delays related to review of the final study. Upon submission of the final Pre-Construction Study, the Municipality shall either approve or identify in writing any deficiencies within the Pre-Construction Study, acting reasonably, within thirty (30) days of receipt, provided that the Municipality has received and commented on draft(s) of the Pre-Construction Study in advance of receiving the final study. The Municipality shall, within fifteen (15) days of receipt of a response to such deficiencies, either approve or identify in writing any deficiencies in the proposed solution set forth in the response. Such process shall continue until such deficiencies are satisfied. For greater certainty the parties will work together to resolve such deficiencies in a timely manner and once all deficiencies are resolved, will constitute the Municipality’s approval of the Pre-Construction Study. The parties further agree that they shall act in good faith to ensure that a sufficient level of technical detail is provided in the submissions, identification of deficiencies and responses to identified deficiencies to enable the parties to respond within the deadlines established above.
19. The Pre-Construction Study shall include, but not be limited to, the following:

- (a) The identification of the Municipal Infrastructure that, in the opinion of the Project Engineer in consultation with the Municipal Engineer, will or may be damaged, destroyed or otherwise adversely affected by the construction of the Project;
 - (b) An evaluation of the existing condition and service capacity of the Municipal Infrastructure that have been identified in paragraph (a) above;
 - (c) The appointment of an environmental monitor to ensure the construction activities comply with the conditions of the Renewable Energy Approval and any other provincial or federal environmental legislation;
 - (d) The plans and drawings of the Pre-construction Preparatory Work together with a cost estimate of such works;
 - (e) The plans and drawings of the Collection System Work together with a cost estimate of such works;
 - (f) A schedule, including a phasing plan, for construction and completion of the Pre-construction Preparatory Work and the Collection System Work;
 - (g) An estimate of the projected cost for the Pre-construction Preparatory Work, the Collection System Work and Construction Period Work;
 - (h) The specification to which the Municipal Infrastructure will be left upon completion of the Post-Construction Remedial Works to ensure the Municipal Infrastructure is in the same or better condition as it was upon completion of the Pre-Construction Preparatory Work.
 - (i) A preliminary estimate of the projected cost to complete the Post-Construction Remedial Works.
20. The parties agree that the Project Engineer shall include the cost of engineering fees and a contingency of 20% in any cost estimates provided pursuant to this Agreement, including, but not limited to, Sections 19(g) and 19(i) and 24(d).
21. Windlectric will complete the Pre-construction Preparatory Work, Collection System Work and Construction Period Work in accordance with the Pre-Construction Study or any agreed modifications thereto and to the satisfaction of the Municipality, acting reasonably.
22. Windlectric will not undertake construction activities related to the Project that require use of the Municipal Infrastructure that are the subject of Pre-construction Preparatory Work until Windlectric has completed any such Pre-construction Preparatory Work.
23. Prior to commencing the Works, Windlectric shall deliver a letter of credit in an aggregate amount equal to estimates determined by the Project Engineer and Agreed to by the parties in respect of the items in Sections 19(g) and 19(i) (the "Construction LC").
24. The Post-Construction Study shall be prepared following the Commercial Operation Date and within thirty (30) days of receipt of the Post-Construction Study, the Municipality shall either approve or identify in writing any deficiencies within the Post-Construction Study, acting reasonably, and the parties will work together to resolve such deficiencies in a timely manner and once all deficiencies are resolved, will constitute the

Municipality's approval of the Post-Construction Study. The Post-Construction Study shall include, but not be limited to, the following:

- (a) The identification of the Municipal Infrastructure that, in the opinion of the Project Engineer in consultation with the Municipal Engineer, have been damaged, destroyed or otherwise adversely affected by the construction of the Project;
 - (b) An evaluation of the existing condition and service capacity of the Municipal Infrastructure that have been identified in paragraph (a) above;
 - (c) The plans and drawings for the Post-construction Remedial Work; and
 - (d) A current estimate of the projected cost to complete the Post-construction Remedial Work.
25. Windlectric will complete the Post-Construction Remedial Work in accordance with the Post-Construction Study and to the satisfaction of the Municipality, acting reasonably.
 26. Windlectric warrants that the Pre-Construction Preparatory Work, Collection System Work, Construction Period Works and Post-Construction Remedial Work will be performed in accordance with good engineering practices and with applicable law. The foregoing warranty shall apply for a two (2) year period following completion of the last of such work (the "**Warranty Period**") and shall survive any intervening early termination of this Agreement. For any breach of the foregoing warranty, Windlectric will repair or replace such defective Pre-Construction Preparatory Work, Collection System Work, Construction Period Works and Post-Construction Remedial Work, failing which the Municipality shall be entitled to draw against the Construction LC and/or Warranty Security as the case may be and this will be the Municipality's sole and exclusive remedy for a breach of warranty hereunder.
 27. Upon substantial completion, within the meaning of the Construction Lien Act, of the Post-construction Remedial Work, the Municipal Engineer shall provide in writing a certified list of any remaining deficiencies in the Post-construction Remedial Work as of such date and an estimate of the projected cost to complete such repairs within sixty (60) days thereof (the "**Repair Estimate**"). As soon as reasonably practicable thereafter, Windlectric shall provide a letter of credit to the Municipality in an amount equal to the greater of (i) \$500,000.00; and (ii) the Repair Estimate plus \$250,000.00; as security for Windlectric's obligations to repair and replace the Pre-construction Preparatory Work, Collection System Work, Construction Period Works and Post-Construction Remedial Work in accordance with the warranty provided herein (the "**Warranty Security**"). Windlectric shall repair any such deficiencies as soon as reasonably practicable, and in any event no later than the expiry of the Warranty Period. Upon completion of the repair or replacement of such deficiencies, the Warranty Security shall be reduced to an amount equal to \$500,000.00 for the duration of the Warranty Period.
 28. Upon delivery of the Warranty Security, the Municipality shall promptly return the Construction LC to Windlectric. Upon the expiry of the Warranty Period and completion of all warranty work, the Municipality will promptly return the Warranty Security to Windlectric.
 29. The construction of the Works shall be done in accordance with good engineering practices and all applicable laws, rules and regulations.

30. During the Construction Period, the Municipal Engineer shall carry out periodic inspections of the Municipal Infrastructure for the purpose of determining whether, in the opinion of the Municipal Engineer, construction of the Project is having an adverse effect on the Municipal Infrastructure and, if necessary, directing Windlectric to undertake such work to maintain and repair the Municipal Infrastructure to such condition and service level as the Municipal Engineer may determine, acting reasonably. For the purpose of the foregoing inspections, the Municipal Engineer shall have full access to all construction sites.
31. Windlectric shall, at its expense and in the manner, within the time specified by and to the satisfaction of the Municipal Engineer, acting reasonably, undertake and be responsible for completing all maintenance and repairs to the Municipal Infrastructure damaged as a result of the construction of the Project during the Construction Period as the Municipal Engineer may direct, acting reasonably and this obligation shall survive any early termination of this Agreement. For greater certainty, Windlectric's obligation to maintain the Municipal Infrastructure shall only apply in respect of maintenance required as a result of the Works.
32. If the Project Engineer should at any time revise the estimate of the costs set out in the Pre-Construction Study or the Post-Construction Study, the Project Engineer shall forthwith notify the parties and upon approval of the Municipal Engineer within ten (10) Business Days of receipt of such notice, Windlectric shall increase the amount of the Construction LC to adjust for any shortfall or the Municipality shall authorize the release of any surplus amount from the Construction LC, as the case may be, as soon as reasonably practicable but in no event longer than forty-five (45) days from the date of the Municipal Engineer's approval.
33. If, during any maintenance, repair or restoration of the Municipal Infrastructure by Windlectric, the Municipal Engineer determines that the construction or maintenance work, whether by method or otherwise, constitutes an immediate danger to life and health, the Municipal Engineer shall have the authority to order stop work by verbal notice to Windlectric or its employees, contractor or agent, such notice to be confirmed in writing as soon as possible thereafter, and to order such remedial action as the Municipal Engineer deems necessary in accordance with the foregoing. The Municipal Engineer will consult with Windlectric in an attempt to resolve any such issue prior to issuing an order to stop the work if time constraints reasonably allow. .
34. In the event that Windlectric defaults in its obligations under this agreement to perform the Works, the Municipality shall first deliver written notice to Windlectric specifying the nature of the default. If Windlectric does not cure the default within thirty (30) days of receipt of such notice to the satisfaction of the Municipality, acting reasonably, except where the default is not capable of being cured within thirty (30) days and Windlectric is diligently pursuing a remedy, the Municipality shall have the right in addition to any other remedies available to it and without further notice to Windlectric to use the Municipal Costs Security, Construction LC or Warranty Security, as the case may be, held by it to remedy the default and recover all costs and damages incurred by and all amounts owing to the Municipality.

PART VI— OPERATIONS PLAN

35. Windlectric will, at its expense, prepare a comprehensive operations plan which will be comprised of a Traffic and Construction Management Plan, a Public Safety Plan and a Communications Plan (collectively, the "**Operations Plan**"). The purpose of the

Operations Plan will be to demonstrate how prudent and reasonable practices will be utilized to minimize the level of disruption, disturbance and inconvenience to the Municipality's residents, given the scope of the Project. The Operations Plan will also demonstrate how the continuing functioning of its roads and other municipal services and facilities will be maintained to the extent reasonably possible and how the Municipality's residents' access to emergency services will be maintained at all times.

36. Windlectric will provide staff of the Municipality with an opportunity to review and comment upon the draft Operations Plan. Staff of the Municipality will review and provide their comments on the draft Operations Plan within forty five (45) days of receipt thereof. Once a further draft of the Operations Plan has been prepared and revised, to the extent deemed appropriate by Windlectric, based on comments received by staff of the Municipality, Windlectric will host a town hall meeting to obtain feedback from the public and Windlectric will make every reasonable effort to address any reasonable and valid concerns regarding the Operations Plan arising from the town hall meeting based on the agreed objective to minimize the level of disruption, disturbance and inconvenience to the Municipality's residents, given the scope of the Project.
37. Windlectric shall deliver the final Operations Plan to the Municipality and, within thirty (30) days of receipt thereof, Council, or such other designee, shall either approve or identify in writing any deficiencies within the Operations Plan, acting reasonably. Within ten (10) business days (for the purposes of this section the days between December 27 and December 31 will not be considered business days) of receipt of a response to such deficiencies staff of the Municipality shall either notify Windlectric that they have no further comments on the Operations Plan or identify in writing any deficiencies in the response. Such process shall continue until staff of the Municipality or Windlectric requests that the Operations Plan be put before Council for approval. The parties further agree that they shall act in good faith to ensure that a sufficient level of technical detail is provided in the submissions, identification of deficiencies and responses to identified deficiencies to enable the parties to respond within the deadlines established above.
38. Following a request to put the Operations Plan before Council, the Operations Plan shall be put before Council at the next scheduled meeting of Council provided that there is adequate time between such confirmation and the date notice of such meeting must be provided, otherwise such Operations Plan shall be placed before the next subsequent meeting of Council. If Council does not approve the Operations Plan or approves the Operations Plan with amendments that are not acceptable to Windlectric, either party shall then have the right to submit the matter to arbitration pursuant to Part X of this Agreement.
39. Once approved, Windlectric shall, at its expense, implement and comply with the Operations Plan and the Municipal Engineer, or such other designee, shall monitor Windlectric's compliance with the Operations Plan. Windlectric will not undertake any Pre-construction Preparatory Work until the Operations Plan has been approved by the Municipality; provided that the foregoing shall not prohibit Windlectric from performing any necessary studies or investigations or other similar development work related to the Project that are required in advance of construction.
40. For greater certainty and without limitation, the Operations Plan must address the following issues:
 - (a) Traffic and Construction Management Plan

- (i) Proposed haul routes for oversized and heavy loads;
- (ii) Proposed road closures and delays;
- (iii) A plan for managing hazardous and non-hazardous waste in accordance with applicable municipal, provincial and federal laws and regulations;
- (iv) A plan to mitigate impacts on navigable waters in accordance with applicable provincial and federal laws and regulations;
- (v) A plan to ensure that roads are kept clean (free of mud, stone and debris) and properly maintained during construction;
- (vi) A plan to evaluate and mitigate impacts on:
 - (A) bicycle traffic,
 - (B) school functions,
 - (C) student transportation,
 - (D) agricultural traffic,
 - (E) vehicle traffic to and from the ferry dock, and
 - (F) parking;
- (vii) A plan regarding enforcement of speed limits and for training of contract personnel on requirements of the traffic management plan;
- (viii) Hours of operation;
- (ix) A plan to mitigate noise impacts;
- (x) A plan to control dust;
- (xi) A plan to mitigate impacts on mature trees and vegetation within the limits of municipal road allowances;
- (xii) A plan to protect heritage features, including, without limitation: built heritage resources identified in the proponent's revised Heritage Assessment Report dated April 4, 2013, stone walls designated under Part IV of the Ontario Heritage Act, stone walls recently recommended for designation and identified as 360 MacDonald Lane, 6345 and 9000 Second Concession Road and 4000, 5675 and 15095 Front Road, and stone walls erected as part of the Stone Wall Festival at 5830 Front Road;
- (xiii) A plan to evaluate and mitigate impacts on grading, drainage, drainage facilities and fencing;
- (xiv) A plan to mitigate impacts on the historic village of Stella, including without limitation the Ferry Landscape, St. Paul's Presbyterian Church and the Catholic Cemetery; and
- (xv) A plan to mitigate impacts on ferry operations.

- (b) Communications Plan
 - (i) Procedures for giving adequate notice to the Municipality and affected residents;
 - (ii) A complaint response protocol; and
 - (iii) A commitment that a construction manager will be on-site to receive communications from the Municipality and residents.
- (c) Public Safety Plan
 - (i) A plan to mitigate impacts on emergency services;
 - (ii) Health and safety plan; and
 - (iii) An emergency response and communication plan.

PART VII— USE OF ROAD ALLOWANCES

- 41. The Municipality represents and warrants that it is the owner of the Road Allowances and has the power and authority to grant the Rights granted herein.
- 42. Pursuant to the terms hereof and subject to the requirements of the Operations Plan, Windlectric and its successors, assigns, subsidiaries, affiliates, agents, licensees, employees and contractors shall have the right to enter upon the Road Allowances to the extent that any Road Allowances remain under the jurisdiction of the Municipality to construct, maintain, replace, remove, operate, patrol, inspect, alter, reconstruct, relocate, enlarge and repair the Works in order to comply with applicable laws or where required by any governmental authority and to clear the Road Allowances of all obstructions (save and except mature trees, fences, gates or other structures unless expressly authorized by the Municipal Engineer, acting reasonably, in accordance with the Operations Plan) that would interfere with the use of the Works on the terms and conditions set out herein.
- 43. Windlectric will comply with the requirements of any existing easements, utility infrastructure and/or private services situated within the Road Allowances in constructing and operating the Works, will make every reasonable effort not to damage or otherwise interfere with any such easements, infrastructure and/or services, and shall forthwith make all necessary repairs and/or replacements to them as necessary to minimize disruption to those persons for whom such easements, infrastructure and/or services are intended to benefit.
- 44. The Municipality agrees in the event of a voluntary closing by law, selling or disposing of any of the Road Allowances to give Windlectric reasonable prior notice of such closing, sale or disposal and to provide Windlectric, at no cost to Windlectric and prior to the closure of the applicable Road Allowance, with easements, in registrable form, over the part of the Road Allowance closed, sufficient for Windlectric to preserve any part of the Works in its then existing location, and to enter upon the closed Road Allowance to maintain, replace or repair such part of the Works on the terms and conditions set out in this Agreement. In the event of any other adverse claim or encumbrance affecting the Road Allowance of which the Municipality becomes aware (including without limitation, First Nation land claims), the Municipality will provide notice of such claim or encumbrance to Windlectric as soon as reasonably possible.

45. Windlectric may elect to permanently discontinue the use of or abandon any part of the Collection System Works on at least sixty (60) days prior written notice of such abandonment to the Municipality specifying the part of the Collection System Works to be abandoned and the date when the abandonment will occur, and otherwise on such conditions as the Municipality may require, acting reasonably.
46. Upon the Project ceasing Commercial Operations and/or being decommissioned, or Windlectric permanently discontinuing the use of or abandoning any part of the Collection System Works in accordance with Section 45 Windlectric shall remove the Collection System Works, or the part thereof that has been abandoned or the use of which has been discontinued, as the case may be, from the Road Allowances as may be required by the Municipality, but shall not undertake the removal of any of the wind turbines without first entering into an agreement with the Municipality to address the impacts, if any, that such removal could have on the Road Allowances or any other municipal infrastructure and/or the residents of Amherst Island. Each party hereby agrees to negotiate such agreement in good faith acting reasonably.

PART VIII— OPERATIONS, MAINTENANCE, EMERGENCIES AND TERMINATION

47. Notwithstanding anything contained herein to the contrary, if Windlectric is delayed in substantially completing the construction of any Works required by this Agreement, or in the operation, repair or maintenance of the Works by one or more acts beyond Windlectric's reasonable control and without limiting the generality of the foregoing (events of "*force majeure*") including unavailability of a building permit, adverse weather conditions, unavailability of parts and supplies, material or labour shortages, labour disputes, strikes and lockouts, national shortages, acts of God or the Queen's enemies, riots, insurrection, civil commotion or damage by fire, explosion, lightning, flood, earthquake, or other casualty, or a curtailment order from the Independent Electricity System Operator or the Distribution Company, so long as such impediment(s) exists, Windlectric will be relieved from the fulfilment of its obligations hereunder and the time for completion shall be extended by a period of time equal to such delay.
48. Subject to Section Part VII46, at the expiry of the Term of this Agreement, including any renewal thereof, or upon the early termination of this Agreement in accordance herewith, and to the satisfaction of the Municipality, acting reasonably, Windlectric, at its own expense, and within one hundred eighty days (180) thereafter, may remove those parts of the Works as have been constructed, installed, or placed pursuant to the Rights or alternatively abandon such Works in accordance with the terms hereof, and thereafter, shall reinstate, restore, and remediate the Municipal Infrastructure so affected to at least the same condition that existed prior to the construction of the Works. In the event that Windlectric fails to remove any of the Works or otherwise reinstate, restore, or remediate the Municipal Infrastructure affected thereby, then unless otherwise agreed to with the Municipality, the Municipality will be at liberty to remove such Works and thereafter restore, reinstate, or remediate the road, including its surface, drainage works, culverts and associated appurtenances without claim, recourse, or remedy by Windlectric, the reasonable cost of which removal and restoration will be invoiced to Windlectric and Windlectric agrees to pay such invoice in accordance with the terms thereof, failing which and without limiting the generality of the foregoing, the Municipality may recover the amount of such invoice from any security that the Municipality may be holding at that time.
49. Windlectric may, by notice in writing, terminate this Agreement at any time prior to commencement of construction of the Works, and this Agreement shall be at an end,

and Windlectric shall have no further obligation hereunder. Any such termination shall not affect Windlectric's liability to the Municipality for Municipal Costs incurred up to the date of termination or any other rights and remedies of the parties that arose prior to the date of such termination. For certainty, upon termination of this Agreement for any reason and upon removal of the Collection System Works in accordance with Section 46 to the satisfaction of the Municipality, the Road Use Payment shall no longer be due or payable and any security provided by or on behalf of Windlectric shall be returned forthwith upon payment of all amounts owing by Windlectric to the Municipality for which such security has been provided. Notwithstanding any other provision hereof, nothing in this Agreement shall derogate from the rights which Windlectric may otherwise have at law to enter upon and use the Road Allowances.

50. Notwithstanding the provisions hereof, nothing herein shall constitute an assumption by Windlectric of the obligation and responsibility of the Municipality to maintain public highways, Road Allowances or municipal roads. Where Windlectric has performed repair work on municipal roads, upon such work being inspected and approved by the Municipality, the Municipality shall indemnify, defend and save harmless Windlectric from any claims, costs or damages arising from such work on the public highways, Road Allowances or municipal roads.
51. If at any time during the Term, the Project is no longer operational for any reason whatsoever, Windlectric may terminate this Agreement by delivering thirty (30) days prior written notice to the Municipality; provided that such termination shall not absolve Windlectric from discharging any of its other obligations to the Municipality under this Agreement that are expressly stated herein to survive such termination.
52. The parties acknowledge that subsequent to the completion of the Post-Construction Remedial Work and during the Term, Windlectric may require further minor alterations and changes to the Road Allowances for the maintenance, repair and delivery of replacement components for the Wind Turbines. In such circumstances, Windlectric will inform the Municipality as soon as reasonably possible and will adhere to the same standard of care and workmanship as during the execution of the Works in performing any necessary work. The parties must agree on the process and scope of any such work in advance of it being performed, and agree that they will use commercially reasonable efforts to adhere to the intentions and processes of this Agreement in respect of such work.
53. Notwithstanding any requirement of prior notice to the Municipality hereunder, the Municipality and Windlectric agree that, in the event of an emergency in which Windlectric requires immediate access to any part of the Project, or to cut, trim, or otherwise interfere with any trees, brush, plants, or other vegetation, and after reasonable efforts to communicate with the Municipality, Windlectric may enter upon the Road Allowances and/or municipal lands without prior notice to the Municipality in order to gain access to the Works in order to effect such repairs or to cut, trim, or otherwise interfere with any trees, brush, plants, or other vegetation, as are required to address such emergency and, in so doing, shall undertake any work to the standards and as are otherwise required by the terms of this Agreement and to thereafter provide written notification and details and specifications of such repair to the Works to the Municipality on the next municipal business day and to thereafter file amended plans and drawings detailing such repairs as is otherwise required by this Agreement. For the purposes of this provision, "emergency" shall mean a sudden unexpected occasion or combination of events necessitating immediate action.

PART IX— BUILDING PERMIT AND DEVELOPMENT FEES

54. The parties acknowledge and agree that, for purposes of the *Building Code Act, 1992* (Ontario), as amended from time to time or any successor legislation, a building permit will only be required for the foundation and tower of a Wind Turbine, but not its generator or blades.
55. Windlectric shall pay building permit fees for each Wind Turbine in accordance with the Municipality's Building Bylaw in effect at the time; provided that for purposes of calculating the amount of the fee payable for a Wind Turbine, it shall be based on the value of the Wind Turbine's foundation and tower as certified to the Chief Building Official by the Project Engineer, acting reasonably, which fee shall include the following:
 - (a) The cost to review all plans and drawings in support of the application for the building permit; and
 - (b) All inspections of the construction required by the *Building Code Act, 1992* (Ontario).
56. Subject to Section 55, Windlectric shall pay building permit fees for all other components of the Project according to the Municipality's Building Permit Fee By-law in effect at the time a permit is applied for. For greater clarity, this shall include, without limitation, the substation, office and administration buildings as may be constructed and any building or structure over ten square metres or designated structures requiring a building permit pursuant to applicable law, but specifically excludes the Wind Turbine equipment, such as the turbine transformer located immediately adjacent to the foundation for each Wind Turbine.
57. Windlectric shall also comply with all other bylaws of general application to the Project, including without limitation, the Municipality's Development Charges Bylaw, Site Alteration or Fill Bylaw, Tree Bylaw, Civic Address Bylaw and Sign Bylaw, unless expressly exempted by operation of the Green Energy Act.

PART X— DISPUTE RESOLUTION

58. (a) This Part sets out the rules and procedures that shall govern any dispute between the parties pursuant to this Agreement.

(b) Prior to submitting a dispute to arbitration in accordance with this Part, the parties shall conduct good faith negotiations with a view to resolving the outstanding issue. If these negotiations fail, the parties may by mutual agreement refer the issue to a mediator to be chosen and paid for jointly by the parties without prejudice to the rights of any party to proceed to arbitration in accordance with this Part should a resolution not be reached.
59. Where a party determines that a dispute should be submitted to arbitration, the party may commence the arbitration by delivering a written request to the other party setting out the issue that the party requests be submitted to arbitration and thereafter the matter shall be submitted to arbitration pursuant to the *Arbitration Act, 1991* (Ontario) or any applicable successor legislation, and the decision of the arbitrator or, if more than one, the decision of a majority shall be final and binding on the parties with no right of appeal on a question of law, fact or mixed law and fact.

60. Where a party requests a matter be submitted to arbitration, the matter shall be decided by a single arbitrator acceptable to the parties, unless a party notifies the other that the former wishes the matter be decided by a board of arbitration, in which case each of Windlectric and the Municipality may appoint one member to the board of arbitration and the two members appointed by the parties shall appoint the third member who shall act as Chair. In the event that the dispute being referred to arbitration relates to the Operations Plan then, unless the parties otherwise agree, the matter shall be determined by a board of arbitration and the third arbitrator chosen by the appointees shall be a retired Justice of the Superior Court of Ontario. In all cases, the parties agree and direct the arbitrator or board of arbitration, as applicable, to adopt procedures necessary to render a final decision within 90 days of the commencement of the arbitration process. If a retired Justice of the Superior Court of Ontario is not available to act as the third arbitrator in a timeframe that would permit the arbitration to be completed within such 90 day period then the two appointees shall mutually agree upon an otherwise qualified arbitrator or request that one be appointed by the Superior Court of Justice.
61. Except as expressly set out herein, the arbitrator will not have any power to alter or change any provisions of this Agreement or to impose any new provisions to this Agreement or to substitute any new provisions for any existing provisions or to give any decision inconsistent with the terms and provisions of this Agreement. Notwithstanding the foregoing, in making its decision in respect of any dispute the arbitrator may agree to the position put forward by either party or may, in its discretion, make a decision which is distinct from the relief being requested by either party provided that, in respect of a decision regarding the Operations Plan, any amendments to such plan remain consistent with the concepts set forth in Part VI of this Agreement.
62. The parties agree that the decision of the arbitrator or board of arbitration shall provide a final decision and shall not refer the matter to any other body including the Ontario Municipal Board, nor shall either party have the right to appeal such decision to the Ontario Municipal Board or any other body.
63. Each party shall pay its own costs of the arbitration and shall share equally the costs of the arbitrator and any incidental expenses.

PART XI- LIMITATION OF LIABILITY AND INSURANCE

64. Windlectric, at its own expense, shall obtain and maintain either itself or via the prime contractor, during the period from the time of receipt of all of its approvals for the Project, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person engaged in the Project under this Agreement would maintain including, but not limited to Commercial general liability insurance for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than \$5,000,000. The policy is to include the following:
- (i) Municipality as an additional insured with respect to liability arising in the course of performance of the Project, or otherwise in connection with the Agreement;
 - (ii) have Windlectric as the named insured and the prime contractor constructing the Project as an added insured on that policy;
 - (iii) contractual liability coverage;

(iv) cross-liability clause; and

30 day written notice of policy cancellation or termination.

65. Windlectric shall provide the Municipality with proof of the insurance required by this Agreement in the form of valid certificates of insurance that reference this Agreement and provide the same prior to commencement of the pre-Construction Work, and renewal replacements on or before the expiry of any such insurance.
66. Windlectric hereby agrees to indemnify and hold harmless the Municipality from and against any and all liability, loss, costs, damages and expenses (including, without limitation, all legal, expert and consultant fees), causes of action, actions, claims, demands, lawsuits or other proceedings (collectively, Claims”) by whomever made, sustained, brought or prosecuted, including for third party bodily injury and property damage, in any way based upon, occasioned by or attributable to anything done or omitted to be done by Windlectric, its subcontractors or their respective directors, officers, agents, employees or independent contractors in the course of performance of Windlectric’s obligations under or otherwise in connection with this Agreement or as a direct consequence thereof. The foregoing indemnity shall not apply to Claims arising out of the negligence of, intentional misconduct of, or a breach of this Agreement by the Municipality, members of its Council, its officers, employees, agents or contractors. The obligations contained in this paragraph shall survive the termination or expiry of the Agreement.
67. When required to indemnify the Municipality, Windlectric shall assume on behalf of the Municipality, and conduct with due diligence and in good faith, the defense of any claim against the Municipality, whether or not Windlectric shall be joined therein, and the Municipality shall cooperate fully with Windlectric in such defense. Windlectric shall have charge and direction of the defense and settlement of such claim; provided, however, that without relieving Windlectric of its obligations hereunder or impairing Windlectric's right to control the defense or settlement thereof, the Municipality may elect to participate through separate counsel in the defense of any such claim. The fees and expenses of separate counsel retained by the Municipality shall be at the expense of the Municipality unless (a) the Municipality, on the advice of counsel, shall have reasonably concluded that there exists a material conflict of interest between Windlectric and the Municipality in the conduct of the defense of such claim (in which case Windlectroc shall not have the right to control the defense or settlement of such claim, on behalf of the Municipality), or (b) Windlectroc shall not have employed counsel to assume the defense of such claim within a reasonable time after notice of the commencement thereof or shall not be pursuing the defense of such claim with due diligence or in good faith (and in each such case the fees and expenses of counsel shall be at the expense of Windlectric).

PART XII– TRANSFERS

68. Windlectric may sell, convey, transfer, assign, mortgage, lease, pledge, or otherwise dispose of or encumber its ownership or control of the Project, or any entity succeeding the business or assets of Windlectric in any manner whatsoever, without the Municipality’s consent but on delivery of prior written notice, provided that the transferee, lessee, mortgagee, pledgee or assignee has written notice of and acknowledges this Agreement, and agrees to be fully bound by and to perform the duties and obligations of Windlectric and Algonquin hereunder in the same manner as if such person was an original signatory to this Agreement. Any mortgagee or secured lender taking a pledge

or assignment of this Agreement shall be required to execute an acknowledgment and consent agreement or such similar agreement as may be satisfactory to the parties, acting reasonably. For greater certainty, Windlectric shall not mortgage or otherwise include in any security instrument any of the Road Allowances.

69. The Municipality shall only have the right to assign, transfer or dispose all or any part of its interest under this Agreement in conjunction with any assignment, transfer or other disposition of its interest in all or any part of the Municipal Infrastructure which are subject to this Agreement, in which case the Municipality shall provide Windlectric with prior written notice of any such assignment, transfer or other disposition and any such assignment, transfer or disposition by the Municipality is subject to the requirement that on or before the making of such assignment, transfer or disposition, the assignee shall agree in writing with Windlectric (and in a form acceptable to the assignee and Windlectric, both acting reasonably) to observe and perform all the obligations of the Municipality under this Agreement.

PART XIII – GENERAL

70. All invoices, notices and communications to Windlectric in connection with this Agreement shall be addressed to:

Windlectric Inc.
354 Davis Road
Oakville, ON L6J 2X1

Attention: President
Phone: 905-465-4514
Fax: 905-465-4540

And a copy to:

Algonquin Power Co.
354 Davis Road
Oakville, ON L6J 2X1
Attention: VP, Business Development

71. All invoices, notices and communications to the Municipality in connection with this Agreement shall be addressed to:

The Corporation of Loyalist Township
P. O. Box 70
263 Main Street
Odessa, ON K0H 2H0

Attention: Clerk
Phone: (613) 386-7351
Fax: (613) 386-3833

72. Any invoice, notices or other communication required or permitted to be given or made under this Agreement shall be in writing, and shall be properly given or made if:

- (a) delivered in person during normal business hours left with the addressee or any other responsible employee at the relevant address;

- (b) delivered by courier or pre-paid mail to the relevant address; or
- (c) telexed, telecopied or sent by other means of recorded electronic communication provided receipt thereof is electronically confirmed.

Any party to this Agreement may from time to time change its address for notice by giving notice to the other party in the manner as herein provided.

- 73. If any lien is claimed pursuant to the Construction Lien Act for the supply of services or material in connection with the construction or maintenance of any works or facilities located on a Road Allowance or any lands owned by the Municipality or any other public authority, Windlectric shall be considered in default under this Agreement and shall continue to be in default until all liens are discharged, and the Municipality may, in its absolute discretion, use any security deposited by Windlectric to pay into court any amounts required to discharge all liens, plus costs. Where any amount of the security is used by the Municipality to discharge a lien, Windlectric shall immediately provide an additional payment or security to the Municipality to ensure that all of its obligations to maintain security are met. Notwithstanding the foregoing, in the event that Windlectric is determined to be in default under this clause, the provisions of Section Part V34 shall apply to such default in terms of the notice of such default and the time and manner to cure such default.
- 74. The parties acknowledge that the Municipality may appoint the Municipal Engineer to act as its agent in connection with the rights and obligations of the Municipality set out herein, in addition to those express matters delegated to the Municipal Engineer, and the Municipality shall cause the Municipal Engineer or such other delegate to respond or comply with the terms of this Agreement in a prompt manner.
- 75. Any amount payable by Windlectric to the Municipality under this Agreement, if not paid when due shall bear interest at the prime rate of interest set by the Royal Bank of Canada from time to time, plus 2%; provided that in no event shall the applicable interest rate exceed the maximum rate permitted by applicable law.
- 76. The mere failure of either party to give notice to the other of the breach or non-fulfilment of any provision of this Agreement shall not constitute acceptance of the breach or non-fulfilment.
- 77. The acceptance of a breach or non-fulfilment of any provision of this Agreement shall not constitute acceptance of a further breach or non-fulfilment of either the same provision, or any other provision of this Agreement.
- 78. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 79. Time shall be of the essence in this Agreement.
- 80. This Agreement constitutes the entire agreement or understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations and documents in relation thereto.
- 81. The parties agree that, upon entering into this Agreement and the Community Benefit Agreement, the agreement dated as of August 28, 2012 between them (the "**Indemnity Agreement**") shall be of no further force and effect and that the parties intend that this Agreement shall govern any common subject matter as between such agreements. The

Municipality further acknowledges that Windlectric's obligations with respect to the Municipality's review of the Project's renewable energy approval, have been fulfilled and satisfied in full as of the Effective Date.

82. This Agreement shall enure to the benefit of the parties and their respective successors and assigns.
83. The Municipality acknowledges that Windlectric may transfer components of the Works to the Distribution Company for incorporation into its electrical distribution infrastructure. The Municipality agrees that this transfer of any component of the Works is permitted without further consent of, or notice to, the Municipality so long as the Distribution Company acknowledges this Agreement and agrees to be fully bound by and perform the duties and obligations of the Proponent hereunder in the same manner as if the Distribution Company was an original signatory to this Agreement in respect of that portion of the components of the Works transferred to it. Upon a transfer of any component of the Works to the Distribution Company, Windlectric shall hereby be released from any and all obligations under this Agreement relating to that component of the Works transferred to the Distribution Company from and after the date of such transfer, save and except its obligation to pay the full amount of the Road Use Payment required by Section Part IV16 of this Agreement.
84. The Municipality conclusively represents and warrants that the Municipality has the authority to enter into this Agreement and enforce it.
85. Neither this Agreement nor notice of this Agreement shall be registered against title to any of the Road Allowances.
86. The invalidity or unenforceability of any provision or covenant contained in this Agreement shall affect the validity and enforceability of such provision or covenant only and any such invalid provision or covenant shall be severed from the balance of this Agreement, which shall be enforced to the greatest extent permitted by law.
87. No supplement, modification, amendment or waiver of this Agreement shall be binding unless executed in writing by the parties.
88. Each of the parties covenants and agrees with the other that it will at all times hereafter execute and deliver, at the request of the other, all such further documents, deeds and instruments and will do and perform all such acts as may be necessary to give full effect to the intent and meaning of this Agreement.
89. In this Agreement, words importing the singular number include the plural and vice versa and words importing one gender include the other two genders as well.
90. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties under seal by their authorized signing officers as at the date first set out above.

THE CORPORATION OF LOYALIST TOWNSHIP

Per: _____

Name: Bill Lowry

Title: Mayor

Per: _____

Name: Robert Maddocks

Title: Chief Administrative Officer

I/We have the authority to bind the corporation

WINDLECTRIC INC.

Per: _____

Name:

Title:

I/We have the authority to bind the corporation

ALGONQUIN POWER CO.

Per: _____

Name:

Office:

Per: _____

Name:

Office: