

PROFESSIONAL SERVICES AGREEMENT

Effective Date: May 1, 2011



This Professional Services Agreement (the "**Agreement**") is entered into as of the Effective Date between Ecaliber, a division of EARTH (Holdings) Inc. ("**Ecaliber**"), a corporation organized and existing under the laws of Ontario, and Erie Thames Powerlines Corporation"), a corporation organized and existing under the laws of Ontario (the "**Client**").

In consideration of the mutual covenants and agreements contained herein, Ecaliber and the Client agree as follow:

1. DEFINITIONS

Unless otherwise defined herein, capitalized terms used in this Agreement are defined in Section 16.1.

2. SERVICES

2.1 Ecaliber will provide to Client the services described in the proposal attached as Schedule A (the "**Services**") pursuant to the terms and conditions of this Agreement. The scope of the Services may be amended or modified by written agreement of the parties.

2.2 The Client acknowledges that the site is hosted by a third party ("**Third Party Hosting**") and Ecaliber agrees to pass on the benefits and features of the Third Party Hosting which may be described in Schedule A. The Client agrees that Ecaliber may, at its sole discretion, change Third Party Hosting at any time during the Term if the new host continues to provide benefits that are materially similar to those described in Schedule A.

2.3 The parties acknowledge and agree that the minimum operational requirements (the "**Minimum Requirements**") described in Schedule A, if any, are necessary for the delivery and receipt of the Services. The Client agrees that it is responsible for the Minimum Requirements during the Term.

2.4 Upon payment of the Fees, the Client shall have access to the Services for the number of users described in Schedule A. The Client shall not (a) allow additional users to access the Services, and (b) allow access to the administrative portion of the Services or share the Service with anyone outside the Client's organization. In the event of the Client's breach of this Section 2.4, Ecaliber reserves the right to cancel this Agreement pursuant to Section 10.3.

2.5 The use of the Services by the Client is limited to normal user activity having regard to the ordinary and usual needs and requirements of the Client's business and affairs and the "day-to-day" conduct and operation thereof. Ecaliber limits the Client's right to schedule non-critical system use to non-business hours, it being hereby agreed that the Client, acting reasonably and having regard to all such then prevailing factors as the Client may consider appropriate, shall have the sole authority to determine what types of use will constitute "non-critical system use". Without limiting the generality of the foregoing, report processing, batch processing and the calculation of month end unbilled revenue are each examples of "non-critical system use" while access to information by the Client in order to respond to inquiries involving customer payments, customer payment processing and customer billing collection activities shall

not, under any circumstances whatsoever, be considered as a "non-critical system use".

2.6 Ecaliber shall, at its sole expense, maintain one complete version of the Services at all times during the Term. All upgrades, changes to software versions, and patches to the Services shall be undertaken at the sole expense of Ecaliber and shall be coordinated with the Client prior to implementation. The Client acknowledges that training may be required as a result of the implementation of the above changes, which training shall be provided at the Client's sole expense and in accordance with the fees set out in Schedule B.

2.7 The parties acknowledge that any computer systems of the Client which are not being maintained by Ecaliber pursuant to this Agreement shall not be supported by Ecaliber.

2.8 Ecaliber will provide such resources and utilize such employees or consultants as it deems necessary to perform the Services. The manner and means used by Ecaliber to perform the Services are in the sole discretion and control of Ecaliber. In delivering the Services, Ecaliber hereby represents and warrants to the Client that:

- a) it has the right and has obtained and holds all necessary licences, permits, consents and other authorizations in order to enable Ecaliber deliver the Services,
- b) there are no existing restrictions or constraints on Ecaliber's right and ability to deliver the Services in accordance with this Agreement; and
- c) it has not infringed the rights of any other Persons with respect to the delivery of the Service, and has not received notice of an impending dispute regarding such an infringement.

3. FEES AND OTHER CHARGES

3.1 For the Services provided by Ecaliber, the Client will pay Ecaliber the fees set forth in Schedule A in lawful money of Canada (the "**Fees**").

3.2 The Fees payable to Ecaliber pursuant to this agreement are exclusive of HST, any sales, use or other taxes or governmental charges. The Client is responsible for payment of all such taxes or charges, except for any taxes based solely on Ecaliber's net income.

3.3 For additional services not described in Schedule A that are requested in writing by the Client ("**Additional Services**"), Ecaliber will provide an estimate to the Client of fees for the Additional Services and the Client must

approve the estimate prior to commencement of Additional Services.

3.4 Other fees not under the control of Ecaliber such as third party maintenance fees ("**Third Party Fees**") will be pass-through costs and any increases in Third Party Fees will be passed through to the Client.

3.5 On every anniversary of the Effective Date during the Term (each a "**Change Date**"), the Fees shall be changed by the average of the monthly percentage changes in the CPI during the twelve (12) consecutive months immediately preceding the Change Date (the "**Percentage Change**"). In the event that the Percentage Change is positive on a Change Date, then the Fees shall be multiplied by the Percentage Change, and the resulting increase shall be added to the Fees and such sum shall be the escalated Fees effective as of that Change Date. In the event that the Percentage Change is negative on a Change Date, then the Fees shall be multiplied by the Percentage Change, and the resulting decrease shall be subtracted from the Fees and the resulting sum shall be the reduced Fees effective as of that Change Date. The Client agrees that said changed Fees shall thereafter be payable in accordance with Section 4, until the next Change Date. In the event that the CPI information necessary to determine the Percentage Change is unavailable as of a Change Date, the Client shall continue to pay the Fees it had been paying immediately prior to said Change Date until such information is made available; at that time the Fees shall change in accordance with this Section and the Client shall make a retroactive payment to Ecaliber equal to the increase, if any, or subsequent invoices from Ecaliber will be discounted equal to the decrease, if any. No subsequent adjustments or recomputations, retroactive or otherwise, shall be made to the CPI due to any revision that may later be made to the first published figure of the CPI for any month.

4. INVOICING AND PAYMENT

4.1 Ecaliber will invoice the Client at the end of each calendar month for Services delivered and Fees incurred during said month. All Invoices will be due and payable when invoiced, and will be deemed defaulted if they remain unpaid for fifteen (15) days after delivery. Overdue amounts will accrue simple interest at the rate of one (1.5%) percent per month (18% p.a.), or at the highest legal interest rate, if less.

4.2 If the Client's procedures require that an invoice be submitted against a purchase order before payment can be made, the Client will be responsible for issuing such purchase order at least thirty (30) days before the payment due date.

5. INTELLECTUAL PROPERTY RIGHTS

5.1 If applicable, the Client will provide Ecaliber with access to the Licensed Technology for the sole purpose of allowing Ecaliber to perform the Services. The Client

hereby grants Ecaliber a royalty-free, non-exclusive, license to use the Licensed Technology (if any), and all Client IP Rights covering such Licensed Technology, solely in order for Ecaliber to perform the Services and solely during the term of this Agreement. The Client represents that it has obtained all necessary permissions, licenses, consents and has the authority and right to provide such Licensed Technology (if applicable) to Ecaliber.

5.2 Except as otherwise set out herein, neither this Agreement, nor the provision of Services hereunder, will give either Ecaliber or the Client any ownership interest in or rights to the existing IP Rights of the other party. All IP Rights that are owned or controlled by a party at the commencement of this Agreement will remain under the ownership or control of such party throughout the term of this Agreement and thereafter.

5.3 To perfect ownership of Ecaliber's IP Rights, the Client assigns to Ecaliber all rights that the Client may have in the Innovations, and will assist and cooperate with Ecaliber in all reasonable respects, subject to reasonable availability, (a) in actions to acquire, transfer or maintain such IP Rights of Ecaliber, including executing the customary documents associated therewith, and (b) in actions of enforcement of such Ecaliber IP Rights, subject to payment by Ecaliber of all costs reasonably incurred by the Client that are associated therewith.

5.4 Ecaliber acknowledges that the data contained in the database files is the sole property of the Client and that the Client is free to download the database files at any time for the Client's own use. Ecaliber reserves the right to download the database files for maintenance and backup purposes.

6. LIMITED WARRANTIES AND EXCEPTIONS

6.1 Ecaliber warrants that the Services provided hereunder will be performed in a professional manner and in accordance with customary industry practices.

6.2 THE WARRANTY IN SECTION 6.1 IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY/MERCHANTABLE QUALITY, REASONABLE SKILL AND CARE, FITNESS FOR USE OR A PARTICULAR PURPOSE, CONTINUAL OR UNINTERRUPTED SERVICE OR NON-INFRINGEMENT, EACH OF WHICH IS EXPRESSLY DISCLAIMED TO THE FULLEST EXTENT PERMISSIBLE BY LAW.

7. INDEMNIFICATION

7.1 Subject to the provisions of Sections 7.2, 8.1, 8.2, and 8.3, Ecaliber will indemnify, defend and hold the Client and its affiliates and their respective officers, directors, employees, and agents (the "**Client Indemnitees**") harmless from and against any and all

liabilities, losses, damages, costs, and expenses (“**Losses**”), and any legal fees and expenses relating to its defence, resulting from any suit or action brought against the Client Indemnitees alleging infringement of any third party copyright or trade secret by Ecaliber or its contractors resulting from the delivery of the Services to the Client.

7.2 If any claim or action is commenced against Client for Losses resulting from such claim or action (a “**Claim**”), the Client will give written notice to Ecaliber within twenty (20) days of notice of such Claim. If Ecaliber is obligated under this Agreement to indemnify Losses arising from such Claim, then Ecaliber may, in its discretion, take control of the defence and investigation of the Claim, using such counsel and other assistance as it selects in its discretion. The Client agrees to cooperate in all commercially reasonable respects in such investigation and defence, including trial and any appeals, provided that the Client may also participate, at its own expense, in such defence. No settlement of a Claim that involves a remedy other than payment of money by Ecaliber will be agreed to and entered without the consent of the Client, which consent will not be unreasonably withheld.

7.3 THE FOREGOING STATES THE CLIENT'S SOLE AND EXCLUSIVE REMEDIES WITH RESPECT TO CLAIMS OF INFRINGEMENT OF THIRD PARTY PROPRIETARY RIGHTS OF ANY KIND.

8. LIMITATIONS ON LIABILITY

8.1 IN NO EVENT WILL A PARTY (INCLUDING ANY THIRD PARTY INVOLVED IN DELIVERY OF THE SERVICES) BE LIABLE UNDER THIS AGREEMENT FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES, OR LOST PROFITS OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, HOWEVER CAUSED, WHETHER FOR BREACH OF WARRANTY, CONTRACT, TORT NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8.2 Ecaliber shall not be liable for protection or privacy of information transferred through the Client's network provider or for any damages resulting from or related to any failure or delay of Ecaliber to provide service under this Agreement, unless caused by Ecaliber's gross negligence or wilful misconduct.

8.3 THE AGGREGATE CUMULATIVE LIABILITY OF EACH PARTY ARISING OUT OF THIS AGREEMENT WILL NOT EXCEED THE TOTAL AMOUNT ACTUALLY PAID BY THE CLIENT TO Ecaliber HEREUNDER.

8.4 No action, regardless of form, arising from this Agreement may be brought by either party more than two (2) years after the cause of action has accrued.

9. CONFIDENTIALITY AND NON-SOLICITATION

9.1 Except as otherwise expressly provided in this Agreement, each party (the “**Receiving Party**”) agrees that all Confidential Information provided to it by the other party (the “**Disclosing Party**”) by any method and in any format whatsoever, whether before or after the Effective Date (collectively, “**Confidential Information**”), shall be deemed to be confidential and proprietary to the Disclosing Party. The Receiving Party may use such Confidential Information only in connection with and for the purposes of exercising its rights and carrying out its obligations under this Agreement. Each party agrees to use the same means as it uses to protect its own confidential information, but in no event less than reasonable means, to prevent the disclosure and to protect the confidentiality of the other party's Confidential Information.

9.2 In the event that the Receiving Party or any person to whom it discloses the Confidential Information pursuant to the terms of this Agreement becomes legally compelled to disclose any of the Confidential Information, the Receiving Party shall provide the Disclosing Party with prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the confidentiality provisions of this Agreement. In the event that such protective order or other remedy is not obtained, or the Disclosing Party waives in writing compliance with the confidentiality provisions of this Agreement, the Receiving Party or the person legally compelled to disclose the Confidential Information shall furnish only that portion of the Confidential Information that is legally required and the Receiving Party shall use its best efforts to obtain reliable written assurances from the recipients of the Confidential Information that confidential treatment will be accorded such Confidential Information.

9.3 The Receiving Party shall not disclose the Confidential Information of the Disclosing Party without their prior written consent, provided that the Receiving Party may disclose the Disclosing Party's Confidential Information to the Receiving Party's directors, officers, employees, agents, advisors, consultants and representatives (collectively, “**Representatives**”), but only to the extent that such Representatives need to have access to such Confidential Information for purposes associated with the performance of this Agreement. Each Receiving Party shall advise each such Representative of the confidentiality obligations set forth in this Agreement. Compliance by each Representative with such confidentiality obligations shall remain the responsibility of the Receiving Party employing or retaining the Representative. Notwithstanding the foregoing, Ecaliber may disclose to certain entities, including without limitation the Ontario Energy Board and the Independent Electricity System Operator, such portions of the Client's Confidential Information that Ecaliber must disclose in order to perform its obligations under this Agreement.

9.4 Upon termination of this Agreement, Ecaliber shall return to the Client all of its Confidential Information upon written request.

9.5 During the term of this Agreement and for a period of one (1) year thereafter neither party shall, without the prior written consent of the other party, hire or allow its respective affiliates to hire (i) any employee of the other party, or (ii) any person who was an employee of the other party during the previous six (6) months, who was directly involved with the implementation and maintenance of the Services.

10. TERM AND TERMINATION

10.1 This Agreement shall commence on the Effective Date and shall remain in full force and effect for a period of three (3) years (the “**Initial Term**”), subject to earlier termination as provided for in this Agreement. This Agreement will automatically be renewed for successive one (1) year periods unless either party provides the other party with no less than one hundred and eighty (180) days written notice prior to the end of the initial term or applicable renewal period (each, a “**Renewal Period**” and collectively with the Initial Term, the “**Term**”).

10.2 This Agreement may be terminated by either party: (a) for any reason, upon one hundred and eighty (180) calendar days' prior written notice to the other party, or (b) upon thirty (30) days' prior written notice if the other party materially breaches or fails to perform any material term hereof and the breaching party fails to cure such breach within the thirty (30) day period, or (c) immediately in the event of bankruptcy or insolvency by the other party.

10.3 Notwithstanding Section 10.2, Ecaliber may terminate the Agreement immediately if (i) the Client fails to pay a monthly invoice within sixty (60) days of the invoice date, and (ii) the Client breaches the Section 2.4.

10.4 Upon the termination of the Agreement for any reason, the Client will be responsible for entering into new arrangements related to the services contemplated herein. Ecaliber will use commercially reasonable efforts to assist with the transferring the Client to a new service provider and the Client agrees to pay Ecaliber's then current rates for such work (including, but not limited to, programming and file transfers).

10.5 Each party's obligations under Sections 4, 5, 6, 7, 8, 9, 10.4, 11, 12, 14 and 16.3 of the Agreement will survive termination or expiration of the Agreement. Within thirty (30) days of termination of this Agreement for any reason, Ecaliber will submit to the Client an invoice for any fees or expenses accrued and unpaid under this Agreement prior to the date of such termination.

11. INDEPENDENT CONTRACTORS

Ecaliber will perform the Services as an independent contractor, and nothing contained in this Agreement will be construed to create or imply a joint venture, partnership, principal-agent or employment relationship between the parties. Neither party will take any action or

permit any action to be taken on its behalf that purports to be done in the name of or on behalf of the other party and will have no power or authority to bind the other party to assume or create any obligation or responsibility express or implied on the other party's behalf or in its name, nor will such party represent to any one that it has such power or authority.

12. GOVERNING LAW

This Agreement will be governed by the procedural and substantive laws of the Province of Ontario, without regard to conflicts of laws principles. This Agreement is prepared and executed and will be interpreted in the English language only, and no translation of the Agreement into another language will have any effect. The United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from and will not apply to this Agreement.

13. LANGUAGE

It is hereby agreed that both parties specifically require that this Agreement and any notices, consents, authorizations, communications and approvals be drawn up in the English language. Il est convenu par le ☐authori acte que les deux parties exigent que ce contrat et tout avis, consentement, ☐authorisation, communication et approbation soient rédigés en langue anglaise.

14. DISPUTE RESOLUTION

14.1 The parties will attempt in good faith to resolve any dispute arising in connection with this Agreement informally according to the following procedure. Upon written request of a party identifying a dispute to be resolved, each party will designate a management representative with the responsibility and authority to resolve the dispute. The designated management representatives will meet preliminarily within fifteen (15) days after the request is received from the requesting party. At this first meeting, the designated management representatives will identify the scope of the dispute and the information needed to discuss and attempt to resolve the dispute. These management representatives will then gather relevant information regarding the dispute and will meet again to discuss the issues and negotiate in good faith to resolve the dispute. Such second meeting will occur within fifteen (15) days of the first meeting.

14.2 Nothing in this Section 14 will restrict the right of either party to apply to a court of competent jurisdiction for injunctive relief or damages at any time. However, the right of either party to file a lawsuit does not abrogate each party's obligations under Subsection 14.1. Moreover, a party that elects to file a lawsuit will provide the written notice identified in Subsection 14.1 to the other party at the same time the lawsuit is filed with a court.

14.3 The prevailing party in any judicial action brought to enforce or interpret this Agreement or for relief for its breach will be entitled to recover its costs and its

reasonable legal fees incurred to prosecute or defend such action.

15. FORCE MAJEURE

Notwithstanding any other provision herein, neither party shall be liable for any delay in performance or non-performance of any of its obligations under this Agreement (other than an obligation to pay money) if such delay or non-performance is due to any cause beyond its control including but not limited to any act of God, flood, drought, lightning or fire, labour lockout, labour dispute (other than a trade dispute affecting the party claiming force majeure), war, terrorist act, plague, military operations or riot, and any act, omission or decision of Government ("**Force Majeure Event**"). If either of the parties shall become aware of a Force Majeure Event which gives rise to or which is likely to give rise to any such failure or delay to perform its obligations under this Agreement, it shall immediately give written notice to the other party and shall inform the other party of the period of time which it is estimated that such failure or delay shall continue. The parties shall, as soon as reasonably practicable following such notification, discuss all of the implications of the Force Majeure Event and use their best efforts to agree to a plan to remedy or overcome any problems arising from the Force Majeure Event.

16. MISCELLANEOUS

16.1 Capitalized Terms. The following definitions apply to the capitalized terms used in this Agreement that are not otherwise defined:

a) "**Confidential Information**" means any information written or otherwise disclosed in any medium by one party to the other under this Agreement and marked or otherwise designated as "Confidential" or clearly by its nature is likely to be confidential. However, Confidential Information will not include any information of a party that: (a) is or becomes a part of the public domain through no act or omission of either party or otherwise available to the public other than by breach of this Agreement; or (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; or (c) is lawfully disclosed to the other party by a third party without restriction on disclosure; or (d) is independently developed by the other party without access to the Confidential Information.

b) "**CPI**" means the consumer price index for "All Items" published or established by Statistics Canada (or its successor) in relation to the Province of Ontario.

c) "**Effective Date**" means the date set out at the beginning of the Agreement.

d) "**Ecaliber Technology**", means Ecaliber's proprietary information, methodologies and materials, software tools, computer programs and interfaces and their documentation, computer languages, methods,

design flows, libraries, algorithms, databases and templates.

e) "**Innovations**" means any invention, development or innovation conceived or developed in the course of performance of the Services, including, but not limited to, information, methodologies and materials, tools (including software tools), computer programs and interfaces and their documentation, computer languages, methods, design flows, libraries, algorithms, databases, encoding techniques, articles, writings, compositions, works of authorship and modifications thereof.

f) "**IP Rights**" means all intellectual property rights, including patents, copyrights, trademarks (including service marks), trade secrets, and design rights, whether registered or unregistered, including any application for registration of any of the foregoing and all rights or forms of protection of a similar nature of having equivalent or similar effect to any of these, that may subsist anywhere in the world.

g) "**Licensed Technology**" means the materials and technology (if any) owned, controlled or otherwise provided by the Client (including Third Party Technology) that Ecaliber reasonably requires access to in order to perform the Services.

h) "**Third Party Technology**" means such third party information, materials and technology, and the IP Rights therein, as are routinely used by the Client, as of right, and as Ecaliber reasonably requires access to in order to perform the Services.

16.2 Notices. Notices to be given or submitted by either party to other pursuant to this Agreement will be in writing and delivered via email, courier or facsimile.

16.3 Severability. If any term or provision of this Agreement is determined to be invalid or unenforceable for any reason, it will be adjusted rather than voided, if possible, to achieve the intent of the parties to extent possible. In any event, all other terms and provisions will be deemed valid and enforceable to the maximum extent possible.

16.4 Entire Agreement. The Client acknowledges that it has read, understands and will be bound by this Agreement, and that this Agreement is the complete and exclusive statement of the agreement between the parties regarding the subject matter hereof, superseding all proposals, oral or written, and all other communications between the parties relating to such subject matter.

16.5 Amendment. Any terms and conditions of any purchase order or other instrument issued by the Client in connection with the Agreement that are in addition to or inconsistent with the terms and conditions of this Agreement will be of no force or effect. This Agreement may be modified only by a written instrument duly executed by an authorized representative of each of Ecaliber and the Client.

16.6 No Waiver. The failure of a party to enforce any provision of this Agreement will not constitute a waiver of

such provision or the right of such party to enforce such provision or any other provision.

16.7 Assignment. Neither party may assign this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld. Ecaliber may, without prior consent of the Client, assign this Agreement to a third party in connection with the sale or transfer of all or substantially all of its business or assets.

16.8 Schedule. Schedules A to this Agreement constitute part of this Agreement as if included herein.

In Witness Whereof, the parties hereto have executed this Agreement as of the Effective Date.

ERIE THAMES POWERLINES CORPORATION:

Signature: _____ [ORIGINAL SIGNED] _____

Date: _____ May 1, 2011 _____

Name:

Title:

ECALIBER, A DIVISION OF ERTH (HOLDINGS) INC.:

Signature: _____ [ORIGINAL SIGNED] _____

Date: _____ May 1, 2011 _____

Name:

Title:

SCHEDULE A

Copy of Proposal Attached.



Proposal

Application Service Provider

for

Erie Thames Powerlines

Version 1.0
May 1, 2011



Revision Control

Document Title: Proposal – Application Service Provider

Author: ECALIBER – A division of ERTH Holdings Inc.

Version	Date	Author	Details / Comments
Version 1.0	2011.05.01	L. Palmer	Initial Version

Confidentiality Statement

The material contained in this document is proprietary to ECALIBER Inc (“ECALIBER”), a division of ERTH Holdings Inc. This material may not be disclosed, duplicated, or otherwise revealed, in whole or in part, to any party other than Erie Thames Powerlines without prior written consent.

In no event shall ECALIBER be liable to anyone for special, incidental, collateral, or consequential damages arising from the use of this information.

This information has been provided in confidence to Erie Thames Powerlines (hereafter referred to as “ETPL”) for the purpose of evaluating the following proposal from ECALIBER for services and software described within the following response.



Contents

1. Executive Summary	4
2. Solution Offering	5
2.1. Application Maintenance	5
2.2. Application Hosting.....	6
2.3. Application Management	7
3. Pricing Model	10
3.1. Fees and Terms.....	10
4. Document Acceptance and Signoff.....	10

1. Executive Summary

In Ontario's electricity market, ECALIBER is a leading provider of "Software as a Service" to local distribution companies (LDCs). Through a combination of strategic partnerships and in-house solutions, we have developed our services into a best of class offering. With a client base of approximately 160,000 customers, we have a thorough knowledge of the NorthStar application and of the business aspects of a utility's back-office. You will find that through our Application Management Model, ETPL will have more time and energy to focus on delivering quality service for your customers.

The following proposal will outline the Scope of Work to be delivered under the ERTH Application Service Provider model. As an added benefit, ETPL will find themselves as part of a user community who will have the option of participating in various cost sharing activities. ECALIBER encourages collaboration amongst our client base and I'm sure that you will find that software and services can be delivered at a fraction of a cost to that which is provided through software vendors directly. In addition to the core solutions being proposed and priced for ETPL, ECALIBER also offers many complementary services that can be tailored to meet your future needs.

As you know, ECALIBER was the first and is the largest NorthStar Enterprise Business Partner. The ECALIBER client base has grown steadily since market opening in 2002 and ECALIBER has focused on the delivery of exceptional product support and 'filling in the gaps' where Harris as a vendor requires translation of market changes. In recent years, Harris has made additional support available to its customer base for such things as MDM/R integration testing. ECALIBER has provided this support at a fraction of the cost to our client base and their experience has shown a greater ability for our clients to meet the regulatory requirements of the Ontario market. Our clients have also been able to benefit from a group buying pool associated with such things as software customizations, automation tools, bill presentment changes and consumable materials.

In addition to being partnered with Harris Computer Systems, ECALIBER has also established a strategic partnership with Aegisys Inc. Aegisys is a premier hosting facility that will warehouse your mission critical CIS system.

Outlined below are the Business and Technical considerations associated with ECALIBER's value proposition.

- ECALIBER customers have indicated that they have more time and resources to focus on quality customer service and meeting the demands of the regulatory environment.
- Testing and data validation is primarily executed by ECALIBER resources, therefore reducing internal costs associated with upgrades and patches
- All patch upgrades are executed after hours by ECALIBER, thereby reducing labour requirement for ETPL
- All system setups and configurations are managed by ECALIBER, reducing Erie Thames Powerline's internal labour costs and risks associated with managing the application

- The strong partnerships that ECALIBER maintains with its system vendors results in regular improvements to the systems based on suggestions made by ECALIBER and its clients.
- With ECALIBER's in-house technical expertise, custom queries and reports can be developed at a fraction of the cost of software development.
- Given ECALIBER's extensive experience with the NorthStar product, it is able to work on behalf of its customers to undertake many of the more complicated and infrequent CIS challenges, such as rate changes, new retailers and BPPR rebates.
- ECALIBER attends annual vendor conferences and user group meetings and communicates changes to its clients. This minimizes the costs incurred by ETPL while still providing the most current information on the system and services.

2. Solution Offering

2.1. Application Maintenance

As an Application Service Provider, ECALIBER will provide ETPL with licensing, support and maintenance for the NorthStar Customer Information and Billing System.

Included in the NorthStar system are the following modules:

- Account and Customer Management
- Device Management
- Meter Reading
- Service Order Management
- Billing & Invoicing
- Credit & Collections
- Payment Processing
- Reporting
- Ontario Dereg Modules

The following Interfaces will also be supported through the ASP model:

- Bank Interfacing
- Bill Print Interfacing
- EBT Integration
- Settlement Integration
- MDM/R Integration

As part of software maintenance, ETPL will be provided with the following support services:

- Web based support access 24 x 7 with the following on-line benefits:
 - Ability to Log, View, Update & Close calls
 - E-mail support call logging and notification
 - Ability to Update contact information
 - Access published documentation and available downloads

- Access Support knowledge base
- Report on metrics
- Phone support
- Technical troubleshooting & issue resolution
- Scheduled assistance for installations, upgrades & other special projects
- Standard software product releases and updates
 - Defect corrections
 - Planned enhancements
 - State and/or Federal mandated changes (charges may exist depending on scope)
 - Payroll regulated changes
 - Release notes
- Response to training questions
- Participation in Ontario User Group Meetings
- Participate in Discussion Forums
- Annual Customer Conferences for both NorthStar and ECALIBER

2.2. Application Hosting

ECALIBER will be responsible for all hardware, licensing and software maintenance for the CIS application in a production, test and Disaster Recovery Environment. Our systems are hosted at a state of the art Network Operations Center whereby key controls are in place to ensure optimal system uptime, optimal performance and optimal data security and privacy. ECALIBER has also engaged a 3rd party audit organization for annual security audits on your systems.

The Network Operations Centre is located in Sudbury Ontario for all hardware and we maintain the following standards:

- Two facilities have fire suppression, 24x7x365 monitoring. Both facilities have backup generator capabilities and are tested weekly. Aegisys maintains a standard using APC UPS's. Batteries are replaced every 3 years or as required based on issue.
- Aegisys uses a second provider to manage our External IP layer. Our IP's are "transportable" between sites. This means that should one of our Network Operation Centers went off-line, we would be able to "go live" using our secondary site.
- Disaster Recovery is synchronized between sites as part of our internal process.
- Aegisys has primary and secondary cooling at our facilities. This controls temperature, humidity and air quality. Each sight has a temperature alarm which is based on thresholds pre-assigned. If the Operations center gets to cold or too hot, our alarm system is triggered to our External monitoring company who calls staff for verification.
- Aegisys Physical security is based on KanteK Card swipes. No public traffic is allowed in our facilities. Staff cards are restricted based on location and time of day. **ALL** access to logs are reviewed regularly. This access log is part of our audit each year.
- Aegisys Data Center is based on CAT 5 and CAT 6 standards based on location and system requirements. Aegisys standardizes on PANDUIT and is certified by contracted cabling company against failure. Aegisys meets and exceeds cabling standards for facility management.

- Aegisys facilities are not in any flood plains. Our two Data Centers are 15 Miles apart. Each location is in a different power grid (Sudbury Hydro, Hydro One). Layer Two fiber link the two Operation Centers managed by Agilis.
- All reasonable care is taken within the NOC against Electrostatic discharge. Policies are in place to use static straps whenever system maintenance is required. Antistatic flooring is in place in our computer rooms.
- Aegisys Facilities are staffed 24x7x365 – however, our operations after hours do not receive direct calls unless pre scheduled. Aegisys maintains an answering service for any emergency calls after hours which are dispatched to Aegisys support on rotation. Clients have 24x7x365 access to our support site and monitors email around the clock for non critical inquiries.
- Aegisys will meet any standard on security reporting for MCU. Detail of report will be engineered based on your requirements.

In addition to our infrastructure investment, ECALIBER includes the following Infrastructure management activities:

- Quality Control Checks to actively monitor for risks
- System integrity Checks
- File System Monitoring
- Database Administration, including performance tuning and monitoring
- Management of Hardware availability and capacity.
- Network Management
- Database refreshes as required and requested by Erie Thames

2.3. Application Management

As a provider of NorthStar Application Management Services, ECALIBER will provide the following activities:

- 1st Tier Support
- Software Configurations
- Securities Administration
- Printer Administration
- Patch Management
- Testing Services

2.3.1. Front-Line Support Services

ECALIBER's Application and Technical Support are offered Monday through Friday, from 8:30am until 4:30pm, excluding statutory holidays. With our "on-call" support team, critical support items will be responded to outside of those parameters for Severity 1 items.

As a NorthStar business partner, ECALIBER will ensure that you receive a seamless experience as it relates to support. ETPL would log into the NorthStar support portal and an ECALIBER resource will provide front-line response to troubleshoot and resolve your issue. Should the issue require program modification or escalation; ECALIBER will perform detailed analysis and make associated notes on the support call, then escalate such to a NorthStar resource. In most cases, this is conducted when a modification to code is required. It has been our experience that NorthStar is quicker to respond to

support requests when detailed analysis has been pre-emptively provided, thus allowing them to focus on issue resolution versus analysis. Through the support call process, Erie Thames will maintain a single ticket number and have access to all details of troubleshooting performed by both ECALIBER and NorthStar staff.

ECALIBER does our best to ensure that we deal with incoming calls in the order that they are received; however, our response times vary based on call priorities. Calls will be escalated based on the urgency of the issue reported. Our average response time is within one (1) hour. Call resolution times (targets) will vary and are dependent on the priority of the call. During resolution, we update our customer's on the progress of the issue.

For front-line support items, resolution is typically provided within the hour for priority 1 issues. Priority 2 and 3 issues are typically resolved within 24 hours. Should second-line support be required, call information is passed to NorthStar for resolution. Until resolved, ECALIBER will work on your behalf to troubleshoot the issue with NorthStar. If resolution from NorthStar is delayed, ECALIBER will also work on behalf of ETPL to provide an appropriate "work-around". This may include a temporary change to business process or a development item supplied by ECALIBER.

As ECALIBER support personnel have also worked in a utility environment, you will find that the quality of support is superior to that delivered directly via the Application provider. Typically, there is less time spent in explaining the business process through the call resolution. The business process expertise will also enhance the support process as our resources can share valuable information on known best practices or alternate business processes that could improve operations.

Another use of technology employed by our support organization is the ability to help our clients remotely via the Web. Our support staff and clients will electronically share their desktops to quickly understand and resolve issues. In addition, support staff have the ability to remotely take control of the customer's computer (with the customer's permission) to show a potential work-around or to simply verify the issue. This helps us better identify the issues and resolve them quickly.

As part of our support services, ECALIBER follows a call prioritization and review process. Each month, ECALIBER will review and prioritize outstanding support calls with Erie Thames. This information is then used on a monthly basis during ECALIBER's call with NorthStar to ensure ongoing progress towards call/issue resolution. Items identified as defects across the ECALIBER client base will receive a higher priority for resolution as NorthStar is aware that they are impacting multiple utility sites.

2.3.2. Software Configurations

ECALIBER will execute on software configuration activities and associated testing for management of the NorthStar application. Such configurations include but are not limited to rate setups/updates, retailer setups, bill print setups, key value deployment, etc. It is ECALIBER's standard practice to deploy software configurations on a test system first, execute testing, and once approved, move such changes into production. Scope of testing activities associated with software configuration changes will be for known programs associated with the change.

In addition to configuring the software, ECALIBER will be responsible for all forms design and creation. This includes bill print, notices and letters.

2.3.3. Securities Administration

Maintaining securities within the NorthStar application can be an onerous task. With our application expertise, ECALIBER will ensure that ETPL's resources are appropriately configured to administer the functions required to perform their daily activities, while maintaining appropriate restrictions to mitigate risk.

As part of security administration, ECALIBER will also initiate database triggering to ensure that logs of key pieces of information are maintained as required.

2.3.4. Printer Administration

As part of the application management activities, ECALIBER will administer all printer setup/configuration requirements.

2.3.5. Patch Management

ECALIBER will conduct the installation of all patches and minor releases at the request of Erie Thames outside of business hours. These releases are made available from Harris on a regular basis and it is a business decision of Erie Thames on when they wish to be deployed into production. ECALIBER will manage the installation process and coordinate with Erie Thames. Typical process will be for ECALIBER to install the programs in our beta test environment and conduct Beta testing activities. These activities are generally executed on a quarterly basis in an effort to stay current with program changes/enhancements. The results of such testing will be communicated to Erie Thames. Once authorized, ECALIBER will advise Erie Thames that they can begin execution of their business process testing. Once confirmed, ECALIBER will administer the installation into production system outside of business hours.

The CIS update process incorporates Major Releases, Minor Releases and Software Patches. These components are defined below.

- a) Major Release - Fundamental changes to product functionality. May include changes to database structure and tables and the introduction of new product functionality. Major releases are typically made available every 18 - 24 months. Although the development of the release is included in scope of services, it is recommended that ETPL purchase enhanced services for to implement the release for such things as training and testing.



- b) Minor Release - Minor addition of new functionality and defect fixes. Minor releases are typically made available every 4 – 6 months. Deployment and testing is included in Scope of Application Management Services.
- c) Patches - Performance enhancements and/or bug fixes. Patches are incorporated into minor releases and therefore customers tend to install these only if there is specific interest in one of the product changes in them. Patches will be made available for critical fixes in situations where Erie Thames is experiencing an urgent issue and cannot wait for a minor release for resolution. Patches will be installed and tested as required within scope of this service.

3. Pricing Model

3.1. Fees and Terms

The services outlined in this proposal will be delivered at a monthly cost of **\$\$8,830** plus applicable taxes. Invoices are issued on a monthly basis and payable on a net 30 basis.

4. Document Acceptance and Signoff

Accepted on this day by:

Erie Thames Powerlines	ECALIBER Inc (A division of ERTH Holdings)
_____	_____
Full name	Full name
_____	_____
Title	Title
_____	_____
Signature	Signature
_____	_____
Date	Date