

## MII AMARANTH - AMENITIES AGREEMENT

Made as of February 20, 2008.

B E T W E E N:

**THE CORPORATION OF THE TOWNSHIP OF AMARANTH**  
(the "Township")

OF THE FIRST PART;

- and -

**CANADIAN HYDRO DEVELOPERS, INC.**  
("Canadian Hydro")

OF THE SECOND PART

(Collectively referred to herein as the "Parties")

**WHEREAS** Canadian Hydro is the tenant of certain lands (the "Lands") in the Township of Amaranth, in the County of Dufferin, described in Schedule "A" attached hereto;

**AND WHEREAS** the Township supports the construction and use of up to 22 turbines within the Township (known as "Melancthon II (Amaranth)" and consisting of those 22 wind turbines and ancillary infrastructure within Amaranth Township that are part of the total of 88 wind turbines proposed in Melancthon II Wind Project Environmental Screening Report, the balance of which is to be constructed in Melancthon Township) on the lands described in Schedule "A" hereto;

**AND WHEREAS** Canadian Hydro has agreed with the Township to voluntarily pay an annual contribution to supplement the tax revenue derived from Melancthon II (Amaranth);

**NOW THEREFORE**, this Agreement witnesseth that in consideration of the covenants herein contained, and other good and valuable consideration, the Parties hereto covenant and agree as follows:

### ARTICLE I

#### Melancthon II (Amaranth) Payment

**1.1** Canadian Hydro shall, subject to compliance by the Township with subsection 1.3, pay to the Township on the day that is one year after the commercial generation of electricity from Melancthon II (Amaranth) commences, and, subject to the election provided for in section 1.2, on each of the subsequent 19 annual anniversaries of that date, the sum of \$4,000 for each turbine in Melancthon II (Amaranth) that, for any part of the preceding year has generated electricity on a commercial basis (the "Amaranth Amenity Fee"), subject to the adjustments provided herein.

**1.2** If, prior to the payment of the first Amaranth Amenity Fee, the Township elects, by notice in writing to Canadian Hydro, to have the Amaranth Amenity Fee continue until Melancthon II (Amaranth) is decommissioned, whether such decommissioning occurs before or after the expiry of twenty years of operation, then the Amaranth Amenity Fee shall be paid annually per turbine until the decommissioning is complete.

**1.3** Canadian Hydro's commitment to pay the Amaranth Amenity Fee is conditional upon:

- (a) The Township working expeditiously so as to permit preservicing to commence pursuant to the Development Agreement immediately after the Council meeting on February 20, 2008 and to conclude all planning issues currently before Council, approvals, plans, and agreements for Melancthon II (Amaranth) no later than the Council meeting on February 20, 2008;
- (b) The Township authorizing and facilitating the development of access roads, power lines, and foundations in so far as is lawful in advance of the Official Plan, Zoning By-law, and Site Plan Approvals coming into force;
- (c) The Township cooperating with Canadian Hydro in the use of pre-servicing agreements and development agreements should any such agreements be required;
- (d) The Township not opposing Canadian Hydro's agreement with Dufferin County for an appropriate building permit fee for the turbines, considering the standardized nature of these reviews;
- (e) The Township promptly supporting such other permits and approvals as may reasonably be required in order to implement, construct, operate, and if applicable repower or decommission the project where such approvals involve the Township and provided that the Township shall not be obliged to expend material public funds in so doing, and provided that Canadian Hydro's actions are in accordance with the then existing agreements between the parties; and
- (f) The Township adhering to the Minutes of Settlement.

**1.4** Canadian Hydro shall give the Township notice in writing of any alleged default by the Township in meeting the conditions set out in section 1.3, together with reasonable particulars of the alleged default and where the alleged default is capable of being remedied, shall provide the Township in the notice with a reasonable period for remedying the alleged default.

## **ARTICLE II**

### Use of Monies

**2.1** The Township shall use the Amaranth Amenity Fee received pursuant to this Agreement for community betterment projects and/or services. The Township and Canadian Hydro shall work cooperatively to ensure that the economic benefit to the Township of the Amenity Fee is recognized.

**ARTICLE III**  
Adjustment for Tax Regime Changes

**3.1** The Amaranth Amenity Fee has been agreed upon in the context of the Township's share of municipal taxes in respect of Melancthon II (Amaranth) expected under the municipal assessment and taxation regime that applied in 2007. If, as a result of changes to the municipal assessment and taxation regime during the term of this Agreement, the Township's municipal tax revenue from Melancthon II (Amaranth) increases or decreases materially, there shall be a corresponding reduction or increase in the contribution fee otherwise payable in respect thereof. In the event of disagreement as to whether a reduction or increase of the contribution fee is warranted, or as to the extent of the reduction or increase, the dispute shall be settled by meditation, failing which the Parties shall proceed to arbitration.

**3.2** Changes made by the Township to its tax rate structure do not constitute changes to the taxation regime for the purposes of this Article III.

**ARTICLE IV**  
OMB Hearing Costs

**4.1** Provided that the Township's position at the OMB Hearing continues to be consistent with that of Canadian Hydro, as required under the Minutes of Settlement and upon the execution of the Development Agreement, Road Agreement and approval of the template Site Plan Agreement and the settlement of all protocols and plans referenced herein, then Canadian Hydro shall reimburse the Township its reasonable costs in accordance with the executed Minutes of Settlement including the processing of the planning applications and for the preparation and attendance at the OMB Hearing to the upset figures agreed upon in writing from time to time between Canadian Hydro and the Township. The agreed upset amount shall be paid to the Township forthwith upon the execution of this Agreement, the Development Agreement, the Road Agreement, the approval of the template Site Plan Agreement and reasonable documentation has been provided to Canadian Hydro substantiating the Township's costs

**ARTICLE V**  
Matching Melancthon

**5.1** The Amenity Fee Agreement entered into between Canadian Hydro and the Corporation of the Township of Melancthon ("Melancthon") does not, and shall not, provide, nor shall Canadian Hydro pay, a greater fee per turbine than this Agreement provides for the Township in respect of Melancthon II (Amaranth), and nor shall it provide any other payments in the nature of a Amenity Fee (other than a reimbursement of the Township's costs pursuant to Article IV) so that any Amenity Fee provided to Melancthon shall not be proportionately greater than the Amenity Fee provided herein for the Township. If Canadian Hydro should amend the Amenity Fee Agreement with Melancthon to provide:

- (a) a greater fee per turbine to Melancthon than that provided for the Township in this Agreement in respect of Melancthon II (Amaranth), then the fee per turbine provided to the Township in respect of Melancthon II (Amaranth) shall be increased to match that provided to Melancthon for the balance of the Amaranth Amenity Fees due under this Agreement; or
- (b) a lump sum or other payment to Melancthon in the nature of a Amenity Fee that is not an annual fee per turbine (other than a reimbursement of costs) in the

same manner as is provided herein for the Township, then Canadian Hydro shall pay the proportionately equivalent amount to the Township.

**5.2** In the event of a dispute regarding this Article V, the Parties shall attempt to resolve the matter by mediation, and failing resolution through mediation, the dispute shall be submitted to arbitration.

**5.3** The Township acknowledges receipt of a copy of the Amenity Fee Agreement made between Canadian Hydro and Melancthon, a copy of which is annexed hereto as Schedule "B".

#### **ARTICLE VI**

##### Termination and Term

**6.1** This Agreement shall terminate upon payment of the last Amaranth Amenity Fee.

#### **ARTICLE VII**

##### Notices

**7.1** Any notices which may or are required to be given under this Agreement shall be in writing and shall be delivered personally or sent by registered mail or couriered or faxed to the Parties at their respective addresses as set out as follows:

The Corporation of the Township of Amaranth  
ATT: CAO/Clerk-Treasurer  
374028 6<sup>th</sup> Line, Amaranth  
RR # 7  
Orangeville, ON L9W 2Z3  
Fax: (519) 941-1802

Canadian Hydro Developers, Inc.  
ATT: Corporate Secretary  
Suite 500  
1324 - 17<sup>th</sup> Avenue SW  
Calgary, Alta. T2T 5S8  
Fax: (403) 244-7388

- (a) Notices which are delivered or sent in the manner set out above shall conclusively be deemed to be received for all purposes hereof in the case of those faxed or personally delivered on the date of such faxing or delivery and in the case of those given by registered mail or by courier on the fourth business day following that upon which the notice was mailed or couriered.

**ARTICLE VIII**  
Interpretation and General

**8.1** 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.

**8.2** Canadian Hydro covenants that it shall not contest the authority of the Township to enter into this Agreement and enforce it. The parties conclusively stipulate that the Township has the authority to enter into this Agreement and enforce it. The parties covenant not to contest the legality of this Agreement.

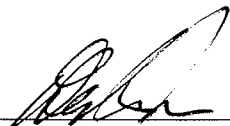
**8.3** This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and assigns.

**8.4** Schedule "A" attached hereto forms part of this Agreement.

**IN WITNESS WHEREOF** the corporate Parties have hereunto set their corporate seal as attested by their proper signing officers in that behalf.

**THE CORPORATION OF THE TOWNSHIP OF  
AMARANTH**

Per:



\_\_\_\_\_  
Don MacIver, Mayor



\_\_\_\_\_  
Susan M. Stone, CAO/Clerk-Treasurer

We have the authority to bind the Corporation

**CANADIAN HYDRO DEVELOPERS, INC.**

Per:

\_\_\_\_\_  
Geoff Carnegie, Manager, Ontario Projects

I have the authority to bind the Corporation

**SCHEDULE "A"**Melancthon II (Amaranth) Lands  
Legal Description

<b>Lessor Last Name</b>	<b>Lot</b>	<b>Con</b>	<b>Exempt Parts</b>	<b>PIN</b>
Petervale Farms	NE 1/4 28	10		34057-0016
Dupre/Marshall	E 1/2 27	10		34057-0020
Gard	E 1/2 29	8	Except AM16817	34056-0016
Langen	E 1/2 30	10		34057-0014
Langen	E 1/2 30	10		34057-0014
Turner	E 1/2 30	9		34057-0029
Phillips	W 1/2 30	9		34057-0028
Sprenulli	NE Pt 31	8		34056-0019
Mitchell/Gooden	E 1/2 30	8	Except AM16825	34056-0017
Herrmann	N 1/2 of W 1/2 29	8		34056-0015
Bacon	S 1/2 of W 1/2 29	8		34056-0014
Armstrong	E 1/2 27	8	Except AM16518	34056-0011
McCreary	W 1/2 27	8		34056-0010
Armstrong	W 1/2 27	7	Except Pts 1 & 2, 7R3429	34056-0051
Seper	E 1/2 28	7		34056-0030
Kottlenberg	E 1/2 29	7	Except Pt 1, 7R742	34056-0032
Aukema	E 1/2 30	7	Except Pt 1, 7R539 & AM16511	34056-0035
Currie Sr.	W Pt 30	6	Except Pt 1, 7R697 & Pts 1 & 2, 7R4428	34055-0063
Currie Sr.	E Pt 30	6	Except Pt 1, 7R697 & Pts 1 & 2, 7R4428	34055-0063
Currie Jr.	E 1/2 29	6	Except Pt 1, 7R412 & Pts 1 & 2 7R5362	34055-0072
Aukema	W 1/2 29	6	Except Pt 1, 7R3308	34055-0014
Dickson	W 1/2 29	10		34057-0015
Marchment	W1/2 25	9	Meter Station	34050-0035

**SCHEDULE "B"**

Melancthon Amenity Fee Agreement

See attached.