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## ASSUMPTION AND ACKNOWLEDGEMENT AGREEMENT

**THIS ASSUMPTION AND ACKNOWLEDGEMENT AGREEMENT (this “Agreement”)**  
is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**BETWEEN:**

**TRENT UNIVERSITY**, a university incorporated under *The Trent University Act, 1962-63* (Ontario)

(the “**Supplier**”);

- and -

**TRENT ENERGY INC.**, a corporation incorporated under the laws of Ontario

(the “**Assignee**”);

- and -

**ONTARIO POWER AUTHORITY**, a statutory corporation without share capital incorporated under the laws of the Province of Ontario

(the “**OPA**”);

**WHEREAS** the Supplier and the OPA entered into a Hydro Electric Contract Initiative (“**HCI**”) Contract – HCI-0033 dated as of the 23<sup>rd</sup> day of June, 2010, as amended by a First Amending Agreement to the Hydroelectric Contract Initiative – Standard Form Contract (the “**Amendment**”) dated as of the 25<sup>th</sup> day of March, 2011 (together, the “**Contract**”);

**AND WHEREAS** the Supplier wishes to assign the Contract (the “**Assignment**”) to the Assignee;

**AND WHEREAS** Section 15.8(a) of the Contract provides, *inter alia*, that prior to the third anniversary of the Term Commencement Date, the Supplier may not assign the Contract without the prior written consent of the OPA, provided that the OPA may in its sole discretion withhold its consent;

**AND WHEREAS** the third anniversary of the Term Commencement Date has not yet occurred;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto covenant and agree as follows:

## 1. **Defined Terms**

All capitalized terms not defined herein, or other terms used herein, and defined in Appendix 1 – Standard Definitions of the Contract shall have the respective meanings ascribed thereto in Appendix 1 – Standard Definitions of the Contract and “including” or “includes” shall mean “including [or includes] without limitation”.

## 2. **Representations and Warranties**

The Supplier and the Assignee hereby jointly and severally represent and warrant to and agree and covenant with the OPA, at the date hereof, acknowledging that the OPA is relying on such representations as a condition of entering into this Agreement and as a condition precedent to Section 3 hereof, that:

- (a) the recitals preceding Section 1 in this Agreement are true and correct;
- (b) the information provided to the OPA in relation to the Assignment, the Assignee and the Supplier is true, accurate and complete in all material respects, and does not contain any misleading information, or omit any information which would render the information or documents submitted to the OPA misleading;
- (c) the Supplier and the Assignee each have complied with all Laws and Regulations in respect of the Assignment;
- (d) no Supplier Event of Default that has not been remedied has occurred;
- (e) except for Section 6.1(e) and Section 6.1(f) of Schedule 1 of the Contract, the representations set out in Section 6.1 of Schedule 1 of the Contract are restated by the Assignee and the Supplier with effect as of the date hereof, provided references to “Supplier” and “Agreement” therein shall be deemed to be references to the Assignee and this Agreement, respectively, and other than in respect of the Assignment and subject to the Amendment, the representations set out in Section 6.1(e) and Section 6.1(f) of Schedule 1 of the Contract (other than during the upgrade and expansion currently taking place in respect of the Facility) are restated by the Supplier and the Assignee with effect as of the date hereof;
- (f) the Assignee has acquired the Facility to the extent applicable, taking into account the state of construction and development of the Facility at the time of the Assignment and, in particular, all existing agreements and rights, including leases, options, priority permits and Aboriginal Community permits, related to the Facility or the lands pertaining to the Facility have been assigned to the Assignee;
- (g) there are no actual or potential actions, causes of action, suits, debts, dues, accounts, bonds, claims or demands whatsoever of the Supplier, the Assignee, or any Affiliate of the Supplier or the Assignee, against or in respect of the OPA, by reason of, or in any way arising out of any HCI contract or any other contract, including but not limited to the Contract, any application under the Feed-In Tariff Rules, or any other contract or obligation as between the Supplier, the Assignee,

or any Affiliate of the Supplier or the Assignee, and the OPA (collectively, “**Claims**”), and none of the Supplier, the Assignee, or any Affiliate of the Supplier or the Assignee is aware, after due inquiry, of any, actual or potential Claims, or any act, event, circumstance or thing which, with notice or the passage of time or lapse of cure period, would give rise to a Claim, that it or its successors, heirs, executors, estate trustees, administrators or assigns, had, have or may have;

- (h) there is no Secured Lender or Secured Lender Security Agreement in respect of the Contract or, if there is, each Secured Lender has executed this Agreement and consented hereto as provided below;
- (i) no Force Majeure is occurring and the Supplier is not aware of any reason that any Force Majeure may occur;
- (j) the Assignee has complied with Article 5 of Schedule 1 of the Contract and has, where required by the Contract, provided the OPA with Completion and Performance Security to replace the Completion and Performance Security provided by the Supplier;
- (k) Schedule “A” hereto sets out the corporate ownership structure of the Assignee, including all Persons that Control the Assignee;
- (l) the following information is applicable to the Assignee:
  - (i) GST/HST number: 81774 8700 RT0001;
- (m) the Supplier has paid the legal expenses of the OPA in connection with the preparation and review of this Agreement and related matters in respect of which the Supplier has received an invoice from counsel to the OPA and such counsel has received such payment;
- (n) without prejudice to any requirement to obtain an OEB generator license, the Assignee shall provide the OPA with its OEB generator license number within ten Business Days following receipt thereof; and
- (o) the Supplier has provided to the OPA a certificate of incumbency in a form satisfactory to the OPA.

### 3. **Conditions Precedent**

As conditions precedent to Section 5 hereof, as at the date hereof:

- (a) the representations and warranties contained in Section 2 hereof shall be true and accurate;
- (b) the Assignee and the Supplier shall have complied with the security requirements contained in Section 7 of this Agreement; and

- (c) the Assignment shall have taken place on or prior to December 21, 2012.

**4. Agreements**

- (a) The Assignee agrees to assume all of the Supplier's obligations under the Contract and be bound by the terms thereof as at the date hereof.
- (b) This Agreement shall not be deemed to waive or modify in any respect any rights of the OPA under the Contract except as expressly provided for in this Agreement.

**5. Consent and Acknowledgment of the OPA**

Subject to the terms of this Agreement, the OPA hereby:

- (a) consents to the Assignment; and
- (b) acknowledges that, upon completion of the Assignment in accordance with this Agreement and subject to this Agreement, the Supplier shall be relieved of all its duties, obligations and liabilities under the Contract in accordance with Section 15.6(e) of Schedule 1 thereof.

**6. Contract in Full Force and Effect**

The parties hereto confirm that the Contract remains in full force and effect in accordance with its terms and that this Agreement shall not be deemed to waive or modify in any respect any rights of the OPA under the Contract, and shall not constitute or be deemed to constitute a waiver of any Supplier Event of Default or other default of the Supplier, nor shall it constitute an acknowledgement that there has been or will be compliance by the Supplier with the Contract, except as expressly provided in this Agreement, including, without limitation, the following circumstances:

- (a) no assignment of any Contract or any Application shall be made or permitted to be made pursuant to this Agreement other than the Assignment; and
- (b) the OPA has not, whether by virtue of the recitals hereto or otherwise, waived any restriction on, consented to or otherwise passed on the validity of any assignment of the Contract other than the Assignment.

**7. Completion and Performance Security**

In respect of the requirement to provide Completion and Performance Security to the OPA under Article 5 of Schedule 1 of the Contract, either:

- (a) in the case of Completion and Performance Security in the form of a letter of credit, the Assignee, in the place and stead of the Supplier, shall have provided the OPA with replacement Completion and Performance Security, or

- (b) in the case of Completion and Performance Security in the form of a bank draft or certified cheque, as of the date hereof,
  - (i) each of the Supplier and the Assignee directs and authorizes the OPA to use the Completion and Performance Security previously provided to the OPA by the Supplier, in accordance with Section 5.1 of Schedule 1 of the Contract, as the Completion and Performance Security for the Contract following the Assignment and in respect of the Assignee, and this direction shall be the OPA's good and sufficient authority for doing so; and
  - (ii) the Supplier releases all its rights in and to the Completion and Performance Security previously delivered to the OPA in respect of the Contract, including its right to return of the Completion and Performance Security under Sections 5.1(c), 5.2(c) and 5.4(c) of Schedule 1 of the Contract and, for clarity, the Supplier acknowledges and agrees that if such Completion and Performance Security is returned by the OPA it will be returned to the Assignee.

## 8. Confidentiality

This Agreement constitutes Confidential Information and shall be subject to Article 7 of Schedule 1 of the Contract.

## 9. Execution and Delivery

This Agreement may be executed by the parties hereto in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

## 10. Other

- (a) Except where the context requires otherwise, the provisions contained in Sections 1.2, 1.3, 1.4, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 14.6, 15.1, 15.2, 15.4, 15.12, 15.14 and 15.15 of Schedule 1 of the Contract apply in the construction and interpretation of this Agreement, provided references therein to the "Agreement" shall be construed and deemed to be references to this Agreement.
- (b) Breach of any representation, warranty, covenant or other provision hereof shall be deemed to be a Supplier Event of Default under the Contract, provided that no cure period shall be applicable thereto, and pursuant to which the OPA may *inter alia* pursue any remedy available to it under Section 9.2 of Schedule 1 of the Contract including, without limitation, drawing on the Completion and Performance Security.
- (c) The Supplier and the Assignee shall jointly and severally bear the external legal fees incurred by the OPA in connection with preparation of this Agreement and related matters. The OPA may deduct or set-off an amount equal to such costs

from or against amounts payable by the OPA to the Supplier or the Assignee at any time and from time to time under the Contract.

**11. Notices**

All notices to the Supplier and the OPA shall be addressed to each of them as provided in the Contract. All notices to the Assignee shall be addressed to it as follows:

Trent Energy Inc.  
1867 Ashburnham Drive  
P.O. Box 4125, Station Main  
Peterborough, ON K9J 6Z5

Attention: John B. Wynsma  
Phone: 705-748-9301 Ext. 248  
Fax: 705-743-5988  
E-mail: [jwynsma@pui.ca](mailto:jwynsma@pui.ca)

**12. Governing Law**

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.

*[Remainder of page intentionally left blank]*

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day first written above.

**TRENT UNIVERSITY**

**By:**

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**Name:**

**Title:**

**I have the authority to bind the university.**

**TRENT ENERGY INC.**

**By:**

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**Name:**

**Title:**

**I have the authority to bind the corporation.**

**ONTARIO POWER AUTHORITY**

**By:**

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**Name:**

**Title:**

**I have the authority to bind the corporation.**

[SECURED LENDER – *if none, leave blank*]

**By:**

---

**Name:**

**Title:**

**I have the authority to bind the  
corporation.**



### Schedule "A"

## Corporate Ownership Structure of Trent Energy Inc.

