

**REVISED LIMITED PARTNERSHIP
AGREEMENT**

**AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT**

For

[BRUCE-TO-MILTON L.P.]

among:

[BRUCE-TO-MILTON GP INC.]
[NTD: GP ENTITY TO BE DETERMINED]

- and –

[HOI BTM HOLDINGS INC.]
[NTD: HOI LP ENTITY TO BE DETERMINED]

-and-

[SON BTM HOLDINGS INC.]
[NTD: SON LP ENTITY TO BE DETERMINED]

Made effective as of the

● day of ●, 2014

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AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT is made effective as of the [●] day of [●], 2014

BETWEEN:

HOI BTM HOLDINGS INC. a corporation
incorporated under the laws of the Province of Ontario

(the “**HOI BtM Partner**”)

[NTD: Name of entity to be determined.]

- and -

[SON BTM HOLDINGS INC.] a corporation
incorporated under the laws of the Province of Ontario

(the “**SON BtM Partner**”)

[NTD: Name of entity to be determined.]

- and -

[BRUCE-TO-MILTON GP INC.] a corporation
incorporated under the laws of the Province of Ontario

(the “**General Partner**”)

[NTD: Name of entity to be determined.]

WHEREAS:

- A. **[Bruce-to-Milton L.P.]** (the “**Partnership**”) was formed as a limited partnership under the laws of the Province of Ontario on ●, 2014 by the filing of a declaration pursuant to the *Limited Partnerships Act* (Ontario) (the “**Declaration**”).
- B. **[Bruce-to-Milton GP Inc.]**, as the initial general partner, and HOI BtM Partner as the initial limited partner, entered into a limited partnership agreement dated as of ●, 2013 governing the business and affairs of the Partnership (the “**Initial Partnership Agreement**”).
- C. Subject to the terms of this Agreement, the Parties wish to own and cause to be operated and maintained the second high-voltage electrical transmission tower line spanning approximately 180 kilometres from the Bruce Power nuclear generating facility located in Kincardine, Ontario to HONI’s switchyard in Milton, Ontario (the “**Line**”) for which

HONI was granted leave to construct from the OEB on September 15, 2008 and which was placed in-service on May 14, 2012;

- D. The Parties wish to formalize a long-term cooperative arrangement between the Partners to facilitate the participation of the SON in the ownership of the Line and the participation of the SON in the cash flows from the operation of the Line until it is no longer operated or until the Partnership is terminated; and
- E. In order to undertake the foregoing, the Parties wish to amend and restate the Initial Partnership Agreement to admit SON BtM Partner as a limited partner and to provide for certain changes to the terms and conditions set forth in the Initial ~~Limited~~ Partnership Agreement as set out in this Agreement.

NOW THEREFORE, for value received, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Agreement, the following terms have the respective meanings set out below:

- (a) **“Additional Equity Contribution”** has the meaning given to it in Section 5.9.
- (b) **“Adjusted Annual Distributable Cash”** for a Fiscal Year of the Partnership means an amount equal to the aggregate of (i) the Annual Distributable Cash of the Partnership for that Fiscal Year, and (ii) the Negative Tax Allowance of the Partnership for that Fiscal Year.
- (c) **“Adjusted Forecasted Distributable Cash”** for a fiscal quarter of the Partnership means an amount equal to the aggregate of (i) the forecasted Distributable Cash of the Partnership for that fiscal quarter on the basis of a forecast operating budget of the Partnership to be prepared by the General Partner, acting reasonably, and (ii) the forecasted Negative Tax Allowance of the Partnership for that fiscal quarter.
- (d) **“ADRIC”** has the meaning given to it in Section 13.3.
- (e) **“Advance”** has the meaning given to it in Section 5.13(b)(ii)(1).
- (f) **“Affiliate”** means, with respect to a Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the first Person. For the purposes of this definition, a Person **“controls”** another Person, if that Person directly or indirectly possesses the power to direct or cause the direction of the management and policies of that other Person, whether through the ownership of securities, by contract or by any other means and **“controlled by”** and **“under common control with”** have corresponding meanings.

- (g) “**Agreement**” means this agreement, including any recitals and schedules, as the same may be amended, supplemented or restated from time to time.
- (h) “**Annual Advance Amount**” has the meaning given to it in Section 5.13(f)(i).
- (i) “**Annual Designated Advance Amount**” has the meaning given to it in Section 5.13(e)(i).
- (j) “**Annual Distributable Cash**” has the meaning given to it in Section 5.13(c)(i)(3);
- (k) “**Applicable Laws**” in respect of any Person, property, transaction or event, means all applicable laws, statutes, regulations, by-laws, codes, treaties, judgments and decrees applicable to that Person, property, transaction or event at the applicable time and, whether or not having the force of law, all applicable requirements, requests, directives, rules, consents, approvals, authorizations, guidelines, instructions, circulars, manuals, orders and policies of any Governmental Authority having or purporting to have authority over that Person, property, transaction or event at the applicable time.
- (l) “**Approved Net Income (Loss)**” for a Fiscal Year means (i) the forecasted Net Income, expressed as a positive number, considered by the OEB in determining the Approved OEB Rates for that Fiscal Year, or (ii) the forecasted Net Loss, expressed as a negative number, considered by the OEB in determining the Approved OEB Rates for that Fiscal Year.
- (m) “**Approved OEB Rates**” for a Fiscal Year means the aggregate amount that the Partnership is entitled to charge for transmission rates for that Fiscal Year, as approved by the OEB.
- (n) “**Approved Tax Amount**” for a Fiscal Year means the total of (i) the amount, if any, expressed as a positive number, that was included in the Approved OEB Rates for that Fiscal Year on account of HOI BtM Taxes, including any additional amount included in such Approved OEB Rates as a gross-up to reflect the fact that such increased amounts will be subject to Taxes, and (ii) the amount, if any, expressed as a negative number, that resulted in a reduction of the Approved OEB Rates for that Fiscal Year on account of any projected savings of Income Taxes or Capital Taxes arising from a forecasted Taxable Loss for that Fiscal Year.
- (o) “**Approved Tax Percentage**” for a Fiscal Year means the percentage obtained by dividing (i) the Approved Tax Amount for that Fiscal Year, by (ii) the Approved Taxable Income (Loss) for that Fiscal Year.
- (p) “**Approved Taxable Income (Loss)**” for a Fiscal Year means (i) the forecasted Taxable Income, expressed as a positive number, considered

by the OEB in determining the Approved OEB Rates for that Fiscal Year, or (ii) the forecasted Taxable Loss, expressed as a negative number, considered by the OEB in determining the Approved OEB Rates for that Fiscal Year.

- (q) “**ARC**” means the *Affiliate Relationships Code for Electricity Distributors and Transmitters* issued by the OEB in accordance with the *Ontario Energy Board Act, 1998*.
- (r) “**Arm’s Length**” has the meaning that it has for purposes of the Income Tax Act.
- (s) “**BtM LP Promissory Note**” means that certain promissory note dated ●, 2014 in the principal amount of \$● issued by the Partnership to the General Partner.
- (t) “**BtM Project Assets**” means the assets comprising the Line, including the Line Property Rights, but excluding the Interconnection Assets and the Fiber.
- (u) “**BtM Project Asset Value**” means the net book value of the BtM Project Assets which are in-service at Closing.
- (v) “**Business Day**” means any day, other than a Saturday or Sunday, on which the Toronto-Dominion Bank in Toronto is open for commercial banking business during normal banking hours.
- (w) “**Buying Partner**” has the meaning given to it in Section 9.4.
- (x) “**Capital Account**” means the capital account for each Partner referred to in Section 5.1.
- (y) “**Capital Taxes**” means any federal, provincial or local capital taxes calculated by reference either directly or indirectly to the assets, liabilities, or working capital of the Partnership, together with any interest, penalties or additions to such taxes and including, for greater certainty, all payments to the Province of Ontario in lieu of any of the foregoing and grants to communities or municipalities in lieu of any of the foregoing.
- (z) “**Change of Control**” means any assignment or other disposition of the shares or units of a Partner or of any Person that controls, directly or indirectly, that Partner that results in a change of control of that Partner or that Person.
- (aa) “**Claims**” means all losses, costs, damages, expenses, injuries, liabilities, claims, demands and penalties, including reasonable legal fees, experts’ fees and court costs, whether incurred through settlement or otherwise,

and interest on each of these items, in each case whether arising prior to or after the termination of this Agreement.

- (bb) “**Closing**” means the completion of the transactions set out in Section 3.4 of the Master Implementation Agreement.
- (cc) “**Declaration**” means the declaration filed with the Registrar, forming the Partnership pursuant to the Limited Partnerships Act, as amended from time to time.
- (dd) “**Decommissioning Work**” means all work necessary for the decommissioning of the Line in accordance with Applicable Laws, Project Agreements and Project Approvals.
- (ee) “**Deemed Year End**” has the meaning given to it in Section 5.17.
- (ff) “**Default Amount**” has the meaning given to it in Section 9.3.
- (gg) “**Default Amount Notice**” has the meaning given to it in Section 9.3(a).
- (hh) “**Defaulting Partner**” has the meaning given to it in Section 9.1(a).
- (ii) “**Delta Income**” for a Fiscal Year means the (positive or negative) amount determined by subtracting the Approved Net Income (Loss) for that Fiscal Year, from the Net Income (or, if applicable, the Net Loss expressed as a negative number) for that Fiscal Year.
- (jj) “**Designated Advance**” has the meaning given to it in Section 5.13(c)(ii).
- (kk) “**Designated Distribution**” has the meaning given to it in Section 5.13(c)(i).
- (ll) “**Designated Distribution Net Income Shortfall**” at any time means the amount, if any, by which the aggregate amount of the Designated Distributions that have been paid to the General Partner pursuant to Section 5.13 prior to that time exceed the aggregate amount of the Net Income of the Partnership that has been allocated to the General Partner pursuant to Section 5.16(b)(i) prior to that time.
- (mm) “**Designated Distribution Note**” has the meaning given to it in Section 5.13(c)(i).
- (nn) “**Designated Distribution Taxable Income Shortfall**” at any time means the amount, if any, by which the aggregate amount of the Designated Distributions that have been paid to the General Partner pursuant to Section 5.13 prior to that time exceed the aggregate amount of the Taxable Income of the Partnership that has been allocated to the General Partner pursuant to Section 5.16(a)(i) prior to that time.

- (oo) **“Dispute”** any dispute, disagreement or difference of opinion concerning this Agreement or the performance or interpretation thereof.
- (pp) **“Distributable Cash”** means available cash of the Partnership after paying (i) all amounts owing under the Operations Agreement, (ii) debt service obligations in respect of all debt obligations owed by the Partnership, (iii) Designated Advances and amounts in satisfaction of Designated Distribution Notes pursuant to Section 5.13(e)(i)(2) (and after receiving amounts in satisfaction of Designated Advances due by the General Partner pursuant to Section 5.13(e)(ii)(2)), and (iv) any transaction costs or other costs borne by HONI and the General Partner in respect of the transactions contemplated in the Master Implementation Agreement, the BtM Project Assets or the Partnership to the extent such costs are collected in the Approved OEB Rates.
- (qq) **“Distribution”** has the meaning given to it in Section 5.13(c)(iii).
- (rr) **“Distribution Note”** has the meaning given to it in Section 5.13(c)(iv).
- (ss) **“Dollars”** or **“\$”** means Canadian dollars, being the lawful currency of Canada.
- (tt) **“Due Date”** has the meaning given to it in Section 5.10(a)(iv).
- (uu) **“Effective Date”** means the [●] day of [●], 2014.
- (vv) **“Electricity Act”** means *Electricity Act, 1998* (Ontario).
- (ww) **“Eligible Person”** means (i) an Indian Band as defined by the Indian Act, (ii) Hydro One or (iii) any Person that is wholly owned, directly or indirectly, by Persons described paragraphs (i) or (ii).
- (xx) ~~(ww)~~ **“Equity Contribution”** means the amount of money, or the value of property or assets (as agreed by the Parties), contributed to the capital of the Partnership by a Partner from time to time.
- (yy) ~~(xx)~~ **“Equity Contribution Request”** has the meaning given to it in Section 5.9.
- (zz) ~~(yy)~~ **“Event of Default”** has the meaning given to it in Section 9.1(a).
- (aaa) ~~(zz)~~ **“Excess ARC Costs”** means that portion of the Excess Costs which are incurred or paid as a result of a rate or rates charged by the Affiliate of the General Partner being greater than the rate permitted under the ARC.
- (bbb) ~~(aaa)~~ **“Excess Costs”** means the amount by which (i) an amount paid by the General Partner on behalf of the Partnership to an Affiliate of the General Partner or a cost incurred by the General Partner under an agreement with an Affiliate of the General Partner, exceeds (ii) the amount recoverable by the Partnership under the Approved OEB Rates.

- (ccc) ~~(bbb)~~ “**Excess Non-GUP Costs**” means that portion of the Excess Costs which are incurred or paid as a result of services provided by the Affiliate of the General Partner not being performed in accordance with Good Utility Practice.
- (ddd) ~~(eee)~~ “**Fair Market Value**” means, with respect to Units, the price of the Units as determined in an open and unrestricted market between informed prudent parties, acting at Arm’s Length and under no compulsion to act, expressed in terms of money or money’s worth.
- (eee) ~~(ddd)~~ “**Fiber**” means the fiber optic cable attached to the transmission towers along the Line which forms part of the HONI protection and control network and is owned by HONI.
- (fff) ~~(eee)~~ “**FIPPA**” has the meaning given to it in Section 14.1.
- (ggg) ~~(fff)~~ “**Fiscal Year**” means the fiscal year of the Partnership determined in accordance with Section 3.5.
- (hhh) ~~(ggg)~~ “**GAAP**” means generally accepted accounting principles in effect in the United States of America, including those approved or recommended from time to time by the Financial Accounting Standards Board or any successor institution applicable as of the date on which such calculation, position or determination is made, taken or required to be made or taken or such other accounting principles required by any ruling of the OEB applicable to the Partnership.
- (iii) ~~(hhh)~~ “**General Partner**” means, at any time, any Party who has executed this Agreement as a general partner or who has otherwise agreed to be bound by the terms of this Agreement as a general partner of the Partnership. The initial General Partner is **[Bruce-to-Milton GP Inc.]**.
- (iii) ~~(iii)~~ “**Good Utility Practice**” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in North America.
- (kkk) ~~(jjj)~~ “**Governmental Authority**” means any domestic or foreign government, including, any federal, provincial, state, territorial, county, municipal or local government, and any government established court, agency, tribunal, commission or other authority exercising or purporting

to exercise executive, legislative, judicial, regulatory or administrative functions of, or respecting, government.

- (lll) ~~(kkk)~~ “**GST/HST**” means goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada) as amended, or any successor or parallel legislation, including provincial legislation providing for a value added or ad valorem tax on goods and services.
- (mmm) ~~(lll)~~ “**HONI**” means Hydro One Networks Inc.
- (nnn) ~~(mmm)~~ “**HOI BtM Taxes**” means Income Taxes and Capital Taxes attributable to the General Partner or any Affiliate of the General Partner in respect of the Partnership.
- (ooo) ~~(nnn)~~ “**HONI Initial Costs**” has the meaning given to it in Section 5.7.
- (ppp) ~~(ooo)~~ “**Hydro One**” means Hydro One Inc.
- (qqq) ~~(ppp)~~ “**Income Tax Act**” means the *Income Tax Act* (Canada).
- (rrr) ~~(qqq)~~ “**Income Taxes**” means any federal, provincial, municipal or foreign Taxes (i) based upon, measured by or calculated with respect to, net income, income as specially defined, earnings, profits or selected items of income, earnings or profits, or (ii) based upon, measured by or calculated with respect to multiple bases if one or more of the bases on which such Taxes may be based, measured by or calculated with respect to, is described in paragraph (i) above, in each case together with any interest, penalties or additions to such Taxes and including, for greater certainty, all payments to the Province of Ontario in lieu of any of the foregoing and grants to communities or municipalities in lieu of any of the foregoing.
- (sss) ~~(rrr)~~ “**Indemnified Group**” has the meaning given to it in Section 8.3(a).
- (ttt) ~~(sss)~~ “**Indian Act**” means the *Indian Act* (Canada).
- (uuu) ~~(ttt)~~ “**Initial Partnership Agreement**” has the meaning given to it in Recital B.
- (vvv) ~~(uuu)~~ “**Interconnection Assets**” means all sub-station facilities and assets relating to the interconnection of the Line to HONI’s transmission system.
- (www) ~~(vvv)~~ “**Lending Partner**” has the meaning given to it in Section 5.10(f).
- (xxx) ~~(www)~~ “**Limited Partner**” means, at any time, any Party who has executed this Agreement as a limited partner or who has otherwise agreed to be bound by the terms of this Agreement as a limited partner of the Partnership, including [SON BtM Partner] and [HOI BtM Partner].

- (yyy) ~~(xxx)~~ “**Limited Partnerships Act**” means the *Limited Partnerships Act* (Ontario).
- (zzz) ~~(yyy)~~ “**Line**” has the meaning given to it in Recital C, and for greater certainty the Line does not include the Interconnection Assets or the Fiber.
- (aaa) ~~(zzz)~~ “**Line Property Rights**” means the interests in real property or licenses over real property interests in respect of the Line which are required to operate and maintain the BtM Project Assets and which were transferred or licensed to the Partnership by HONI.
- (bbb) ~~(aaa)~~ “**Losses**” means in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, assessments and fines) which that Person suffers, sustains, pays or incurs in connection with that matter and includes reasonable costs of legal counsel (on a solicitor and his own client basis) and other professional advisors and consultants and reasonable costs of investigating and defending Claims arising from the matter if those Claims are sustained and also includes interest, penalties, Taxes (other than Income Taxes) on a settlement payment or damage award in respect of that matter but does not include consequential or indirect losses or loss of profit.
- (ccc) ~~(bbb)~~ —“**Master Implementation Agreement**” means the Anishnaabekiing Naagnigewin Agreement dated June 18, 2012 between the SON and HONI, as amended and supplemented by the Side Letter.
- (ddd) ~~(eee)~~ “**Negative Tax Allowance**” for a Fiscal Year means (i) if the Tax Allowance for that Fiscal Year is less than zero, the absolute value of the Tax Allowance for that Fiscal Year; or (ii) if the Tax Allowance for that Fiscal Year is greater than zero, nil.
- (eee) ~~(ddd)~~ “**Net Income**” and “**Net Loss**” means net income or net loss of the Partnership in any Fiscal Year determined in accordance with GAAP.
- (fff) ~~(eee)~~ “**Non-Electing Partner**” has the meaning given to it in Section 5.10(d).
- (ggg) ~~(fff)~~ “**OEB**” means the Ontario Energy Board.
- (hhh) ~~(ggg)~~ “**Operating Budget**” means the operating budget of the General Partner for a Fiscal Year which provides for all costs and expenses to be incurred by the General Partner in connection with its performance of its duties under this Agreement.
- (iii) ~~(hhh)~~ “**Operations Agreement**” has the meaning given to it in Section 4.3.

- (jjjj) ~~(jjjj)~~ “**Partner**” means, at any time, any Person who has executed this Agreement or who has otherwise agreed to be bound as a Party to this Agreement and includes any General Partner and any Limited Partner.
- (kkkk) ~~(jjjj)~~ “**Partnership**” means “[**Bruce-to-Milton L.P.**]” [NTD: **Confirm name**], a limited partnership formed under the laws of the Province of Ontario.
- (llll) ~~(kkkk)~~ “**Partnership Account**” means the bank account opened in the name of the Partnership by the General Partner pursuant to Section 6.14.
- (mmmm) ~~(llll)~~ “**Partnership Assets**” means the BtM Project Assets, the Project Approvals, the Project Agreements, all rights and benefits received or receivable by the Partnership under the Project Agreements and any other undertaking, property or assets acquired from time to time by or on behalf of the Partnership, including the rights or benefits attached thereto or associated therewith but, for greater clarity, excluding the Interconnection Assets.
- (nnnn) ~~(mmmm)~~ “**Partnership Interest**” means, in respect of a Partner at any time, such Partner’s ownership interest in the Partnership, expressed as a percentage, and calculated from time to time by the General Partner in accordance with Section 5.6.
- (oooo) ~~(nnnn)~~ “**Partnership Records**” has the meaning given to it in Section 10.2(a).
- (pppp) ~~(oooo)~~ “**Party**” means a party to this Agreement and “**Parties**” means all of them, as the context requires.
- (qqqq) ~~(pppp)~~ “**Person**” means any individual, sole proprietorship, partnership, corporation or company, with or without share capital, trust, foundation, first nation, Indian band, joint venture, Governmental Authority or any other incorporated or unincorporated entity or association of any nature.
- (rrrr) ~~(qqqq)~~ “**Positive Tax Allowance**” in respect of a Fiscal Year means (i) if the Tax Allowance for that Fiscal Year is greater than zero, the Tax Allowance for that Fiscal Year, or (ii) if the Tax Allowance for that Fiscal Year is less than zero, nil.
- (ssss) ~~(rrrr)~~ “**Project Agreements**” means this Agreement and all other agreements relating to the BtM Project Assets to which the Partnership (or an authorized agent of the Partnership) is now, or may in the future become, a party, including the Operations Agreement and any other service agreements with Partners.
- (tttt) ~~(ssss)~~ “**Project Approvals**” means all approvals, authorizations, consents, permits, licences, judgments, rulings, directives, ordinances,

decrees, registrations and filings required for the ownership and operation of the BtM Project Assets from any Governmental Authority.

(uuuu) ~~(tttt)~~ “**Purchasing Partner**” has the meaning given to it in Section 5.10(h).

(vvvv) ~~(uuuu)~~ “**Registrar**” has the meaning given to that term in the Limited Partnerships Act.

(wwwv) ~~(vvvv)~~ “**Side Letter**” means the letter agreement dated December ●, 2012 between the SON, HONI and Hydro One.

(xxxx) ~~(wwwv)~~ “**SON**” means, collectively, Chippewas of Saugeen First Nation and Chippewas of Nawash First Nation.

(yyyy) ~~(xxxx)~~ “**SON Capital Call Loan Amount**” has the meaning given to it in Section 5.10(f).

(zzzz) ~~(yyyy)~~ “**SON Capital Call Loan Deadline**” has the meaning given to it in Section 5.10(f).

(aaaa) ~~(zzzz)~~ “**Tax Allowance**” for a Fiscal Year means the amount determined by the formula:

$$A + (B \times C)$$

where

A is equal to the Approved Tax Amount for that Fiscal Year;

B is equal to the Delta Income for that Fiscal Year; and

C is equal to the Approved Tax Percentage for that Fiscal Year.

(bbbb) ~~(aaaa)~~ “**Tax Filings**” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by applicable law in respect of Taxes.

(cccc) ~~(bbbb)~~ “**Taxable Corporation**” in any Fiscal Year means a corporation that is subject to Income Taxes in respect of that Fiscal Year on income from the Partnership, including for greater certainty, under the Electricity Act.

(dddd) ~~(eeee)~~ “**Taxable Income**” and “**Taxable Loss**” means the net income or net loss of the Partnership for purposes of the Income Tax Act in any Fiscal Year;

- (eeeeee) ~~(ddddd)~~ **“Taxes”** means all federal, provincial, state, territorial, municipal or foreign taxes of any nature or kind whatsoever, including Income Taxes, capital taxes, gross receipt taxes, gross revenue charges, environmental taxes, sales taxes, use taxes, ad valorem taxes, goods and services taxes (including the GST/HST), provincial sales and fuel taxes, value added taxes, withholding taxes, excise taxes, transfer taxes (including land transfer taxes), franchise and licence taxes, payroll taxes, employment taxes, Canada or Quebec pension plan premiums, social security premiums, workers’ compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, municipal taxes, windfall profits taxes, alternative or add-on minimum taxes, any customs duties or other taxes, fees, imposts, assessments or charges of any kind whatsoever, all payments to the Province of Ontario in lieu of any of the foregoing, grants to communities or municipalities in lieu of any of the foregoing, and all payments required to be made under the Electricity Act, together with any interest and any penalties or additional amounts imposed by any Governmental Authority, and any interest, penalties, fines, additional taxes and additions to tax imposed with respect to the foregoing.
- (fffff) ~~(eeeeee)~~ **“Term”** has the meaning given to it in Section 2.1.
- (ggggg) ~~(fffff)~~ **“Third Party Transferee”** has the meaning given to it in Section 5.13(d).
- (hhhhh) ~~(ggggg)~~ **“Top-Up Equity Contribution”** has the meaning given to it in Section 5.10(d).
- (jjjjj) ~~(hhhhh)~~ **“Transfer”** or **“Transferred”** means any transfer, sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, hypothecation, alienation, grant of security interest or other arrangement by which possession, legal title or beneficial ownership of all or any portion of Units by a Partner to any Person whether voluntary, involuntary, by operation of law or in accordance with this Agreement.
- (jjjjj) ~~(jjjjj)~~ **“Unanimous Consent of the Partners”** means the approval of all of the Partners, as expressed by voting at a meeting of the Partnership or by a written instrument signed in one or more counterparts by all of the Partners.
- (kkkkk) ~~(jjjjj)~~ **“Unit Certificate”** means a unit certificate issued to a Partner as evidence of its ownership of Units, which certificate shall be in the form approved by the General Partner from time to time.
- (lllll) ~~(kkkkk)~~ **“Unit”** has the meaning given to it in Section 5.3(a).
- (mmmmm) ~~(lllll)~~ **“Unrecovered HONI Costs”** has the meaning given to it in Section 5.7.

1.2 Headings and Table of Contents

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.3 References

Unless otherwise specified, references in this Agreement to sections and Schedules are to sections of, and schedules to, this Agreement.

Each reference to a statute in this Agreement is deemed to be a reference to that statute, and to the regulations made under that statute, all as amended or re-enacted from time to time and to any statute or regulation that supplements or supersedes such statute or regulation.

1.4 Expanded Definitions

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “**including**” means “including without limitation”, and the terms “**include**”, “**includes**” and “**included**” have similar meanings. Any reference in this Agreement to any other agreement is deemed to include a reference to that other agreement as amended, supplemented or restated from time to time.

1.5 Time of Day

Unless otherwise specified, references to the time of day or a date mean the local time or date in Toronto, Ontario.

1.6 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule 4.3	Operations Agreement Terms
Schedule 5.4	Partnership Interests
Schedule 9.4	Principles of Valuation
Schedule 11.1	Form of Counterpart
Schedule 11.2	Form of Assignment

ARTICLE 2 TERM

2.1 Term

This Agreement will be effective from the Effective Date and, unless terminated earlier in accordance with the terms of this Agreement or by mutual agreement of all of the Partners, will

continue until the dissolution of the Partnership in accordance with the terms of this Agreement following the completion of the Decommissioning Work (the “**Term**”).

ARTICLE 3

THE PARTNERSHIP

3.1 Formation of the Partnership

The Partnership has been formed as a limited partnership in accordance with the laws of the Province of Ontario and the provisions of this Agreement. The Partnership is effective as a limited partnership from the date on which the Declaration was registered with the Registrar in accordance with the Limited Partnerships Act. Subject to the terms of this Agreement, the General Partner of the Partnership will be **[Bruce-to-Milton GP Inc.]** and the Limited Partners of the Partnership will be **[HOI BtM Partner and SON BtM Partner]**.

3.2 Filing of Changes to the Declaration

The General Partner will execute and file any changes to the Declaration that may be required from time to time under the Limited Partnerships Act in connection with the Partnership.

3.3 Name

The name of the Partnership will be “**[Bruce-to-Milton L.P.]**” or such other name or names as the General Partner may from time to time select with the Unanimous Consent of the Partners, provided that the General Partner files any change to the Declaration required by the Limited Partnerships Act.

3.4 Offices

The registered and principal offices of the Partnership and the General Partner will be at 483 Bay Street, 15th Floor, North Tower, Toronto, Ontario, M5G 2P5 and, thereafter, at such place or at such other place or places as the General Partner may from time to time designate. The General Partner will provide written notice of any change in its or the Partnership’s offices to each other Partner.

3.5 Fiscal Year

The first Fiscal Year of the Partnership will commence on the date of the Declaration and will end on December 31, **[2014]**. Thereafter each Fiscal Year of the Partnership will commence on January 1 in each year during the Term and end on December 31 in that year, unless otherwise established by the General Partner. The last Fiscal Year will end on the date of the dissolution or other termination of the Partnership.

3.6 Representations and Warranties of Partners

Each Partner represents, warrants, covenants and agrees with each of the other Partners with respect to itself only that on the date of this Agreement and for so long as this Agreement is in effect:

- (a) it is a corporation existing under the laws of Ontario;

- (b) that it is not a “non-resident” of Canada for the purposes of the Income Tax Act and, if such Partner is a partnership, that such partnership is a Canadian partnership for purposes of the Income Tax Act and agrees that it will maintain such status for so long as it retains a Partnership Interest;
- (c) that it has the power and capacity to own or lease its properties and assets and to carry on its business as it is currently being conducted and to perform its obligations under this Agreement and that such obligations do not conflict with nor will they result in a breach of any of its constating documents, by-laws or any agreements or approvals by which it is bound;
- (d) that it has taken all necessary action to authorize the execution, delivery and performance by it of this Agreement, including SON BtM Partner obtaining any approvals which are appropriate, sufficient and consistent with all applicable governance practices of the SON BtM Partner whether under the *Indian Act* or by way of traditional practice, and this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect affecting the enforcement of creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and
- (e) that it has made all necessary corporate, partnership and tax filings required to be made by it in accordance with Applicable Laws and it has obtained all necessary approvals of any Governmental Authority in connection with its execution of this Agreement and no consents or approvals are required from any Governmental Authority or any other third party in order for it to enter into and perform its obligations under this Agreement.

Each Partner may, from time to time, request reasonable evidence from any other Partner (including a copy of the resolution specifically authorizing the entering into of this Agreement) in order to confirm that such other Partner is, and continues to remain, in compliance with the above representations and warranties during the term of this Agreement.

ARTICLE 4

BUSINESS OF THE PARTNERSHIP

4.1 Powers of the Partnership

Except as otherwise provided in this Agreement, the Partnership will have the power to do any and every act and thing necessary, proper, convenient, desirable, ancillary or incidental to the pursuit or accomplishment of its business.

4.2 Business of the Partnership

The business of the Partnership will be:

- (a) the operation, management and maintenance of the BtM Project Assets, including by entering into and performing its obligations under the Project Approvals and the Project Agreements;
- (b) to borrow money, incur debt, guarantee indebtedness and obligations of any Person, grant indemnities, grant mortgages, charges and other security interests, and in connection with the foregoing, enter into loan agreements, guarantees, promissory notes, mortgages, trust deeds, debentures, pledges and other security documents in order to finance the Line and carry on the business;
- (c) investing funds not immediately required for operations;
- (d) engaging in such other activities incidental or ancillary to the foregoing as the General Partner deems advisable or necessary; and
- (e) such Decommissioning Work as may be required from time to time.

4.3 Operations Agreement with Partners

- (a) The General Partner on behalf of the Partnership, and the General Partner on its own behalf will enter into an operations services and management services agreement (the “**Operations Agreement**”) with an Affiliate of the General Partner, for such Affiliate of the General Partner to operate and maintain the BtM Project Assets and Line, as further described and incorporating terms substantially in accordance with those set out in Schedule 4.3.
- (b) From time to time, the General Partner on behalf of the Partnership, and the General Partner on its own behalf may contract with HONI or its Affiliates for the provision of additional services. Unless the Parties agree otherwise, the Partnership will indemnify and save harmless HONI or such Affiliates providing such additional services from and against any and all Claims that HONI or such Affiliates may suffer, sustain or incur in connection with the provision of such services except to the extent caused or arising from the gross negligence or wilful misconduct of HONI or such Affiliates, as applicable.

4.4 Other Business Interests

Except as may be expressly set out in this Agreement, the freedom of a Limited Partner or its Affiliates, or of the Affiliates of the General Partner, to conduct any business or activity whatsoever as it sees fit will not be restricted in any way by this Agreement. No Limited Partner owes any other Partner a duty to offer it any business opportunity and nothing in this Agreement confers upon any Partner the right to participate in such opportunity. Each Limited Partner and its Affiliates, and the Affiliates of the General Partner, will be free to engage or invest in any business opportunity including, without limitation, any business opportunity which is similar to or which competes with the business of the Partnership, including any businesses described in the Project Agreements.

ARTICLE 5

CONTRIBUTIONS, ALLOCATIONS AND DISTRIBUTIONS

5.1 Capital Account

The General Partner will establish and maintain a separate Capital Account for each Partner, reflecting each Partner's total Equity Contributions, in the books of account of the Partnership. Each Partner's Capital Account (a) shall be increased by (i) the amount of any Additional Equity Contribution made pursuant to Section 5.10(a) and (ii) the amount of any allocation of Net Income made to the Partner pursuant to Section 5.16 and (b) shall be decreased by (i) the amount of any Additional Equity Contribution returned to a Partner pursuant to Section 5.10(i), (ii) the amount of any allocation of Net Loss made to the Partner pursuant to Section 5.16 and (iii) the amount of any distribution to that Partner pursuant to Section 5.13.

5.2 Initial Equity Contribution

Each Partner has made initial Equity Contributions to the capital of the Partnership in the following amounts and the following numbers of Units have been issued to the Partners in respect of such Equity Contributions:

Partner	Initial Equity Contribution	Units
HOI BtM Partner	\$●	●
SON BtM Partner	\$●	●
General Partner	\$●	●

5.3 Partnership Units

- (a) The interest of the Partners in the Partnership shall be divided into and represented by an unlimited number of units (each a “**Unit**”), each representing a proportionate share of the aggregate interests of the Partners in the Partnership.
- (b) Except as otherwise provided in Sections 5.13, 5.16 and 6.16, each issued and outstanding Unit is identical to each other one with respect to all matters including:
 - (i) the right to receive distributions from the Partnership;
 - (ii) the allocation of net income, net loss, taxable income and tax losses;
 - (iii) voting rights; and
 - (iv) rights on liquidation.

5.4 Unit Certificates

Each Partner shall be issued a Unit Certificate specifying the number of Units held by such Partner. Every Unit Certificate must be signed by at least one authorized signatory of the General Partner.

5.5 Record of Partnership Interests and Units

The initial Partnership Interests of and Units held by the Partners is set out on Schedule 5.5. The General Partner will amend Schedule 5.5:

- (a) following the deemed contribution of HONI Initial Costs in accordance with Section 5.7;
- (b) following the deemed contribution of land transfer taxes in accordance with Section 5.8;
- (c) following an Additional Equity Contribution in accordance with Section 5.10; and
- (d) following any Transfer of Units as permitted by this Agreement,

to reflect any changes in the Partners, the number of Units they hold or their Partnership Interests, calculated in accordance with Section 5.6. The General Partner will immediately after such amendment provide a copy of the amended Schedule 5.5 to each of the other Partners. Schedule 5.5, as amended from time to time in accordance with the provisions of this Section 5.5, absent error, will indicate the Partnership Interests of the Partners and the number of Units held by the Partners. If at any time a Partner disputes the General Partner's calculation of its Partnership Interest, it will so advise the General Partner and each of the other Partners in writing. Any Dispute with respect to Schedule 5.5 will be resolved in accordance with the provisions set forth in Article 13.

5.6 Calculation of Partnership Interests

The Partnership Interest of a Partner at any time will be the percentage that the number of Units held by such Partner is of the aggregate number of Units held by all Partners as at such date.

5.7 HONI Initial Costs

Prior to the Effective Date of this Agreement, the General Partner, an Affiliate of the General Partner or the Partnership incurred costs, other than land transfer tax costs, in connection with the Partnership, the BtM Project Assets, and the transactions contemplated in the Master Implementation Agreement (the "**HONI Initial Costs**"). In the event the HONI Initial Costs are not fully recoverable or recovered in the Approved OEB Rates, that part of such HONI Initial Costs that: (i) has been incurred by the Partnership shall be shared by the Partners pro rata to the number of Units held by the Partners as of Closing, and (ii) that has been incurred by the General Partner or an Affiliate of the General Partner and has not been included in the computation of the BtM Project Asset Value and has not otherwise been included in computing the equity contributed to the Partnership by the General Partner or an Affiliate of the General Partner (the "**Unrecovered HONI Costs**"), shall be deemed to be an Equity Contribution by the General Partner. The General

Partner will credit the General Partner's Capital Account with the fair market value of the Unrecovered HONI Costs and issue the appropriate number of Units to the General Partner to reflect such deemed Equity Contribution. All such HONI Initial Costs which are not included in the Approved OEB Rates shall be provided to SON BtM Partner for its review, and if disputed, shall be subject to the Dispute resolution mechanisms provided in Article 13.

5.8 Land Transfer Taxes

The Partners agree to use commercially reasonable efforts to cause any land transfer taxes (including deferred taxes) imposed on the acquisition of the BtM Project Assets by the Partnership or the acquisition by SON BtM Partner of its Units to be recovered in the Approved OEB Rates. Where the recovery of such land transfer tax costs are included in the Approved OEB Rates, the amount of any such land transfer tax paid or payable: (i) by the General Partner or HOI BtM Partner shall be deemed to be an Equity Contribution to the Partnership by the General Partner, and (ii) by SON BtM Partner shall be deemed to be an Equity Contribution to the Partnership by SON BtM Partner, and the General Partner will credit the relevant Partner's Capital Account with the amount of such land transfer tax paid or payable by such Partner and, if applicable, will issue the appropriate number of Units to such Partner to reflect such deemed Equity Contribution. Where the recovery of such land transfer tax costs are not included in the Approved OEB Rates, each Partner shall be responsible for its share of such land transfer tax costs pro rata to the number of Units held by the Partners as of Closing.

5.9 Additional Funding Requirements

From time to time during the Term, the Partnership will require additional funds above any reserves to fund costs incurred by the Partnership, or the General Partner on behalf of the Partnership, for activities in furtherance of the business of the Partnership in respect of the BtM Project Assets, including management, upgrading, repair and refurbishment costs, insurance costs, costs for decommissioning, and liabilities incurred by the Partnership in operating and maintaining the BtM Project Assets (including amounts incurred in connection with its engagement of an Affiliate of the General Partner under the Operations Agreement). If the Partnership is unable to fund the equity portion of such costs (taking into consideration the deemed debt-to-equity capital structure reflected in the Approved OEB Rates) from short term credit facilities or other immediately available sources, the General Partner may issue a notice to the Partners requesting Equity Contributions (an "**Equity Contribution Request**") to provide additional Equity Contributions in proportion to their respective Partnership Interests at the time of the Equity Contribution Request (an "**Additional Equity Contribution**") in accordance with the procedures set out in Section 5.10.

5.10 Additional Equity Contributions and Dilution

Any Additional Equity Contributions required to be made by the Partners will be made as follows:

- (a) the General Partner will request an Additional Equity Contribution simultaneously from each of the Partners by providing each Partner with an Equity Contribution Request setting out:
 - (i) the aggregate amount of the Additional Equity Contributions;

- (ii) the amount of the Partner's Additional Equity Contribution, which amount will be calculated, for each Partner, as that Partner's Partnership Interest multiplied by the total amount of additional funds requested in the Equity Contribution Request;
 - (iii) the number and subscription price of the Units to be issued to that Partner in consideration for its Additional Equity Contribution, such number of Units to be equal to the number of Units (rounded if necessary to the lower whole number) obtained by dividing the amount of the Additional Equity Contribution to be made by such Partner by the subscription price for each Unit, which subscription price will be the Fair Market Value;
 - (iv) the date on which the Additional Equity Contribution is required to be delivered to the Partnership (the "**Due Date**"), provided that the Due Date will be no less than 180 days and no more than 270 days following receipt or deemed receipt of the Equity Contribution Request by the Partner, except in the case of emergencies or otherwise unplanned capital requirements, as determined in the sole discretion of the General Partner, in which case the Due Date will be no less than twenty (20) Business Days and no more than thirty (30) Business Days following receipt or deemed receipt of the Equity Contribution Request by the Partner; and
 - (v) whether the amounts set out in the Equity Contribution Request are to be wired or otherwise deposited to the Partnership Account or to another account;
- (b) upon receipt of a Partner's Additional Equity Contribution, the General Partner will credit that Partner's Capital Account with the amount of its Additional Equity Contribution and issue the appropriate number of Units to such Partner;
- (c) a Partner is free to elect whether or not to make all or part of its Additional Equity Contribution, provided that SON BtM Partner may not make any Additional Equity Contribution to the extent that such Additional Equity Contribution would result in SON BtM Partner having more than a ●% **[NTD: to be the initial "SON Equity Ratio", as determined in accordance with the Master Implementation Agreement]** Partnership Interest in the Partnership, and, for greater certainty, will not be a Defaulting Partner if such Partner elects not to make all or part of its Additional Equity Contribution; however, it will be a Defaulting Partner if it has indicated in a notice to the other Partners that it has elected to make all or part of its Additional Equity Contribution and then fails to do so by the Due Date. A Partner must provide notice of this election to the other Partners within fifteen (15) days of its receipt of an Equity Contribution Request. A Partner who fails to make an election within fifteen (15) Business Days of its receipt of an Equity Contribution

Request will be deemed to have elected not to make its Additional Equity Contribution;

- (d) if any Partner other than the General Partner chooses not to make all or part of its Additional Equity Contribution (a “**Non-Electing Partner**”), then the General Partner, provided that it has elected to make its full Additional Equity Contribution, may within five (5) Business Days of the Due Date make a further payment to fund all or part of the shortfall arising from the Non-Electing Partner’s failure to make its Additional Equity Contribution (a “**Top-Up Equity Contribution**”). The amount of the Top-Up Equity Contribution shall be used to subscribe for additional Units at the subscription price set out in the Equity Contribution Request and will be credited to the General Partner’s Capital Account;
- (e) each Non-Electing Partner acknowledges that in electing not to make its Additional Equity Contribution, provided the other Partners make their Additional Equity Contribution, there will be a dilution of such Non-Electing Partner’s Partnership Interest as between the other Partners and the Non-Electing Partner, and the Non-Electing Partner will be subject to further dilution in the event a Top-Up Equity Contribution is made by the General Partner;
- (f) if SON BtM Partner elects to make all or part of its Additional Equity Contribution, provided that it has used commercially reasonable efforts to secure its own funds or third party financing to make its Additional Equity Contribution, SON BtM Partner may, prior to the Due Date, by written notice to the General Partner and HOI BtM Partner, elect to borrow the amount of its Additional Equity Contribution (the “**SON Capital Call Loan Amount**”) from the General Partner or HOI BtM Partner, as determined by the General Partner (such Partner, the “**Lending Partner**”), for a period ending no later than the date that is one year from the Due Date (the “**SON Capital Call Loan Deadline**”). The SON BtM Partner will be required to repay to the Lending Partner prior to the SON Capital Call Loan Deadline:
 - (i) the SON Capital Call Loan Amount, plus
 - (ii) interest on the SON Capital Call Loan Amount at a rate equal to the return-on-equity percentage reflected in the Approved OEB Rates, calculated from the Due Date to the date of repayment;
- (g) if any amount of the SON Capital Call Loan Amount remains outstanding by the SON Capital Call Loan Deadline:
 - (i) the Units issued to SON BtM Partner which were financed by the unpaid amount of the SON Capital Call Loan Amount will immediately be Transferred to the Lending Partner in full payment and satisfaction of the unpaid amount of the SON Capital Call Loan

Amount and the General Partner will cause the register recording the Units to be amended accordingly, and

- (ii) SON BtM Partner hereby directs the General Partner to pay any Advances payable to SON BtM Partner to the Lending Partner on account of the interest owing on the SON Capital Call Loan Amount pursuant to Section 5.10(f)(ii) that has not been paid by the SON Capital Call Loan Deadline until the aggregate amount of such directed Advances equals the total amount of the interest that is so owed. For greater certainty, amounts so paid to the Lending Partner do not reduce the balance of the SON Capital Call Loan Amount outstanding;
- (h) if at any time SON BtM Partner's Partnership Interest falls below 5%, HOI BtM Partner or the General Partner, as determined by the General Partner (such Partner, the "**Purchasing Partner**"), shall have the option to purchase all, and not less than all, of SON BtM Partner's Units for a price equal to the Fair Market Value of SON BtM Partner's Units at the date such option is exercised, determined in accordance with the principles of valuation set forth in Schedule 9.4. The purchase and sale will be conducted in accordance with the terms of Section 9.5, with all references to the "**Buying Partner**" being deemed to be references to the "**Purchasing Partner**";
- (i) within 75 days following the end of each Fiscal Year, the General Partner shall determine if the Partnership is in compliance with the deemed debt-to-equity capital structure reflected in the Approved OEB Rates. If the General Partner determines that the Partnership has excess capital, each Partner who made an Additional Equity Contribution shall be entitled to the return of the portion of its Additional Equity Contribution necessary for the Partnership to comply with its deemed debt-to-equity capital structure, in proportion to the percentage of the aggregate amount of Additional Equity Contributions made by such Partner. Any such return of Equity Contributions shall be made prior to any Designated Distributions pursuant to Section 5.13(c); and
- (j) notwithstanding anything to the contrary contained in this Section, if the General Partner makes an Equity Contribution Request to the Partners, HOI BtM Partner shall be required to make an Additional Equity Contribution in such amount as shall be necessary to maintain a Partnership Interest of at least 0.10%.

Notwithstanding anything to the contrary contained in this Section, the remedies available under this Section 5.10 are in addition to, and in no way a limitation on, any and all other remedies available under this Agreement or otherwise existing at law or in equity.

5.11 No Voluntary Equity Contributions

No Partner will make any additional voluntary Equity Contributions to the Partnership except pursuant to an Equity Contribution Request from the General Partner or pursuant to a deemed Equity Contribution in accordance with Section 5.7 or Section 5.8.

5.12 Interest

Except as otherwise provided in this Agreement, no Partner is entitled to interest on its Equity Contributions or its Capital Account.

5.13 Distributions

- (a) The General Partner shall determine quarterly on a date to be determined by the General Partner:
 - (i) the forecasted Positive Tax Allowance for that fiscal quarter;
 - (ii) the forecasted Negative Tax Allowance for that fiscal quarter; and
 - (iii) the forecasted Distributable Cash of the Partnership for that fiscal quarter on the basis of a forecast operating budget of the Partnership to be prepared by the General Partner, acting reasonably.
- (b) Forthwith after the determinations referred in Section 5.13(a) have been made, the Partnership shall:
 - (i) make an advance (a “**Designated Advance**”) to the General Partner in an amount equal to the amount determined under Section 5.13(a)(i); and
 - (ii) make advances (an “**Advance**”) to the Partners totalling an amount equal to the amount determined under Section 5.13(a)(iii) as follows:
 - (1) make an Advance to each Partner that is not a Taxable Corporation in an amount equal to such Partner’s pro rata share, determined based on the number of Units held by such Partner as compared to the total issued and outstanding Units, in each case at the time such Advances are made, of the Adjusted Forecasted Distributable Cash for that fiscal quarter; and
 - (2) make an Advance to each Partner that is a Taxable Corporation in an amount equal to the amount by which (A) such Partner’s pro rata share, determined based on the number of Units held by such Partner as compared to the total issued and outstanding Units at the time such Advances are made, of the Adjusted Forecasted Distributable Cash for that fiscal quarter, exceeds (B) such Partner’s pro rata share, based on the number of Units held by such partner as

compared to the total number of Units held by Partners that are Taxable Corporations, in each case at the time of such Advances, of the forecasted Negative Tax Allowance for that fiscal quarter.

- (c) Within 75 days following the end of each Fiscal Year:
 - (i) the General Partner shall determine:
 - (1) the Positive Tax Allowance for that Fiscal Year;
 - (2) the Negative Tax Allowance for that Fiscal Year; and
 - (3) the Distributable Cash of the Partnership for that Fiscal Year (the “**Annual Distributable Cash**”);
 - (ii) the Partnership shall declare a distribution payable to the General Partner (a “**Designated Distribution**”) in an amount equal to the Positive Tax Allowance for that Fiscal Year and shall issue a non-interest bearing demand promissory note with a principal amount equal to the amount of such distribution (a “**Designated Distribution Note**”) to the General Partner in absolute payment and satisfaction of such distribution;
 - (iii) the Partnership shall declare a distribution (a “**Distribution**”) payable to each of the Partners calculated as follows:
 - (1) The Partnership shall declare a Distribution payable to each Partner that was not a Taxable Corporation in such Fiscal Year in an amount equal to such Partner’s pro rata share, determined based on the number of Units held by such Partner as compared to the total issued and outstanding Units, in each case at the end of such Fiscal Year, of the Adjusted Annual Distributable Cash of the Partnership for that Fiscal Year; and
 - (2) The Partnership shall declare a Distribution payable to each Partner that was a Taxable Corporation in such Fiscal Year in an amount equal to the amount by which (A) such Partner’s pro rata share, determined based on the number of Units held by such Partner as compared to the total issued and outstanding Units at the end of such Fiscal Year, of the Adjusted Annual Distributable Cash of the Partnership for that Fiscal Year, exceeds (B) such Partner’s pro rata share, based on the number of Units held by such partner as compared to the total number of Units held by Partners that were Taxable Corporations, in each case at the end of such Fiscal Year, of the Negative Tax Allowance of the Partnership for that Fiscal Year; and

- (iv) the Partnership shall issue a non-interest bearing demand promissory note to each Partner with a principal amount equal to the amount of the Distribution payable to such Partner pursuant to this Section 5.13(c) (a “**Distribution Note**”) and shall deliver such Distribution Note in absolute payment and satisfaction of such Distribution;
- (d) In the event of a Transfer by a Partner of its Units to a Person other than an Affiliate (a “**Third Party Transferee**”), the advances and distributions on the Units held by the Third Party Transferee will continue to be the advances and distributions calculated as if the Units were held by the original Partner (subject to any disallowance by the OEB as a result of the Transfer) until the revenue requirements of the Third Party Transferee are reflected as part of the next OEB transmission rate setting process.
- (e) Within 90 days following the end of each Fiscal Year and, for greater certainty, after the declaration of the distributions referred to in Section 5.13(c) and the issuance of the applicable Designated Distribution Note:
 - (i) if the aggregate amount of the Designated Advances made to the General Partner pursuant to Section 5.13(b)(i) in such Fiscal Year (the “**Annual Designated Advance Amount**”) is less than the principal amount owing under the Designated Distribution Note in respect of that Fiscal Year:
 - (1) such Designated Advances shall be deemed to be set off against the portion of the Designated Distribution Note that is equal to the Annual Designated Advance Amount such that such Designated Advances shall be fully paid and settled by such set off and the principal amount owing under the Designated Distribution Note shall be reduced by an amount equal to the Annual Designated Advance Amount as a result of such set off; and
 - (2) the Partnership shall pay an amount to the General Partner equal to remaining amount of the Designated Distribution Note, in full payment and satisfaction thereof; and
 - (ii) if the Annual Designated Advance Amount is greater than the principal amount owing under the Designated Distribution Note in respect of that Fiscal Year:
 - (1) such portion of the Designated Advances as is equal to the principal amount owing under the Designated Distribution Note shall be deemed to be set off against the Designated Distribution Note such that such Designated Distribution Note shall be fully paid and settled by such set off and the Designated Advances shall be reduced by an amount equal

to the amount of the Designated Distribution Note as a result of such set off; and

- (2) the General Partner shall pay an amount to the Partnership equal to remaining amount of the Designated Advances, in full payment and satisfaction thereof.
- (f) Within 90 days following the end of each Fiscal Year and, for greater certainty, after the declaration of the Distributions referred to in Section 5.13(c) and the issuance of the applicable Distribution Notes:
 - (i) if the aggregate amount of the Advances made to a Partner pursuant to Section 5.13(b)(ii) in such Fiscal Year (the “**Annual Advance Amount**”) is less than the principal amount owing under the Distribution Note to that Partner in respect of that Fiscal Year:
 - (1) such Advances shall be deemed to be set off against the portion of the Distribution Note that is equal to the Annual Advance Amount such that such Advances shall be fully paid and settled by such set off and the principal amount owing under the Distribution Note shall be reduced by an amount equal to the Annual Advance Amount as a result of such set off; and
 - (2) the Partnership shall pay an amount to that Partner equal to remaining amount of the Distribution Note, in full payment and satisfaction thereof; and
 - (ii) if the Annual Advance Amount made to a Partner is greater than the Distribution Note to that Partner in respect of that Fiscal Year:
 - (1) such portion of the Advances as is equal to the principal amount owing under the Distribution Note to that Partner shall be deemed to be set off against the Distribution Note to that Partner such that such Distribution Note shall be fully paid and settled by such set off and such Advances shall be reduced by an amount equal to the amount of the Distribution Note to that Partner as a result of such set off; and
 - (2) such Partner shall pay an amount to the Partnership equal to remaining amount of the Advances, in full payment and satisfaction thereof.
- (g) SON BtM Partner shall take all reasonable steps to maintain its tax-exempt status. In the event that SON BtM Partner is found to be taxable or a Third Party Transferee of the Units of a Limited Partner is taxable, SON BtM Partner or such Third Party Transferee, subject to Section 5.13(d), shall be entitled to the Designated Advances and

Designated Distributions contemplated in this Section 5.13 in respect of the Income Taxes and Capital Taxes attributable to SON BtM Partner or such Third Party Transferee, as applicable, in respect of the Partnership, but only to the extent that such Income Taxes and Capital Taxes have been reflected in the Approved OEB Rates.

- (h) Notwithstanding any provision of this Section 5.13, the Partnership will not make any Advances, Designated Advances, Distributions or Designated Distributions to the extent that after the Advance, Designated Advance, Distribution or Designated Distribution, as the case may be, is made, the Partnership will not have sufficient assets to pay its liabilities as they become due. To the extent an Advance, Designated Advance, Distribution or Designated Distribution in respect of a particular Fiscal Year is not paid in accordance with this Section 5.13(h), such deferred Advance, Designated Advance, Distribution or Designated Distribution, as the case may be, will be made before any Advance, Designated Advance, Distribution or Designated Distribution is made in respect of any subsequent Fiscal Year.
- (i) Notwithstanding any provision of this Section 5.13, the Partnership will not make any Advances, Designated Advances, Distributions or Designated Distributions to the Partners:
 - (1) if the Advance, Designated Advance, Distribution or Designated Distribution, as the case may be, would constitute a breach of the Limited Partnerships Act or any other Applicable Law; or
 - (2) if the Advance, Designated Advance, Distribution or Designated Distribution, as the case may be, would be inconsistent with or contrary to the terms of any agreements by which the Partnership is bound or any agreements between the Parties.

5.14 Return of Equity Contributions

Except as otherwise provided in this Agreement, no Partner is entitled to the return of any part of its Equity Contributions.

5.15 Right to Withdraw Capital

Except for Distributions, Advances, Designated Advances or Designated Distributions made in accordance with the terms of this Agreement or upon the dissolution of the Partnership in accordance with Section 12.4, no Partner will have the right to withdraw any amount from the Partnership or to receive any advances or distributions from the Partnership or any return, in whole or in part, of any Equity Contribution or any reduction in its Capital Account.

5.16 Allocation of Net Income or Net Loss and Taxable Income or Taxable Loss

- (a) If there is Taxable Income for a Fiscal Year, such Taxable Income shall be allocated as follows:
 - (i) an amount equal to the lesser of:
 - (1) such Taxable Income, and
 - (2) the amount of the Designated Distribution made to the General Partner in respect of that Fiscal Year plus the amount of any Designated Distribution Taxable Income Shortfall outstanding as at the end of that Fiscal Year to the extent not included in a previous allocation of Taxable Income under this Section 5.16,shall be allocated to the General Partner; and
 - (ii) the remainder of such Taxable Income, if any, shall be allocated to the Partners pro rata based on the number of Units held by the Partners at the end of such Fiscal Year.
- (b) If there is both Net Income and Taxable Income for a Fiscal Year, such Net Income shall be allocated as follows:
 - (i) an amount equal to the lesser of:
 - (1) such Net Income, and
 - (2) the amount of the Designated Distribution made to the General Partner in respect of that Fiscal Year plus the amount of any Designated Distribution Net Income Shortfall outstanding as at the end of that Fiscal Year to the extent not included in a previous allocation of Net Income under this Section 5.16,shall be allocated to the General Partner; and
 - (ii) the remainder of such Net Income, if any, shall be allocated to the Partners pro rata based on the number of Units held by the Partners at the end of such Fiscal Year.
- (c) If there is both Net Income and a Taxable Loss for a Fiscal Year, such Net Income shall be allocated as follows:
 - (i) an amount equal to the aggregate of the Net Income plus the Negative Tax Allowance for that Fiscal Year shall be allocated to the Partners pro rata based on the number of Units held by the Partners at the end of such Fiscal Year,

- (ii) less, only in the case of each Partner that is a Taxable Corporation at the end of such Fiscal Year, an amount equal to the proportion of the Negative Tax Allowance that the number of Units held by such Partner bears to the total number of Units held by all Partners that are Taxable Corporations.
- (d) If there is a Net Loss and Taxable Income for a Fiscal Year, such Net Loss shall be allocated as follows:
 - (i) an amount equal to the aggregate of the Net Loss plus the Positive Tax Allowance for that Fiscal Year shall be allocated to the Partners pro rata based on the number of Units held by the Partners at the end of such Fiscal Year,
 - (ii) less, only in the case of each Partner that is a Taxable Corporation at the end of such Fiscal Year, an amount equal to the proportion of the Positive Tax Allowance that the number of Units held by such Partner bears to the total number of Units held by all Partners that are Taxable Corporations.
- (e) If there is a Net Loss and a Taxable Loss for a Fiscal Year, such Net Loss shall be allocated as follows:
 - (i) an amount equal to such Net Loss less the Negative Tax Allowance for that Fiscal Year shall be allocated to the Partners pro rata based on the number of Units held by the Partners at the end of such Fiscal Year,
 - (ii) plus, only in the case of each Partner that is a Taxable Corporation at the end of such Fiscal Year, an amount equal to the proportion of the Negative Tax Allowance that the number of Units held by such Partner bears to the total number of Units held by all Partners that are Taxable Corporations.
- (f) If there is a Taxable Loss for a Fiscal Year, such Taxable Loss shall be allocated as follows:
 - (i) an amount equal to such Taxable Loss less the Negative Tax Allowance for that Fiscal Year shall be allocated to the Partners pro rata based on the number of Units held by the Partners at the end of such Fiscal Year, and
 - (ii) plus, only in the case of each Partner that is a Taxable Corporation at the end of such Fiscal Year, an amount equal to the proportion of the Negative Tax Allowance that the number of Units held by such Partner bears to the total number of Units held by all Partners that are Taxable Corporations.:

- (g) Should a circumstance arise where none of Section 5.16(a) to Section 5.16(f) would apply, then the Partners, acting reasonably, shall allocate the Net Income, Net Loss, Taxable Income, Taxable Loss in accordance with the principles espoused in these Sections.

5.17 Distributions and Allocations on Partner Exit

Notwithstanding any other provision of Section 5.13 and Section 5.16, if a Partner ceased to be a Partner during a Fiscal Year, the Net Income or Net Loss, Taxable Income or Taxable Loss and distributions payable to the Partners pursuant to Section 5.13 and Section 5.16 shall be calculated as though the Fiscal Year had ended at the end of the month immediately prior to or immediately following the time such Partner ceased to be a Partner, whichever month-end is closer, provided that, in the event a Partner ceased to be a Partner on the 15th day of a month, such allocations and distributions will be calculated as though the Fiscal Year ended at the end of the month immediately prior to the time such Partner ceased to be a Partner (a “**Deemed Year End**”), such that:

- (a) Net Income or Net Loss, Taxable Income or Taxable Loss and distributions payable to the Partners shall be calculated for the period beginning at the beginning of such Fiscal Year and ending at the time of the Deemed Year End and the allocations and distributions (determined on a reasonable basis taking into account the deductions that would have been available had the fiscal period actually ended at the time of the Deemed Year End) shall be made in accordance with the provisions of Section 5.13 and Section 5.16 based on the number of Units held by such Partners immediately before the departing Partner ceased to be a Partner;
- (b) Net Income or Net Loss, Taxable Income or Taxable Loss and distributions payable to the Partners shall be calculated for the period beginning immediately after the Deemed Year End and ending at the end of such Fiscal Year and the allocations and distributions (determined on a reasonable basis taking into account the deductions that would have been available had the fiscal period actually began immediately after the Deemed Year End) shall be made in accordance with the provisions of Section 5.13 and Section 5.16 based on the number of Units held by such Partners at the end of such Fiscal Year;
- (c) provided that reasonable adjustments will be made if such allocations would otherwise result in the allocation of a Taxable Loss in one of such periods and the allocation of Taxable Income in the other such period; and
- (d) provided that all such distributions referred to in this Section 5.17 shall be declared and recorded in the books and records of the Partnership following the end of the relevant Fiscal Year.

5.18 Excess Costs

If the General Partner on behalf of the Partnership pays or incurs an Excess ARC Cost or an Excess Non-GUP Cost, the Net Income or Net Loss (as applicable) allocated to and Distribution payable to, the SON BtM Partner shall be increased by the amount that would have been allocated to or payable to the SON BtM Partner in the absence of such Excess ARC Cost or Excess Non-GUP Cost, without duplication, and the Net Income or Net Loss (as applicable) allocated to and Distributions payable to, the General Partner, shall be decreased by the amount such Net Income or Net Loss (as applicable) and Distributions were increased for the SON BtM Partner. The corresponding adjustments to Taxable Income or Taxable Loss (as applicable) for each of the SON BtM Partner and the General Partner shall be made based on the adjustments to the Distribution, Net Income or Net Loss (as applicable) made under this paragraph. For greater certainty, this provision shall only apply to Excess ARC Costs and Excess Non-GUP Costs and not to other Excess Costs.

ARTICLE 6 MANAGEMENT OF THE PARTNERSHIP

6.1 Management of the Partnership

The General Partner will manage the day-to-day operations of the Partnership. Subject to Section 6.17 and any applicable limitations in the Limited Partnerships Act, the General Partner will have the full and exclusive right, power and authority to make all decisions relating to the management and administration of the Partnership and its business and affairs and to manage, control, administer and operate the Partnership and its business and affairs, and to do any act, take any proceedings, make any decision and execute and deliver any instrument, deed, agreement or document, for and on behalf of and in the name of the Partnership, in connection with the same.

6.2 Specific Powers, Duties and Obligations of General Partner

Without limiting the generality of Section 6.1, the General Partner shall have full power and authority for and on behalf of and in the name of the Partnership, without notice to, or consent of, any Limited Partner, to:

- (a) negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the business of the Partnership;
- (b) open and manage bank accounts in the name of the Partnership;
- (c) borrow funds in the name of the Partnership from time to time from such Persons as the General Partner may determine without limitation with regard to amount, cost or conditions of reimbursement or such loan;
- (d) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership now owned or hereafter acquired, to secure any present and future borrowings and related expenses of the Partnership;

- (e) cause title to the property of the Partnership to be held in its name or the name of its designated nominee for the benefit of the Partnership;
- (f) cause Governmental Authorizations to be held in its name or the name of its designated nominee for the benefit of the Partnership and be responsible for the conduct of all regulatory proceedings related thereto and to the business of the Partnership;
- (g) see to the sound management of the Partnership and manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;
- (h) maintain, improve or change any assets, business or undertaking of the Partnership from time to time;
- (i) incur all costs and expenses in connection with the Partnership Business;
- (j) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals with the powers and duties upon the terms and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Partnership;
- (k) engage agents, including any Affiliate of the General Partner, to assist the General Partner in carrying out its management obligations and providing management services to the Partnership or subcontract administrative functions to any Affiliate of the General Partner or any other Person;
- (l) invest cash assets of the Partnership that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;
- (m) act as attorney in fact or agent of the Partnership in disbursing and collecting monies for the Partnership, paying debts and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;
- (n) commence or defend any action or proceeding in connection with the Partnership and make all decisions and execute and deliver all instruments, documents, or agreements related thereto;
- (o) take any actions it deems appropriate in respect of public relations and communications with Governmental Authorities;
- (p) file returns or other documents required by any Governmental Authority;
- (q) make, execute, amend or revoke any Tax Filing on behalf of the Partnership and/or all relevant Partners to the extent the Tax Filing relates to the affairs of the Partnership;

- (r) execute, swear to, acknowledge, deliver, file and record in whatever jurisdictions the Partnership is registered, whatever documents may be required to reflect:
 - (i) a change in the name of the Partnership or the location of the principal place of business of the Partnership;
 - (ii) the admission, substitution, withdrawal or removal of Limited Partners in accordance with the terms of this Agreement;
 - (iii) a change that is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under Applicable Laws; and
 - (iv) a change that is reasonable and necessary or appropriate to enable Partners to take advantage of, or not be detrimentally affected by, changes in the Income Tax Act or other taxation laws;

and all Partners agree to sign all amendments to the Declaration to give effect to all amendments made in accordance with this Section 6.2(r);

- (s) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;
- (t) do anything that is in furtherance of or incidental to the Partnership Business or that is provided for in this Agreement;
- (u) obtain any insurance coverage; and
- (v) generally carry out the Partnership Business.

No Person dealing with the Partnership will be required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

6.3 Operating Budget and Expenses

The Partnership shall reimburse the General Partner for all reasonable costs and expenses, including professional, legal, accounting and administrative costs and expenses, incurred by the General Partner in the performance of its duties hereunder in accordance with the approved Operating Budget, including reasonable costs and expenses directly incurred for the benefit of the Partnership, and the General Partner's general and administrative expenses, but specifically excluding expenses of any action, suit or other proceedings in which or in relation to which the General Partner is adjudged to be in breach of any duty or responsibility imposed on it hereunder.

The General Partner shall submit the Operating Budget for each Fiscal Year to the Partners for approval at least two (2) months prior to the commencement of that Fiscal Year. The General Partner shall submit any amendment to an approved Operating Budget for any Fiscal Year in

excess of 5% of the total amount of the approved Operating Budget for such Fiscal Year to the Partners for approval.

6.4 Removal and Appointment of General Partner

The General Partner may be removed at any time by Unanimous Consent of the Partners provided that such Unanimous Consent of the Partners appoints and admits a new general partner to the Partnership and such new general partner agrees to be bound by this Agreement in place of the General Partner so removed and further provided that all acts of the General Partner prior to its removal will continue to bind the Partnership.

6.5 Transfer to New General Partner

On the admission of a new general partner to the Partnership upon the removal of the General Partner, the removed General Partner will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership and the books, records and accounts of the Partnership to the new general partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion, including the transfer of any title to the Partnership's property held by the removed General Partner or its nominee to such new general partner.

6.6 Release by Partnership

On the removal of the General Partner, the Partnership shall release and hold harmless the removed General Partner and its directors, officers, shareholders, employees and agents from any costs, expenses, damages or liabilities suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after such removal.

6.7 New General Partner

A new general partner shall become a party to this Agreement by signing a counterpart hereof and shall agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new general partner becomes a party to this Agreement.

6.8 Advisory Committee

- (a) The Partnership shall have a committee (the “**Advisory Committee**”) consisting initially of eight members. SON BtM Partner shall be entitled to appoint four individuals to the Advisory Committee, and HOI BtM Partner and the General Partner shall each be entitled to appoint two individuals to the Advisory Committee. Each Partner shall be entitled to remove and replace its appointees from time to time as provided in Section 6.8(c).
- (b) Members of the Advisory Committee shall be appointed or re-appointed, as the case may be, annually. On or before the Effective Date and each subsequent anniversary of the Effective Date, each Partner shall give

notice to each of the other Partners stating the name of the appointees of such Partner for the following year.

- (c) Any Partner entitled to appoint a member of the Advisory Committee shall be entitled to remove and replace any such member by notice to such member and the other Partners. Any vacancy occurring on the Advisory Committee shall be filled only by a further appointee of the Partner whose appointee was so affected so as to maintain an Advisory Committee consisting of the numbers of appointees specified in Section 6.8(a).
- (d) The timing and location of meetings of the Advisory Committee will be determined by the General Partner, provided that the Advisory Committee shall meet at least quarterly and, if a meeting of the Advisory Committee is not called during any quarter by the General Partner, any other Partner may call a meeting of the Advisory Committee. Written notice of any meeting of the Advisory Committee will be given by the General Partner (or in the case of a meeting called by another Partner, by such Partner) to members of the Advisory Committee and to each Partner at least seven (7) Business Days prior to the meeting.
- (e) At each meeting, the Advisory Committee shall review and consider the operations of the Partnership, including financial operating information, budgets, regulatory developments and other matters in relation to the BtM Project Assets or the Partnership. For greater certainty, the General Partner shall retain ultimate responsibility for making all decisions relating to the operation and management of the Partnership.
- (f) A quorum for meetings of the Advisory Committee shall consist of at least one appointee of each Partner being present. If a quorum is not obtained at any meeting, the meeting shall be adjourned and may be reconvened upon two (2) Business Days notice to the members, at which reconvened meeting the quorum shall be a majority of members.
- (g) Any or all members of the Advisory Committee may participate in a meeting of the Advisory Committee by means of such telephone, electronic or other communication facilities as permit all Persons participating in the meeting to hear and communicate with each other simultaneously and a member participating in such a meeting by such means is deemed to be present at the meeting.
- (h) The reasonable expenses of the Advisory Committee shall be borne by the Partnership.

6.9 Ratification of Actions

Any action taken by the General Partner on behalf of the Partnership in accordance with this Agreement is deemed to be an act of the Partnership and binds the Partnership. No Person dealing with the Partnership will be required to inquire into the authority of the General Partner to take any such action.

6.10 Powers of Limited Partners

A Limited Partner may exercise all rights or powers provided to limited partners under the Limited Partnerships Act, except to the extent inconsistent with, or contrary to, this Agreement. A Limited Partner, in its capacity as a limited partner, may not:

- (a) take part in the management or control of the business or affairs of the Partnership or exercise any power in connection therewith;
- (b) transact any business for the Partnership, including executing any document which binds or purports to bind any other Partner or the Partnership or hold itself out as having the power or authority to bind any other Partner or the Partnership;
- (c) have any authority or power to act for or undertake any obligation or responsibility on behalf of any other Partner or the Partnership; or
- (d) partition or seek to partition, whether by order of any court or otherwise, any of the Partnership Assets.

6.11 SON Support

SON BtM Partner will make commercially reasonable efforts to cause SON and its constituencies to act in the best interests of the Partnership and the BtM Project Assets.

6.12 Title to Partnership Property

The Partnership holds legal title to the Partnership Assets. However, if the Partnership is not permitted under Applicable Law to, or if the General Partner determines that it is necessary or expedient for the Partnership not to, hold legal title to any of the Partnership Assets, legal title to such Partnership Assets may be held by the General Partner in trust for the Partnership or in any other manner as the General Partner determines.

6.13 Execution of Contracts

The General Partner will, and any other Person or Persons authorized by the General Partner from time to time may, sign any contracts, documents or instruments in writing requiring the signature of the Partnership, including, without limitation, all documents and agreements necessary to establish and maintain the Partnership Account. All written contracts, documents or instruments so signed will be binding on the Partnership without any further authorization or formality. The Partners agree that third parties will not be obligated to inquire into the power or authority of the Person or Persons signing such contracts, documents or instruments. All written contracts, documents or instruments will be signed on behalf of the Partnership as follows **“Bruce-to-Milton L.P. by its general partner Bruce-to-Milton GP Inc.”**. [NTD: Confirm names]

6.14 Partnership Account

The General Partner will open the Partnership Account and will provide the necessary details of the Partnership Account to the Partners. The General Partner will designate from time to time

those Persons who are authorized to make deposits to and draw on the Partnership Account and to issue and sign cheques for and on behalf of the Partnership.

6.15 Delegation of General Partner's Authority

The General Partner may delegate any powers or authorities granted to it under this Agreement to any of its directors, officers and/or employees or to such other Persons as it sees fit, but no such delegation will release the General Partner from any of its obligations hereunder.

6.16 Voting

For the purposes of voting under this Agreement:

- (a) at any meeting of the Partners, each Partner will be entitled to one vote in respect of each Unit held by such Partner. Every question submitted to a meeting of the Partners, except those that require a Unanimous Consent of the Partners, will be decided by a majority of the votes cast at the meeting. Votes may be cast in person or by proxy and a Person appointed by proxy need not be a Partner; and
- (b) notwithstanding the foregoing, if at any time SON BtM Partner's Partnership Interest falls below 5%, the Partnership Interest of SON BtM Partner may not be voted and will be deemed to be nil in respect of the approval of the dissolution of the Partnership requiring the Unanimous Consent of the Partners in accordance with Section 6.17(a).

6.17 Unanimous Consent of the Partners

The following actions may only be taken by the Partnership or the General Partner after obtaining the Unanimous Consent of the Partners:

- (a) dissolving or liquidating the Partnership or approving the dissolution or liquidation of the Partnership;
- (b) waiving any default on the part of the General Partner on such terms as the Partners may determine and releasing the General Partner from any Claims with respect thereto;
- (c) the sale, exchange or other disposition of any of the undertaking, property or assets of the Partnership that would reasonably be anticipated to have a material adverse effect on the economic benefits of the Units;
- (d) changing the name of the Partnership pursuant to Section 3.3;
- (e) changing the business of the Partnership pursuant to Section 4.2;
- (f) terminating the Partnership's transmission licence before its expiration;
- (g) to the extent not governed by or exempted from the OEB's *Affiliates Relationship Code* (or future equivalent thereof), entering into an

agreement with a person that does not deal at Arm's Length with the General Partner unless such agreement is on terms no less favourable to the Partnership than under an agreement with an Arm's Length person;

- (h) amending any material term of this Agreement; and
- (i) amending, modifying, altering or repealing any action previously taken pursuant to a Unanimous Consent of the Partners.

6.18 Meetings of the Partnership

- (a) The timing and location of meetings of the Partners will be determined by the General Partner and, unless otherwise agreed by the Partners, will be held at such place in Ontario as the General Partner, or if called by another Partner in accordance with the terms hereof, as the Partner calling such meeting, designates.
- (b) The General Partner may call a meeting of the Partners at any time. The General Partner will also call a meeting upon the written request of any other Partner. Such request will specify the purpose or purposes for which such meeting is to be called and will include sufficient information to enable the Partners to make a reasoned judgment on each matter to be considered at such meeting. If the General Partner fails to call a meeting upon such a request of another Partner within ten (10) days after the giving of such request, the requesting Partner may call such meeting. Written notice of any meeting of the Partners will be given to all Partners at least fourteen (14) days prior to the meeting, accompanied by an agenda specifying the general nature of the business to be transacted at the meeting.
- (c) The notice requirements for any meeting of the Partners may be waived.
- (d) Except as hereinafter provided, a quorum at a meeting of the Partners will be one duly authorized representative of each of the Partners, present in person or by proxy. If a quorum is not present within thirty (30) minutes after the time appointed for a meeting, the meeting will be adjourned to such date, time and place as the Partners present at the meeting may determine. The Partners present at such meeting will provide at least five (5) Business Days prior written notice of the date, time and place of the adjourned meeting to all Partners. A quorum at an adjourned meeting will consist of all of the Partners present or represented by proxy at the original meeting.
- (e) A Partner may participate in a meeting of the Partners by means of telephone or other communication facilities that permit all Persons participating in the meeting to hear each other and a Partner participating by those means is deemed to be present at that meeting.
- (f) The chair of all meetings will be chosen by the General Partner.

- (g) Each Partner may bring such appropriate advisors to meetings of the Partners as may be reasonably required.
- (h) Any matter to be voted on or resolution by the Partners may be approved or passed, without prior written notice thereof, by written consent in lieu of a meeting if signed by all of the Partners and such written consent will be as valid and effective as if it had been passed at a meeting of the Partners duly convened and held.
- (i) Minutes and proceedings of every meeting of the Partners will be recorded by the General Partner and, when signed by the chair of the meeting, will be prima facie evidence of the matters therein stated. Until the contrary is proved, every meeting in respect of which minutes have been made will be taken to have been duly held and convened and all proceedings referred to in the minutes will be deemed to have been duly passed.
- (j) A written resolution may consist of one document signed in counterpart by one or more Partners and which may be facsimile or portable document format (PDF) copies of signed originals.

ARTICLE 7 INSURANCE

7.1 Insurance

The General Partner shall consult with the Limited Partners in determining the kind and amount of insurance coverage required for itself and for the Partnership, including limits of insurance and deductible amounts. The General Partner shall implement and maintain an insurance program which (i) will satisfy the minimum insurance coverages reasonably required by the Limited Partners and (ii) will satisfy the minimum insurance coverages required by the Project Agreements, provided that the costs of such insurance coverage is recoverable in the Approved OEB Rates or is available in North American insurance markets on commercially reasonable terms.

ARTICLE 8 LIABILITY AND INDEMNIFICATION

8.1 Liability of the Partners

- (a) The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership. Except in cases of gross negligence or wilful misconduct, the General Partner will not be liable to the Limited Partners or the Partnership for a mistake or error in judgment, any act or omission believed by the General Partner in good faith to be within the scope of the authority conferred on the General Partner by this Agreement, or any loss or damage to the property or assets of the Partnership caused by circumstances beyond the control of the General Partner. ~~If the tax ruling referred to in Section 11(a) of the Side Letter has~~

~~been obtained, the liability of the General Partner to SON BtM Partner resulting from Claims arising from any breach by the General Partner of its obligations under this Agreement shall be limited to the amount SON BtM Partner would have been entitled to if the only asset of the General Partner were a 0.1% Partnership Interest in the Partnership, provided that such limitation shall not apply to Claims which SON BtM Partner would have been entitled to bring against the General Partner had the General Partner been a Limited Partner not engaged in the management of the Partnership. For greater certainty, SON LPCo will have no claim in respect of any rights, interests or payments in connection with the BtM LP Promissory Note.~~

- (b) Subject to the provisions of the Limited Partnerships Act and except for Claims in respect of the indemnity obligations respecting any guarantees provided by a Limited Partner in respect of the Partnership, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership is limited to the amount of such Limited Partner's Equity Contributions actually made or agreed to be made plus its share of the undistributed income of the Partnership.
- (c) Subject to the terms of any service agreements or separate guarantees or indemnities, in no event will any Partner be liable to another Partner or its Affiliates or their respective officers, directors, employees, agents, shareholders, partners or any other Person claiming through such Partner or Affiliate, for special, incidental, indirect, consequential, exemplary or punitive damages (even if any such Person has been advised of the possibility of such damage or loss) of any kind in connection with this Agreement.

8.2 Limited Liability

The General Partner shall take every reasonable action necessary to preserve the limited liability of the Limited Partners and shall not take any action which or omit to take any action the omission of which could reasonably be expected to jeopardize the limited liability of the Limited Partners.

8.3 Indemnification

- (a) Subject to the limitations on liability in Section 8.1(a), the General Partner agrees to indemnify the Partnership and each other Partner and its Affiliates, officers, directors and employees (the "**Indemnified Group**") against all Losses sustained or incurred in connection with any Claims arising from any breach by the General Partner of its obligations under this Agreement.
- (b) Subject to the limitations on liability in Section 8.1(a), the General Partner will indemnify the Limited Partners in respect of any loss, liability or damage incurred or suffered by a Limited Partner by reason of the loss of its limited liability for any reason whatever other than through any action or omission by such Limited Partner.

ARTICLE 9 EVENTS OF DEFAULT

9.1 Defaulting Partner

- (a) A Partner shall be a “**Defaulting Partner**” upon the occurrence of any of the following events (each, an “**Event of Default**”):
 - (i) such Partner, or, in the case of either HOI BtM Partner or the General Partner, either of them has failed to observe and perform any material obligation under this Agreement and such failure continues for more than thirty (30) days after written notice thereof is provided to such Partner by the Partnership or any other Partner;
 - (ii) such Partner has failed to pay when due an Additional Equity Contribution it has elected to make in accordance with Section 5.10 and such failure continues for more than ten (10) Business Days after written notice thereof is provided to such Partner by the Partnership; or
 - (iii) in the case of HOI BtM Partner or the General Partner, the General Partner has failed to observe and perform any material obligation under the Operations Agreement, and such failure continues for more than thirty (30) days after written notice thereof is provided to the General Partner by the Partnership or any other Partner.
- (b) If a Partner is Defaulting Partner and the event or circumstance that caused it to be a Defaulting Partner has been cured or ceased to exist, such Partner shall thereupon cease to be a Defaulting Partner.

9.2 Notice of Default

A Partner, or its legal representative, will give notice to the other Partners of any event that has occurred with respect to such Partner which has made, or which would with the passage of time make, it a Defaulting Partner.

9.3 Distributions to a Defaulting Partner

- (a) If an Event of Default has not been remedied within the cure period provided in Section 9.1(a), the General Partner shall, in good faith and as soon as reasonably practicable, determine the Losses to the Partnership resulting from such Event of Default (the “**Default Amount**”). The General Partner shall notify each of the Partners of the Default Amount so determined (the “**Default Amount Notice**”). The Defaulting Partner shall wire or otherwise deposit the Default Amount to the Partnership Account within thirty (30) days of receipt of the Default Amount Notice from the General Partner. If the Defaulting Partner fails to do so, such Defaulting Partner shall cease to be entitled to any distributions or Advances pursuant to Section 5.13 until the aggregate amount of the distributions or

Advances that would have otherwise been paid by the Partnership to such Defaulting Partner equals such Losses, at which time the Event of Default shall have been cured and such Defaulting Partner shall no longer be a Defaulting Partner hereunder.

- (b) If a Limited Partner in good faith disputes the General Partner's calculation of the Default Amount or whether it is a Defaulting Partner, it will so advise the General Partner and each of the other Partners in writing within thirty (30) days of receipt of the Default Amount Notice from the General Partner. Any Dispute with respect to the calculation of the Default Amount will be resolved in accordance with the provisions set forth in Article 13. Within **[five (5)]** Business Days after all dispute resolution mechanisms in Article 13 have been exhausted, the Limited Partner or the Partnership, as the case may be, shall pay to the other the amount owing as a result of such resolution.

9.4 HOI BtM Partner Buy-Out Option

- (a) If:
 - (i) SON BtM Partner becomes a Defaulting Partner for any one or more reasons, and for so long as SON BtM Partner is a Defaulting Partner, or
 - (ii) SON BtM Partner or any of its Affiliates fails to act in the best interests of the Partnership or the BtM Project Assets using commercially reasonable efforts, and such failure continues for more than thirty (30) days after written notice thereof is provided to SON BtM Partner by the Partnership or any other Partner,

which in either case causes the Partnership to default on a payment obligation under the BtM LP Promissory Note, either the General Partner or HOI BtM Partner, as determined by the General Partner (such Partner, the **"Buying Partner"**), will have the option, exercisable in the Buying Partner's sole and absolute discretion after all Dispute resolution mechanisms in Article 13 have been exhausted, to require SON BtM Partner to transfer its Units to the Buying Partner upon payment to SON BtM Partner of the Termination Payment (the **"Buy-Out Option"**). The Buying Partner may exercise the Buy-Out Option by way of prior written notice to SON BtM Partner (the **"Buy-Out Notice"**). The Buy-Out Notice will specify the date of the exercise of the Buy-Out Option.

- (b) The **"Termination Payment"** will be equal to the Fair Market Value of SON BtM Partner's Units as of the date of the Buy Out Notice, determined in accordance with the principles of valuation set forth in Schedule 9.4.

9.5 Transfer

- (a) If the Buying Partner exercises the option to purchase SON BtM Partner's Units pursuant to Section 9.4(a), SON BtM Partner will transfer all of its Units to the Buying Partner in consideration of the payment of the Termination Payment as required by Section 9.4 to SON BtM Partner in accordance with this Section 9.5.
- (b) To the extent there are any amounts owing from SON BtM Partner to the Buying Partner, the amount so owing by SON BtM Partner will be set-off against the Termination Payment (such Termination Payment, as adjusted, the "**Closing Payment**").
- (c) Upon determining the Closing Payment, SON BtM Partner and the Buying Partner will, within sixty (60) days of such determination, execute and deliver such documents and instruments as the Buying Partner may request, acting reasonably, in order to complete the transfer of SON BtM Partner's Units to the Buying Partner and to discharge and release any security against SON BtM Partner's Units and the Buying Partner will pay the Closing Payment. If SON BtM Partner fails to execute and deliver any document or instrument required to be executed and delivered by it in connection with the transfer within the sixty (60) days, the Buying Partner is hereby granted an irrevocable power of attorney with full power of substitution to execute and deliver on behalf of SON BtM Partner all such documents and instruments which may be required in order to complete the transfer of SON BtM Partner's Units to the Buying Partner.
- (d) Upon the completion of the purchase and sale, SON BtM Partner will cease to be a Partner and will have no further rights or liabilities with respect to the Partnership or under or in connection with the BtM Project Assets, except that it agrees to be bound by the provisions of Section 14.1 for a period of five years from the completion of such purchase and sale and any indemnities of SON BtM Partner (or its Affiliates) will continue as provided for in this Agreement.
- (e) Notwithstanding the acquisition by the Buying Partner of SON BtM Partner's Units following the exercise of the Buy-Out Option, SON BtM Partner's obligations, if any, pursuant to the Master Implementation Agreement will continue in full force and effect.

ARTICLE 10 RECORDS AND AUDIT

10.1 Partner Records

Each Partner will keep accurate records of amounts owing to, payable by, received by and paid by it in respect of the Partnership.

10.2 Partnership Records

- (a) The General Partner will maintain, or caused to be maintained by a third party or through a service agreement with a Partner, accurate books and records relating to the Partnership and its business, including relating to all relevant permits, studies and reports and of all amounts owing to, payable by, received by and paid in connection with the Partnership (the “**Partnership Records**”).
- (b) Where applicable, Partnership Records will be prepared in accordance with GAAP and with those generally accepted accounting principles and specific accounting policies being used by the Partners and will be in such form and detail as will enable the Partners to obtain the information necessary for Partners to prepare and maintain accounting and other records meeting their reasonable requirements.
- (c) Original Partnership Records will be kept at the registered office of the General Partner, unless otherwise agreed by the Partners.

10.3 Retention of Records

Records required to be kept pursuant to Sections 10.1 or 10.2, which are required to be maintained for a stipulated period of time by any Applicable Laws, will be maintained for the period stipulated in such Applicable Laws; otherwise such records will be maintained for a period of seven (7) years after the end of the year to which such record applies or, in the case of records to be maintained pursuant to Section 10.2, such longer period as the General Partner may determine.

10.4 Request for Partnership Records

At the request of a Partner made at any time prior to the expiry of the periods referred to in Section 10.3, the General Partner will provide that Partner with copies of any such Partnership Records maintained pursuant to Section 10.2, provided that if such documents or records are necessary for any judicial or regulatory proceeding, a Partner may have the use of originals.

10.5 Audit of Partnership Records

- (a) During the period of time in which records are to be maintained by the General Partner in accordance with Section 10.3, each Limited Partner will have the right, at its expense, on reasonable prior notice to the General Partner and during normal business hours, to audit, examine and make copies of the Partnership Records and any other records maintained by the General Partner which in any way relate to the Partnership or the BtM Project Assets, including records related to the operation of the BtM Project Assets pursuant to the Operations Agreement. A Limited Partner shall make reasonable efforts to conduct any such audit or examination so as to minimize any inconvenience to the General Partner.
- (b) The costs and expenses incurred in any such inspection, examination or audit made by a Limited Partner shall be for the account of such Limited Partner. The Limited Partner shall use all reasonable efforts to conclude such audit within ninety (90)

days after delivery of the initial notice of audit. This right to audit shall continue for a period of sixty (60) Months after the end of the Fiscal Year in which the particular items to be audited occurred.

- (c) Any claims of discrepancies in respect of the matters audited shall be made in writing by a Limited Partner to the General Partner within three (3) Months of its completion of such audit. The General Partner shall notify the auditors of the Partnership and respond in writing to all claims of discrepancies within three (3) months of its receipt of such claim and address such claims of discrepancies in a manner satisfactory to such Limited Partner.

10.6 Auditors of the Partnership

The General Partner will appoint the initial auditors of the Partnership. The General Partner may at its discretion, tender for the auditors, and on this basis may replace the initial auditors at any time.

10.7 Financial Statements

- (a) Within 75 days following the end of each Fiscal Year or within 75 days of dissolution of the Partnership, the General Partner shall cause to be prepared and delivered to each Limited Partner, audited financial statements of the Partnership for such Fiscal Year, including a balance sheet as at the end of the Fiscal Year, an income statement and a statement of cash flows for such Fiscal Year and a statement of each Partner's Equity Contributions and Capital Account as at the end of the Fiscal Year together with comparative financial statements for the prior Fiscal Year, in each case prepared in accordance with GAAP and with those generally accepted accounting principles and specific accounting policies being used by the Partners, together with a report thereon of the auditors of the Partnership, and all such information as may be necessary to enable the Partners to file all required Canadian federal and provincial income tax returns with respect to the income of the Partnership.
- (b) Within ten (10) days after the end of each calendar quarter and of each Fiscal Year, the General Partner shall cause to be prepared and delivered to each Limited Partner, such additional financial reports and information as may be necessary to enable each Limited Partner to prepare its financial statements and calculate its tax provision for such period.

ARTICLE 11 TRANSFERS

11.1 Restrictions on Transfer

- (a) Except as expressly provided in this Agreement, no Partner shall, directly or indirectly, Transfer any Units held by it to any Person or undergo a Change of Control.

- (b) Notwithstanding anything else contained in this Agreement, every Transfer of Units held by a Partner, in addition to the other requirements of this Agreement, shall be subject to the condition that the proposed transferee, if not already bound by the terms of this Agreement, shall first agree, in writing, to become a party to and be bound by the terms of this Agreement, by executing a form of counterpart and acknowledgement acceptable to the Corporation and substantially in the form attached as Schedule 11.1.
- (c) Notwithstanding anything else contained in this Agreement, no Transfer of Units or issue of Units shall be made to any Person other than an Eligible Person, except as permitted by Section 11.3 or pursuant to the security granted in accordance with Section 11.3.

11.2 Permitted Transferees

- (a) HOI BtM Partner or the General Partner, or any other direct or indirect wholly owned subsidiary of Hydro One that becomes a Partner, may Transfer all or any of its Units to ~~a third party~~ an Eligible Person, provided that immediately after the Transfer, Hydro One, directly or indirectly, holds at least 50% of the total number of Units outstanding and provided that any such Transfer shall be accompanied by an assignment in the form attached hereto as Schedule 11.2.
- (b) HOI BtM Partner or the General Partner may Transfer all or any of its Units to an Affiliate that is an Eligible Person and provided that the General Partner may not Transfer any of its Units if such Transfer would result in the General Partner holding a Partnership Interest of less than 0.10%, and provided further that any such Transfer shall be accompanied by an assignment in the form attached hereto as Schedule 11.2. No such Transfer shall be effective until the transferee executes and delivers to the Partnership a counterpart to this Agreement in compliance with Section 11.1(b).
- (c) SON BtM Partner may Transfer all or any of its Units to an Affiliate or a wholly-owned subsidiary of SON BtM Partner, in each case that is an Eligible Person and provided that any such Transfer shall be accompanied by an assignment in the form attached hereto as Schedule 11.2. No such Transfer shall be effective until the transferee executes and delivers to the Partnership a counterpart to this Agreement in compliance with Section 11.1(b).
- (d) In the event of any Transfer of Units by the General Partner pursuant to Section 11.2(a) or Section 11.2(b), such transferee shall hold such Units only as a Limited Partner and the rights and obligations of the General Partner under this Agreement shall not be transferred to the transferee, but the transferee shall be entitled to the rights and subject to the obligations under this Agreement of a Limited Partner holding the number of Units transferred to the transferee by the General Partner.

11.3 Pledge of Units

Notwithstanding any other provision of this Agreement,

- (a) SON BtM Partner shall be permitted to Transfer the Units held by it as security in connection with any financing of any Equity Contribution by SON BtM Partner, provided the terms of such Transfer, including the identity of the Transferee, are acceptable to HOI BtM Partner, acting reasonably, and
- (b) HOI BtM Partner shall be permitted to Transfer the Units held by it as security in connection with any financing in respect of the BtM Project Assets.

11.4 Right of First Offer

- (a) Except in respect of a Transfer pursuant to Section 11.2, any Limited Partner (the “**ROFO Offeror**”) who wishes to sell all, but not less than all, of its Units shall first offer to sell such Units to the other Limited Partners. The ROFO Offeror shall deliver a notice in writing of the offer (the “**ROFO Notice**”) to each of the other Limited Partners (the “**ROFO Offerees**”) that shall set out the number of Units then held by the ROFO Offeror (the “**ROFO Offeror’s Units**”) and in the ROFO Notice the ROFO Offeror shall irrevocably offer to sell the ROFO Offeror’s Units, for cash, to the ROFO Offerees at the price (the “**ROFO Price**”) and on terms set forth in the ROFO Notice.
- (b) Upon the ROFO Notice being given, the ROFO Offerees shall have the right to purchase all, but not less than all, of the ROFO Offeror’s Units, pro rata based upon the number of Units beneficially owned by the ROFO Offerees as of the date the ROFO Notice is given (or in such other proportion as the ROFO Offerees may agree in writing).
- (c) Within thirty (30) days after the ROFO Notice is deemed (under Section 17.1) to have been received by the ROFO Offerees (the “**ROFO Offer Period**”) each of the ROFO Offerees may give to the ROFO Offeror a notice in writing (a “**ROFO Acceptance Notice**”) accepting the offer contained in the ROFO Notice and specifying the maximum number of the ROFO Offeror’s Units it wishes to acquire (which number may be greater or less than its pro rata entitlement). If any ROFO Offeree does not give a ROFO Acceptance Notice or specifies in its ROFO Acceptance Notice a number of Units less than its pro rata entitlement, the resulting unaccepted ROFO Offeror’s Units shall be deemed to have been offered by the ROFO Offeror to such of the ROFO Offerees who specified in their ROFO Acceptance Notices a wish to acquire a number of the ROFO Offeror’s Units greater than their pro rata entitlement, and each such ROFO Offeree shall be, subject to the maximum number of the ROFO Offeror’s Units specified in its ROFO Acceptance Notice, entitled to acquire its pro rata entitlement of the unaccepted ROFO Offeror’s Units

based upon the number of Units beneficially owned (as of the date of the ROFO Notice) by such ROFO Offerees, as between themselves (or in such other proportion as such ROFO Offerees may agree in writing). If, pursuant to the foregoing process, one or more ROFO Offerees agree to purchase, in aggregate, all of the ROFO Offeror's Units, the sale of the ROFO Offeror's Units to such ROFO Offerees shall be completed within twenty (20) Business Days of the expiry of the Offer Period.

- (d) If the ROFO Offeror does not receive ROFO Acceptance Notices from the ROFO Offerees, or any of them, within the ROFO Offer Period confirming their agreement to purchase all of the ROFO Offeror's Units, the rights of the ROFO Offerees to purchase any of the ROFO Offeror's Units shall cease at the end of the ROFO Offer Period and, subject to Section 11.5, the ROFO Offeror may sell the ROFO Offeror's Units to any bona fide Arm's Length third party or parties within five (5) months after the expiry of the ROFO Offer Period, for a price and on other terms and conditions in all material respects taken as a whole no more favourable to such Persons than those set out in the ROFO Notice. If the ROFO Offeror's Units are not sold within such five (5) month period on such terms, the provisions of this Section 11.4 shall again apply to any proposed Transfer of Units, and so on from time to time. For greater clarity, if the ROFO Offeror receives ROFO Acceptance Notices from the ROFO Offerees, or any of them, within the ROFO Offer Period agreeing to purchase less than all of the ROFO Offeror's Units, the rights of the ROFO Offerees to purchase, in aggregate, the ROFO Offeror's Units so accepted shall cease at the end of the ROFO Offer Period and, in accordance with this Section 11.4(d) and subject to Section 11.5, the ROFO Offeror may sell all of the ROFO Offeror's Units to any bona fide Arm's Length third party or parties.
- (e) All ROFO Acceptance Notices or other notices under this Section 11.4 shall be given concurrently to all Limited Partners and to the Partnership.
- (f) To permit the practical implementation of this Section 11.4, no Units may be sold by any Limited Partner as part of or incidental to the sale of any other assets or any other transaction.

11.5 Right of First Refusal

- (a) If a Limited Partner (the "**Selling Partner**") receives from a third party (the "**Third Party**") that is acting as principal and dealing at Arm's Length with the Selling Partner, a bona fide written offer (the "**Third Party Offer**") to purchase any of the Units then held by the Selling Party (the "**Selling Partner's Units**") (whether such Third Party Offer was solicited following a ROFO Notice that the ROFO Offeree elected not to accept or whether such Third Party Offer was unsolicited), the Selling Partner shall only accept such Third Party Offer subject to compliance with the provisions of this Section 11.5. Upon such conditional acceptance, the Selling Partner shall deliver a notice in writing (the

“ROFR Notice”) to each of the other Limited Partners (the **“Non-Selling Partners”**) irrevocably offering to sell to them the Selling Partner’s Units at the same price and in all other material respects on substantially the same terms and conditions as provided in the Third Party Offer. The Selling Partner shall deliver, with the ROFR Notice, a true copy of the Third Party Offer and, if the Third Party is other than an individual, the names of the principal shareholders or holders of interests in such Third Party (if available), officers and directors (or the equivalent) of the Third Party and any other information with respect to the financial capacity of the Third Party in the possession of the Selling Partner. The offer contained in the ROFR Notice shall be irrevocable except with the consent of the Non-Selling Partners and shall be open for acceptance for a period of thirty (30) days after the date upon which the ROFR Notice is deemed (under Section 17.1) to have been received by the Non-Selling Partners (the **“ROFR Acceptance Period”**).

- (b) Upon the ROFR Notice being given, the Non-Selling Partners shall have the right to purchase all, but not less than all, of the Selling Partner’s Units, pro rata based upon the number of Units beneficially owned by the Non-Selling Partners as of the date the ROFR Notice (or in such other proportion as the Non-Selling Partners may agree in writing).
- (c) Within the ROFR Acceptance Period each of the Non-Selling Partners may give to the Selling Partner a notice in writing (a **“ROFR Acceptance Notice”**) accepting the offer contained in the ROFR Notice and specifying the maximum number of the Selling Partner’s Units it wishes to acquire (which number may be greater or less than its pro rata entitlement). If any of the Non-Selling Partners does not give a ROFR Acceptance Notice or specifies in its ROFR Acceptance Notice a number of Units less than its pro rata entitlement, the resulting unaccepted Selling Partner’s Units shall be deemed to have been offered by the Selling Partner to such of the Non-Selling Partners who specified in their ROFR Acceptance Notices a wish to acquire a number of the Selling Partner’s Units greater than their pro rata entitlement, and each such Non-Selling Partner shall be, subject to the maximum number of the Selling Partner’s Units specified in its ROFR Acceptance Notice, entitled to acquire its pro rata entitlement of the unaccepted Selling Partner’s Units based upon the number of Units beneficially owned (as of the date of the ROFR Notice) by such Non-Selling Partners, as between themselves (or in such other proportion as such Non-Selling Partners may agree in writing). If the Non-Selling Partners, or any of them, give ROFR Acceptance Notices within the ROFR Acceptance Period confirming their agreement to purchase, in aggregate, all of the Selling Partner’s Units, the sale of the Selling Partner’s Units to such Non-Selling Partners shall be completed within twenty (20) Business Days of the expiry of the ROFR Acceptance Period.

- (d) If the Selling Partner does not receive ROFR Acceptance Notices from the Non-Selling Partners, or any of them, within the ROFR Acceptance Period confirming their agreement to purchase all of the Selling Partner's Units, the rights of the Non-Selling Partners to purchase any of the Selling Partner's Units shall cease at the end of the ROFR Acceptance Period and the Selling Partner may sell the Selling Partner's Units to the Third Party at the price and upon the terms and conditions specified in the Third Party Offer.
- (e) Any transfer to the Third Party pursuant to this Section 11.5 must be completed within 150 days following the expiry of the ROFR Acceptance Period, failing which the provisions of this Section 11.5 shall again apply to any proposed Transfer of Units, and so on from time to time.
- (f) All ROFR Acceptance Notices or other notices under this Section 11.5 shall be given concurrently to all Limited Partners and to the General Partner.
- (g) To permit the practical implementation of this Section 11.5, no Units may be sold by any Limited Partner as part of or incidental to the sale of any other assets or any other transaction.

11.6 Permitted Hydro One Change of Control

- (a) Hydro One shall be entitled to sell, transfer or otherwise dispose of its interest in HOI BtM Partner or any other Affiliate of Hydro One which becomes a Limited Partner, provided that immediately after such sale, transfer or disposition, Hydro One or an Affiliate of Hydro One, directly or indirectly, continues to hold at least 50% of the total number of Units outstanding and Hydro One provides notice of the Change of Control to SON BtM Partner as soon as reasonably possible after the occurrence of the Change of Control.
- (b) Hydro One shall be entitled to sell, transfer or otherwise dispose of its interest in the General Partner to an Affiliate of Hydro One.
- (c) Notwithstanding any other provision of this Agreement, Hydro One or HONI shall be entitled to undergo a Change of Control, provided that HOI BtM Partner shall notify SON BtM Partner of any such Change of Control as soon as reasonably possible after the occurrence of the Change of Control.

11.7 General Partner Co-operation

The General Partner will co-operate in all reasonable ways to effect and facilitate a Transfer permitted pursuant to this Article 11, provided that such co-operation will be at the sole expense of the Partner transferring its interest (which expense may include reasonable costs of the General Partner and the Partnership relating to such permitted Transfer).

11.8 Liability After Disposition

Upon completion of any Transfer permitted pursuant to the terms of this Article 11, the transferee shall be automatically admitted as a Partner in substitution for, or in the case of a partial Transfer, in addition to, the transferor, upon execution of a counterpart of this Agreement and compliance with the terms and conditions of this Article 11. No Transfer shall relieve the transferor of liability under this Agreement, the Limited Partnerships Act or otherwise in respect of the Transferred Partnership Interest for matters arising or events occurring prior to the completion of, or in respect of, the Transfer of the Partnership Interest. Upon the Transfer of a Partner's entire Partnership Interest (except a Transfer by mortgage, lien, pledge or other encumbrance but not excepting a Transfer resulting from a default in connection with such mortgage, lien, pledge or other encumbrance), such Partner shall have no further interest in the Partnership or rights or obligations under this Agreement (other than those expressed as surviving such Transfer) except its rights and obligations under Section 14.1 which shall survive such Transfer.

11.9 Effect of Prohibited Transfers

Any Transfer by a Partner in violation of the terms of this Agreement shall be void and shall not be recognized by the Partnership; provided, however, that nothing herein shall be deemed to limit any right or remedy that the Partnership or any other Partner may have against such Partner.

11.10 Change in Composition of the Partnership

The Partners hereby expressly agree that the bankruptcy or insolvency of any Partner, a change in the ownership of Units, the addition or withdrawal of Partners to or from the Partnership as permitted by this Agreement, or any amendment to this Agreement will not dissolve or otherwise alter the legal existence of the Partnership.

11.11 Survival of Other Agreements

Notwithstanding anything to the contrary contained in this Agreement, a Partner's rights, obligations and liabilities with respect to the other Partners under or in connection with the Project Agreements, other than this Agreement, including obligations to provide or repay and monies, will continue and remain unaffected by such Partner ceasing to be a Party to this Agreement or as a result of the termination or expiration of this Agreement and will survive any winding-up, liquidation, termination or dissolution of the Partnership.

ARTICLE 12 DISSOLUTION

12.1 No Withdrawal Rights

Except as otherwise specifically provided in this Agreement, no Partner may withdraw from the Partnership or have the right to require dissolution or winding up of the Partnership's affairs or the distribution of the Partnership's assets, without the prior written consent of the other Partners.

12.2 Transfer of Partnership Interest at General Partner's Election

Upon the occurrence of any of the following events in respect of a Limited Partner, the Units of such Limited Partner shall, at the option of the General Partner exercised on notice to such Limited

Partner, be deemed to have been Transferred to the Partnership by way of redemption by the Partnership and cancellation of such Units at an aggregate price equal to the Fair Market Value of such Units immediately prior to the occurrence of such event and on such other terms and conditions as may be approved by the General Partner with effect immediately prior to the occurrence of such event:

- (a) the entry by a court of competent jurisdiction of a decree or order for relief, unstayed on final appeal or otherwise, in respect of such Partner in an involuntary case under bankruptcy laws, or any such order adjudicating such Partner as bankrupt or insolvent under any other applicable bankruptcy, insolvency or liquidation law;
- (b) the entry by a court of competent jurisdiction of a decree or order appointing a receiver, custodian, assignee, trustee, liquidator, sequestrator or other similar official of such Partner or of any substantial part of the property of such Partner, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed on final appeal or otherwise, or the commencement by such Partner of a voluntary case under the bankruptcy laws, or under any other insolvency law, seeking reorganization, liquidation, arrangement, adjustment or composition of such Partner under such laws;
- (c) the making by such Partner of an assignment for the benefit of creditors; or the failure of such Partner generally to pay its debts as they become due; or the consenting by such Partner to the appointment of or taking possession by a receiver, custodian, assignee, trustee, liquidator, sequestrator or other similar official of it or of any substantial part of its property, or the taking of corporate action by such Partner in furtherance of any such action;
- (d) the filing by a Partner for dissolution under the laws of the jurisdiction of its incorporation or formation, other than the filing by HOI BtM Partner for voluntary dissolution under the laws of the jurisdiction of its incorporation, or the entering of a final order dissolving that Partner by any court of competent jurisdiction; or
- (e) any event which shall make it unlawful for that Partner to remain a Partner of the Partnership.

The occurrence of any of the foregoing events shall not cause a dissolution of the Partnership and the Partnership shall continue, unless there is only one (1) Partner remaining in the Partnership, whereupon the Partnership shall automatically dissolve by operation of law.

Upon such redemption, the Units of such Limited Partner shall be cancelled, the Partnership Interest of such Limited Partner shall be reduced to zero and the respective Partnership Interests of each of the other Limited Partners shall be increased in the proportion their respective Partnership Interest bears to the aggregate of the remaining Partnership Interests immediately prior to the applicable event.

The Partners acknowledge and agree that under the circumstances specified in this Section 12.2, the Fair Market Value of such Units is fair and reasonable consideration and each Partner hereby waives, for itself, its successors and permitted assigns, including receivables, trustees in bankruptcy or other Persons appointed on its behalf in such circumstances, to the fullest extent permitted by law, any and all right to claim that such redemption is unenforceable or that such consideration is unfair or unreasonable.

12.3 Events of Dissolution

The Partners shall cause the Partnership to be wound up and dissolved forthwith upon the happening of any of the following events:

- (a) the completion of the Decommissioning Work;
- (b) the sale of all or substantially all of the assets of the Partnership or the abandonment and reclamation of all of the Partnership's assets;
- (c) any event which shall make it unlawful for the Partnership Business to be carried on;
- (d) any event which, under Applicable Laws, requires or results in the dissolution or winding up of the Partnership; or
- (e) if the Partners agree to do so by Unanimous Consent of the Partners.

12.4 Winding Up And Dissolution

- (a) On the happening of any event requiring the dissolution of the Partnership as provided in this Agreement, the General Partner shall exercise its powers under this Agreement for the purpose of winding up the business of the Partnership, liquidating the Partnership's assets in an orderly manner, paying the debts, liabilities and expenses of the Partnership and satisfying its other obligations, distributing any cash or other assets of the Partnership to the Partners in accordance with Section 12.4(b), filing all notices of dissolution prescribed by the Limited Partnerships Act, and filing all elections, determinations or designations required under the Income Tax Act or the Electricity Act which may be necessary or desirable. The Partnership shall not engage in any new business during the period of such winding up and dissolution.
- (b) Upon the dissolution of the Partnership, the proceeds from the liquidation of the Partnership's assets will be distributed, after payment of all of the debts, liabilities, obligations and expenses of the Partnership, to the Partners in proportion to the number of Units held.
- (c) No winding up, liquidation, termination or dissolution of the Partnership or of the business of the Partnership shall relieve a Partner from any obligation accruing or accrued to the date of such winding up, liquidation, termination or dissolution.

- (d) Notwithstanding the foregoing and any other provision of this Agreement, if the Partners agree, the Partnership may be dissolved in a manner to comply with the provisions of Subsections 85(3), 98(3) or 98(5) of the Income Tax Act or in such other tax-efficient manner as the Partners may agree.

12.5 Effect of Addition or Withdrawal of Partners on Dissolution

The Partners hereby expressly agree that the addition or withdrawal of a Partner hereunder shall not cause a dissolution of the Partnership unless there is only one (1) Partner remaining in the Partnership, whereupon the Partnership shall automatically dissolve by operation of law.

ARTICLE 13 DISPUTE RESOLUTION

13.1 Dispute Resolution

The Parties will work co-operatively to resolve any Dispute. Any Dispute which has not been resolved by the Parties will be resolved in accordance with the provisions of this Article 13.

13.2 Negotiation

Following receipt of a written request for a meeting, senior representatives of each Party will meet to attempt to resolve such Dispute. Each Party's senior representative will have sufficient authority to bind the Party they represent.

13.3 Mediation

If the senior representatives are unable to resolve such Dispute within fifteen (15) Business Days from the date the first written request for a meeting was received, the Parties may thereafter invoke the then existing non-binding mediation procedure of the ADR Institute of Canada, Inc. or its successor ("ADRIC"), provided that if no ADRIC mediation procedure is in existence at the time, the most recent mediation procedure of the Canadian Foundation for Dispute Resolution or its successor will be used in the place thereof. The mediator will be chosen by agreement of the Parties.

13.4 Arbitration

A Party may refer any Dispute to arbitration before a single arbitrator. Insofar as they do not conflict with this Section 13.4, the Rules for Procedure for Commercial Arbitration of the Arbitration and Mediation Institute of Canada Inc./International Chamber of Commerce Rules of Arbitration in effect at the date of commencement of any arbitration held under this Agreement will apply to the arbitration. No Party may appeal the decision of the arbitrator in any manner whatsoever, except as permitted by the *Arbitration Act, 1991* (Ontario). A Party may enter any judgment upon any award rendered by the arbitrator in any court having jurisdiction. The arbitration will be conducted in English under the *Arbitration Act, 1991* (Ontario) and will take place in either the City of Toronto or such other place as the Parties may agree and at such time and place as the arbitrator may fix.

13.5 Dispute Regarding Transfer of Units

Notwithstanding any other provision of this Agreement, SON BtM Partner will have the right to have any Dispute as to whether it is required to transfer its Units to HOI BtM Partner pursuant to Section 5.10(g) or Section 9.4 adjudicated by a court of competent jurisdiction.

ARTICLE 14 CONFIDENTIALITY

14.1 Confidentiality

Each of the Parties agrees that it will maintain as confidential all data and information relating to the subject matter hereof, the Partnership and the BtM Project Assets, except and to the extent that:

- (a) such data and information is otherwise in the public domain;
- (b) such data and information is required to be disclosed to Affiliates, rating agencies, advisors or potential lenders (including their agents or trustees) or potential direct or indirect purchasers or transferees of a Partner's Units and, in the case of HOI BtM Partner, including the Province of Ontario, its employees, representatives, directors, advisors or agents;
- (c) such data and information is required to be disclosed to potential transferees and their respective advisors, rating agencies, potential lenders and Affiliates and each of their respective employees, representatives, directors, advisors or agents; or
- (d) a Party is legally compelled to disclose such data and information to a court or regulatory authority in the proper exercise of its jurisdiction.

Each of the Parties agrees that it will make all reasonable efforts to limit internal disclosure of such data and information to only those of their employees, representatives, directors, officers or agents who will need to have access to the same to fulfill the responsibilities and obligations of the Party under this Agreement or other Project Agreements. If a Party discloses any data or information pursuant to an exception set out in this Section 14.1, it agrees to use commercially reasonable efforts to require the recipient to: keep such information confidential; prevent any further disclosure of such information; abide by the obligation of confidentiality hereunder; and not use any of such confidential data and information in a manner that could be detrimental to the other Parties or the Partnership.

For greater certainty, the confidentiality obligations pursuant to this Section 14.1 do not apply to the disclosure of the terms of this Agreement and shall not prevent SON BtM Partner from periodically reporting to members of SON on the status of its investment in the Partnership provided such reporting does not include commercially sensitive details relating to the operation of the Line.

Notwithstanding the foregoing, the Parties acknowledge that HOI BtM Partner is subject to the *Freedom of Information and Protection of Privacy Act* (Ontario) ("**FIPPA**") and the General

Partners and HOI BtM Partner's confidentiality covenants are expressly subject to any and all obligations and requirements that may exist or may in the future arise under FIPPA.

This Section 14.1 will survive the termination of this Agreement for a period of two (2) years thereafter.

ARTICLE 15 PRESS RELEASES

15.1 Press Releases

Press releases and other public announcements in respect of this Agreement, the Partnership or the BtM Project Assets, excepting releases of information required by Applicable Laws or the rules of any stock exchange to which a Party or an Affiliate may be subject, will be made only with the prior written approval of each other Party, such approval not to be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, if a press release or other public announcement is to be made by a Party in order to comply with any Applicable Laws, where possible the other Parties will be given prior notice of such press release and a reasonable opportunity to review and comment thereon.

ARTICLE 16 TAXES

16.1 Tax Information and Returns

The General Partner will send to each Person who was a Partner at any time in a particular Fiscal Year of the Partnership within ninety (90) days of the end of the Fiscal Year all Partnership information relating to such Fiscal Year which is necessary for such Partner or former Partner to prepare its tax or information returns. The General Partner will file, on behalf of the other present and former Partners, any information and tax returns required to be filed by the Partnership under the Income Tax Act and any other applicable Canadian tax laws, statutes or regulations in respect of the Partnership's activities in the prescribed forms and on a timely basis.

16.2 Tax Elections

The General Partner will have the authority to act, and will act with due diligence, for the Partnership for the purpose of making or executing any agreement, designation or election on behalf of the Partners or the Partnership pursuant to the Income Tax Act or any other relevant taxing legislation in Canada, and each Partner agrees to act reasonably and co-operatively with the other Partners for the purpose of making any tax elections which are required to be made jointly by all of the Partners.

16.3 Partner Responsible for Own Income Taxes

Except as provided in this Article 16, each Partner will be solely responsible for the payment of the Income Taxes imposed on it or payable by it in connection with the Partnership. Without limiting the foregoing, the Partnership, HOI BtM Partner and the General Partner will have no liability to SON BtM Partner in the event that SON BtM Partner or its successors or assigns are found to be

taxable. Any Income Taxes which may be levied by any Governmental Authority on a Partner will not be considered to be Partnership obligations.

16.4 GST/HST

The General Partner will pay all GST/HST on behalf of the Partnership, charge, collect and remit GST/HST and make and file all elections and all forms, documents and tax returns and take all other steps required to administer taxes payable under the *Excise Tax Act* (Canada) on behalf of the Partnership.

ARTICLE 17 NOTICES

17.1 Notices

Unless otherwise provided in this Agreement, every notice required or permitted under this Agreement must be in writing and may be delivered in person, by courier or by fax to the applicable Party, as follows:

- (a) if to HOI BtM Partner,

c/o Hydro One Inc.
483 Bay Street
15th Floor, North Tower
Toronto, ON M5G 2P5

Attention: General Counsel

Fax: (416) 345-6056

- (b) if to SON BtM Partner,

c/o Saugeen Ojibway Nation
[insert address for courier service]

Attention: ●

Fax: ●

- (c) if to the General Partner,

c/o Hydro One Networks Inc.
483 Bay Street
15th Floor, North Tower
Toronto, ON M5G 2P5

Attention: ●

Fax: ●

or to any other address, fax number or individual that a Party designates. Any notice under this Agreement, if delivered personally or by courier, will be deemed to have been given when actually received, if delivered by fax before 3:00 p.m. on a Business Day, will be deemed to have been delivered on that Business Day and if delivered by fax after 3:00 p.m. on a Business Day or on a day which is not a Business Day, will be deemed to be delivered on the next Business Day.

ARTICLE 18 MISCELLANEOUS

18.1 Amendment

Except as expressly provided in this Agreement, no amendment, supplement, restatement or termination of this Agreement in whole or in part is binding unless it is in writing and signed by each Party.

18.2 Waiver

No waiver of any term of this Agreement is binding unless it is in writing and signed by all the Parties entitled to grant the waiver. No failure to exercise, and no delay in exercising, any right or remedy under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any term of this Agreement will be deemed to be a waiver of any subsequent breach of that term.

18.3 Severability

If any term of this Agreement is or becomes illegal, invalid or unenforceable, the illegality, invalidity or unenforceability of that term will not affect the legality, validity or enforceability of the remaining terms of this Agreement.

18.4 Entire Agreement

This Agreement, the Master Implementation Agreement and all documents contemplated by or delivered in connection with this Agreement, constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal. This Agreement replaces and supersedes the Initial Partnership Agreement.

18.5 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in Ontario. Each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario.

18.6 Time of Essence

For every term of this Agreement, time is of the essence.

18.7 Enurement

This Agreement will enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

18.8 Further Assurances

Each Party will from time to time, and promptly upon request, sign and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the terms of this Agreement.

18.9 Execution in Counterparts

This Agreement and any amendment, supplement, restatement or termination of this Agreement in whole or in part may be signed and delivered in any number of counterparts, each of which when signed and delivered is an original, but all of which taken together constitute one and the same instrument. This Agreement and any amendment, supplement, restatement or termination of this Agreement in whole or in part may be delivered by means of facsimile or via e-mail in portable document format (PDF).

The Parties have duly executed this Agreement.

[SON BtM Partner]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

[HOI BtM Partner]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

[GENERAL PARTNER]

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

THIS IS SCHEDULE “4.3”, attached to and forming part of the AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT made as of the [INSERT DATE], 2014 between [HOI BtM Partner], [SON BtM Partner] and [Bruce-to-Milton GP Inc.].

OPERATIONS AGREEMENT TERMS

THIS IS SCHEDULE “5.5”, attached to and forming part of the AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT made as of the [INSERT DATE], 2014 between [HOI BtM Partner], [SON BtM Partner] and [the General Partner].

PARTNERSHIP INTERESTS AND UNITS

	% Interest	Number of Units
HOI BtM Partner	●%	●
SON BtM Partner	●%	●
General Partner	●%	●

THIS IS SCHEDULE “9.4”, attached to and forming part of the AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT made as of the [INSERT DATE], 2014 between [HOI BtM Partner], [SON BtM Partner] and [the General Partner].

PRINCIPLES OF VALUATION

(a) Valuation Procedure

Upon the provisions of this Schedule becoming applicable (but subject to subsection (d)), the Parties shall agree upon an independent business valuator and shall cause such independent business valuator to determine the Fair Market Value of all of the issued and outstanding Units as at the Valuation Date.

If the Parties fail to choose an independent business valuator within fifteen (15) days following the event giving rise to the valuation, or if an agreed-upon valuator shall not have consented to act as valuator within ten (10) Business Days following the expiry of the fifteen (15) day period, a business valuator shall be chosen by a Judge of the Ontario Superior Court, upon the application of any of the Parties.

In determining the Fair Market Value of all of the issued and outstanding Units, the independent business valuator shall take into account and apply generally accepted accounting and valuation principles, and the valuator shall not have regard to whether the Units subject to the transaction of purchase and sale constitute a minority block or a majority block of all of the issued and outstanding Units and no minority or majority discount or premium shall be applied to its valuation.

The valuation arrived at by the valuator, made as an expert and not as an umpire or arbitrator, shall be conclusive and binding on the Parties and none of the Parties shall have any right to or shall seek any appeal or review from or of such valuation.

(b) Calculation of Fair Market Value Per Unit

The Fair Market Value of the Units being purchased and sold shall be determined by dividing the Fair Market Value of all of the issued and outstanding Units as at the Valuation Date, as determined by the independent business valuator in accordance with the provisions of subsection (a), by the number of Units then issued and outstanding and multiplying the resulting amount by the number of Units being purchased and sold.

(c) Costs of Valuation

All costs and expenses relating to the determination of the Fair Market Value of any of the Units of the Corporation pursuant to this Schedule shall be shared equally between the vendors and purchasers in the subject transaction and, among multiple vendors or purchasers, shall be shared pro rata based on the number of Units being sold or purchased.

(d) Prior Valuation Date

Notwithstanding anything to the contrary contained in this Schedule, if an independent business valuator shall have determined the Fair Market Value of all of the issued and outstanding Units pursuant to this Agreement as at a valuation date which is within 12 months prior to the occurrence

of a subsequent valuation date, the Fair Market Value of each Unit determined as at the prior valuation date shall be deemed to be the Fair Market Value of each Unit as at the subsequent valuation date.

THIS IS SCHEDULE “11.1”, attached to and forming part of the AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT made as of the [INSERT DATE], 2014 between [HOI BtM Partner], [SON BtM Partner] and [the General Partner].

FORM OF COUNTERPART AND ACKNOWLEDGEMENT

RE: The Amended and Restated Limited Partnership Agreement of [Bruce-to-Milton L.P.] made effective as of ●, 2014

The undersigned acknowledges that it has received a copy of the Agreement and has had an opportunity to review the Agreement. Pursuant to Section 11.1 of the Agreement, the undersigned agrees to be bound, as a party to and as a Partner in the Partnership, by the terms (including all covenants, agreements and obligations) of the Agreement, as from time to time amended, as fully and effectively as though the undersigned had executed the Agreement together with the other parties to the Agreement.

Dated _____ day of _____, 20____.

[NAME OF TRANSFEREE]

By:

Authorized Signatory

THIS IS SCHEDULE “11.2”, attached to and forming part of the AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT made as of the [INSERT DATE], 2014 between [HOI BtM Partner], [SON BtM Partner] and [the General Partner].

FORM OF ASSIGNMENT

ASSIGNMENT OF UNITS IN

~~ENPOWER DEVELOPMENT LIMITED PARTNERSHIP~~[BRUCE-TO-MILTON L.P.]

In accordance with Section 11.2 of the Amended and Restated Limited Partnership Agreement of **[Bruce-to-Milton L.P.]** (the “**Partnership**”) made effective as of ●, 2014 (the “**Partnership Agreement**”), the undersigned, a Partner of the Partnership, hereby transfers to _____ (Name of Assignee) all of the undersigned’s right, title and interest in and to _____ Units in the Partnership and assigns to the aforesaid assignee all of the interest of the undersigned in the Partnership that is represented thereby. The undersigned agrees to furnish to the General Partner such documents, certificates, assurances and other instruments as the General Partner may require to effect this assignment and to continue and keep in good standing the Partnership as a limited partnership. The undersigned agrees that the power of attorney previously granted by the undersigned to the General Partner shall continue in full force and effect, and shall be irrevocable, until all instruments required to effect this assignment and to continue and keep in good standing the Partnership as a limited partnership have been furnished to the General Partner as aforesaid and have been recorded or filed as and where required. Capitalized terms used herein and below which are not defined herein shall have the meaning ascribed thereto in the Partnership Agreement.

DATED this ____ day of _____, 20__.

[NAME OF ASSIGNING PARTNER]

By:

Authorized Signatory

(Address)

(City, Province and Postal Code)

Document comparison by Workshare Professional on Monday, September 23, 2013 12:06:25 PM

Input:	
Document 1 ID	interwovenSite://DMS-MCDM/LEGAL_1/23010826/12
Description	#23010826v12<LEGAL_1> - Bruce-to-Milton Limited Partnership Agreement - Final Version
Document 2 ID	interwovenSite://DMS-MCDM/LEGAL_1/23010826/13
Description	#23010826v13<LEGAL_1> - Bruce-to-Milton Limited Partnership Agreement (September 23 2013 version)
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
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Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	30
Deletions	95
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	125

LETTER AGREEMENT

Hydro One Inc.
483 Bay Street
North Tower, 15th Floor
Toronto, Ontario M5G 2P5
www.HydroOne.com

Tel: (416) 345 5300
Fax: (416) 345 6129

Carmine Marcello
President & CEO



September 30, 2013

Chippewas of Saugeen First Nation
R.R. #1
Southampton, Ontario N0H 2L0
and

Chippewas of Nawash First Nation
135 Lakeshore Blvd, R.R. #5
Warton, ON N0H 2T0

Re: Anishnaabekiing Naagnigewin Agreement in Respect of the Bruce-to-Milton Transmission Line Limited Partnership dated June 18, 2012 (the "Implementation Agreement") between Chippewas of Saugeen First Nation and Chippewas of Nawash First Nation (collectively, the "SON") and Hydro One Networks Inc. ("HONI"), as amended by a side letter agreement dated December 18, 2012 between the SON, HONI and Hydro One Inc. (the "December Letter Agreement")

Dear Sirs:

This letter agreement (the "**Letter Agreement**") is being entered into in connection with the establishment of a commercial partnership between the SON and HONI in respect of the Line. The parties are entering into this Letter Agreement to amend certain provisions of the Implementation Agreement to reflect certain developments with respect to the Line. In consideration of the mutual covenants contained in the Implementation Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the SON, HONI and Hydro One Inc. hereby agree as follows:

1. **Definitions.** Capitalized terms used but not defined herein have the meanings given to them in the Implementation Agreement.
2. **The Line.** The definition of "Line" in the Implementation Agreement is deleted in its entirety and replaced with the following:

"**Line**" means the high-voltage electrical transmission tower line with circuit number B561M and that portion of the high-voltage electrical transmission tower line with circuit number B560V spanning from HONI's switchyard at the Bruce Power Nuclear Generating Facility located in Kincardine, Ontario to HONI's switchyard in Milton, Ontario as further described in Attachment "D".

3. **SON Equity Contribution Amount.** The definition of "SON Equity Contribution Amount" in the Implementation Agreement is deleted in its entirety and replaced with the following:

 "**SON Equity Contribution Amount**" means the amount to be contributed by SON LPco as a capital contribution to the Bruce-to-Milton LP on Closing, which shall be: (i) no less than 5% of the amount which is equal to 40% of the BtoM Project Asset Value and (ii) no greater than \$72,000,000."
4. **Approvals Date.** Notwithstanding the provisions of Section 3.3 of the Implementation Agreement, HONI and the SON agree to continue to use commercially reasonable efforts to achieve the Approvals Date by January 1, 2014.
5. **LPA.** Notwithstanding the provisions of the December Letter Agreement, the LPA to be executed on Closing will include the revisions reflected in the blackline document attached as Schedule A to this Letter Agreement.
6. **Conflicts.** This Letter Agreement supplements and amends the Implementation Agreement and, to the extent of any conflict between the Implementation Agreement and this Letter Agreement, the terms hereof shall supersede those of the Implementation Agreement. Except as amended by this letter, all other terms of the Implementation Agreement remain in full force and effect, unamended hereby.
7. **Governing Law.** The Letter Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.
8. **Entire Agreement.** This Letter Agreement and the Implementation Agreement constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise.
9. **Execution.** This letter may be executed in one or more counterparts and delivered by facsimile signature or portable document format (PDF), each of which when so executed and delivered shall be an original but all of which together shall constitute one and the same instrument.

If the foregoing correctly sets forth our understanding of the subject matter hereof, please so indicate by executing this letter in the space provided below, in which event this letter shall constitute a binding agreement between the SON, HONI and Hydro One.

Yours very truly,

HYDRO ONE NETWORKS INC.

By: 

Name: Greg Standish

Title: CAO & CFO

HYDRO ONE INC.

By: 

Name: Carmine Marcello

Title: President & CEO

We accept the terms of your letter this 30th day of September, 2013.

**CHIPPEWAS OF NAWASH FIRST
NATION**

By: 

Name: Aileen Cheganoo

Title: Chief

**CHIPPEWAS OF SAUGEEN FIRST
NATION**

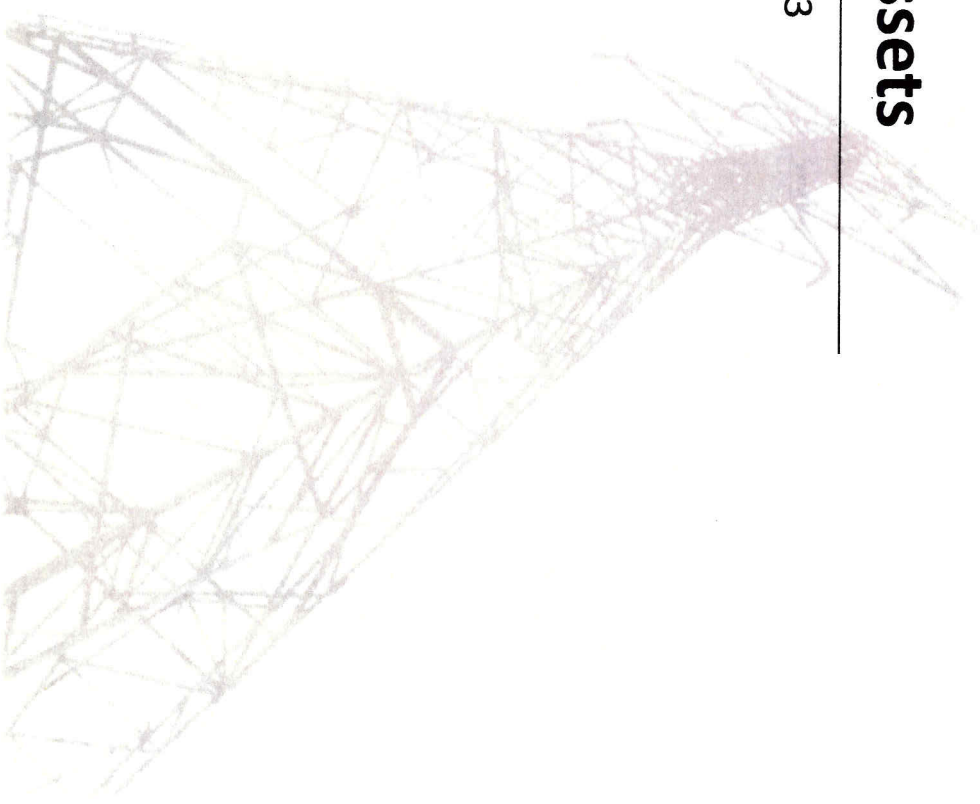
By: 

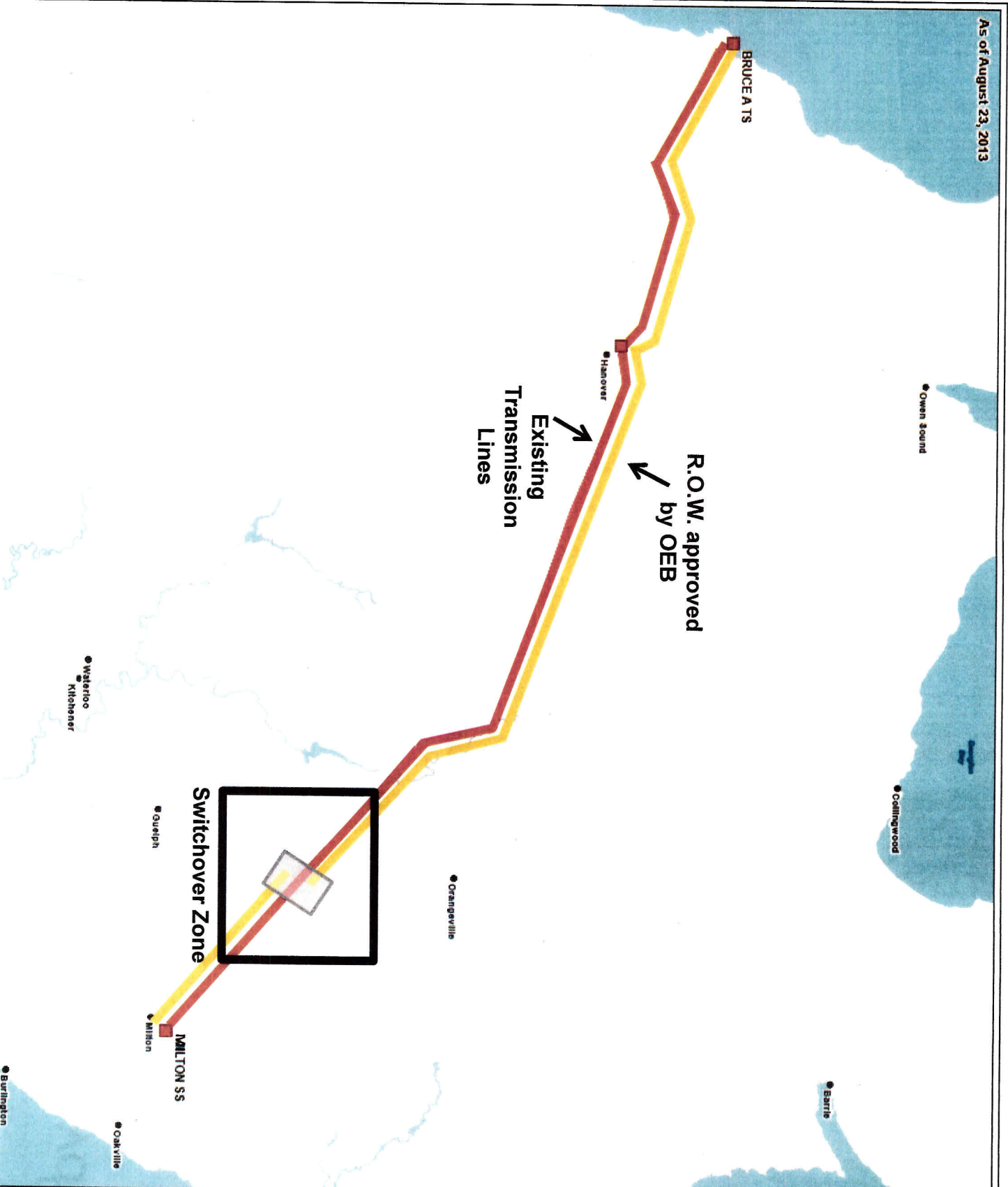
Name: RANDALL KAINJOO

Title: CHIEF

B2M LP Assets

September 23, 2013



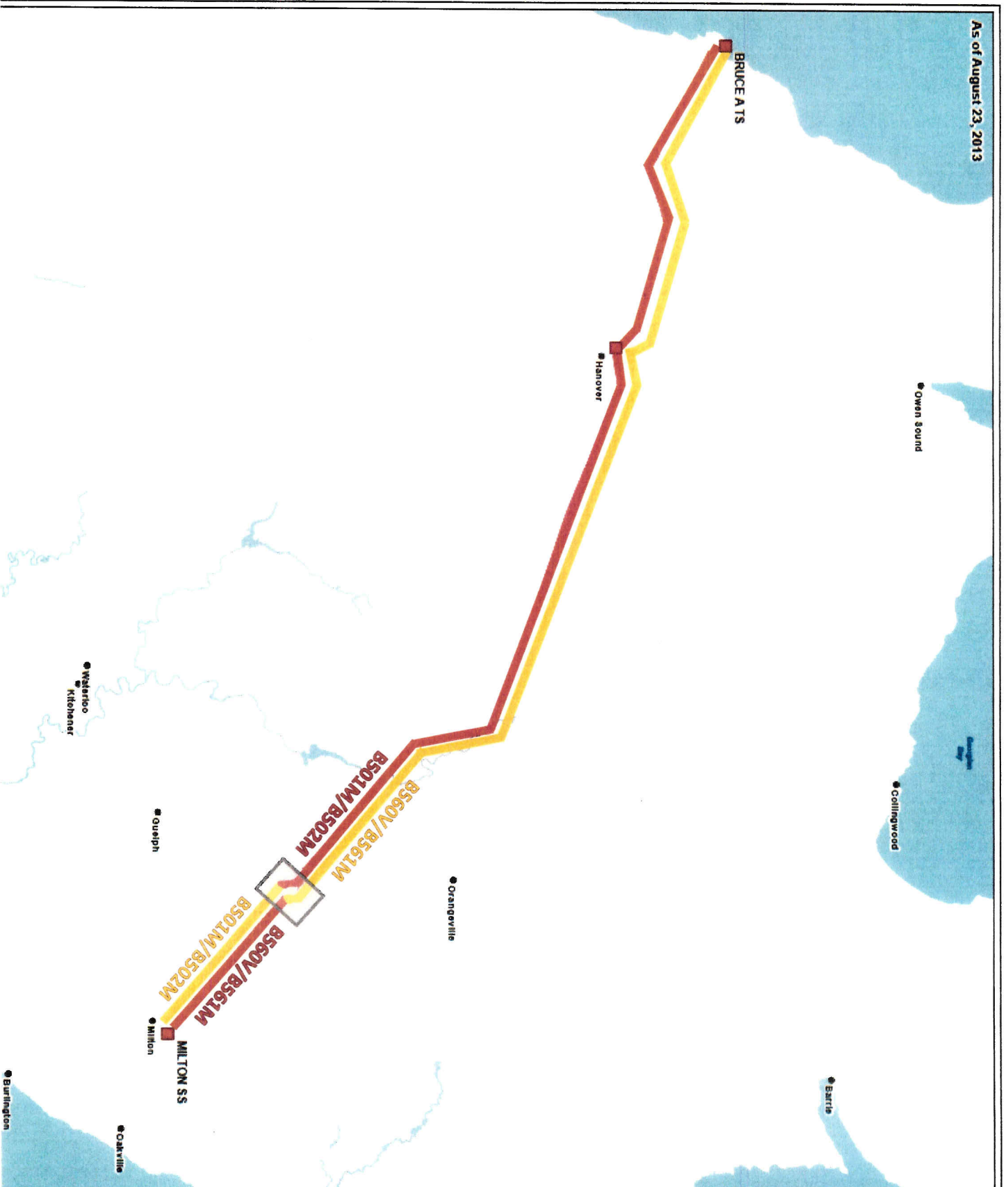


Southwestern Ontario

- Cities/Towns
- Major Stations
- Transmission Lines
- 500 kV

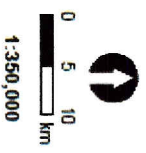


As of August 23, 2013



Southwestern Ontario

- Cities/Towns
- Major Stations
- Transmission Lines
- 500 kV



BAND COUNCIL RESOLUTION
SAUGEEN FIRST NATION #29



**SAUGEEN FIRST NATION # 29
BAND COUNCIL RESOLUTION
OGIMAKANUK ENENBAM**

**Saugeen Band
Ph: (519) 797-2781
Fax: (519) 797-2978**

The Council of the Saugeen First Nation # 29
Ogimahkanuk Sauking

Bruce Agency

Ontario NOH 2L0

26 September AD 2013
Day - Kejick Month - Geesis

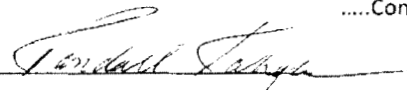
MOTION NO. 01

Moved by, Sonya Roote
Seconded by, Letitia Thompson

RECITALS:

- A. The Chippewas of Saugeen First Nation ("SFN") and the Chippewas of Nawash Unceded First Nation ("NFN"), have entered into the Anishnaabeking Naagnigewin Agreement with Hydro One Networks Inc. ("HONI") dated June 18, 2012 in respect of a commercial investment by the SFN and NFN in a limited partnership to be formed, ("Limited Partnership") which will own and operate high-voltage transmission facilities from the Bruce Power Nuclear Generating Facility in Kincardine, Ontario to HONI's switchyard in Milton, Ontario (the "Transmission Line"). The Anishnaabeking Naagnigewin Agreement was amended by a letter agreement dated December 18, 2012 which, among other things, added Hydro One Inc. as a party to the agreement.
- B. The terms of the Anishnaabeking Naagnigewin Agreement provide that a new corporation to be owned by the SFN and NFN, the Saugeen Ojibway Nations Finance Corporation, ("SOFC") would enter into a limited partnership agreement. (the "Limited Partnership Agreement"), with two corporations that HONI will cause to be formed to act as a general partner of the Limited Partnership and as the initial limited partner of the Limited Partnership
- C. It was anticipated that the Transmission Line would have a cost of \$600 million and that the partners to the Limited Partnership would contribute 40% of the cost of the Transmission Line (\$240 million) to the Limited Partnership as equity. The Anishnaabeking Naagnigewin Agreement provided that SOFC's interest in the Limited Partnership could not exceed 30%, which, if the total equity of the Limited Partnership was \$240 million, would allow SOFC to contribute not more than \$72 million to the Limited Partnership as equity.
- D. HONI has advised SFN and NFN that there was an error in identifying the components of the Transmission Line, with the result that the cost of the Transmission Line was miscalculated. The revised estimated cost of the Transmission Line is approximately \$535 million, resulting in a total Limited Partnership equity of \$214 million. In order to allow SOFC to maintain an investment of \$72 million in the Transmission Line, HONI has agreed that to amend the Anishnaabeking Naagnigewin Agreement to remove the limitation on the percentage ownership that SOFC may hold in the Limited Partnership and simply limit SOFC's initial contribution to the Limited Partnership to not more than \$72 million.

.....Continued


(Ogimah-Randall Kahgee)

(Anikeh-Ogimah-Randal Roote)

(Anikeh-Ogimah-Ken Roote)

(Anikeh-Ogimah-Vernon Roote)

(Anikeh-Ogimah-Sonya Roote)

(Anikeh-Ogimah-Stacey John)

(Anikeh-Ogimah-Bryan Johnson)


(Anikeh-Ogimah-Letitia Thompson)

(Anikeh-Ogimah-Clinton Root)

(Anikeh-Ogimah-Joanne Mason)



**SAUGEEN FIRST NATION # 29
BAND COUNCIL RESOLUTION
OGIMAKANUK ENENBAM**

**Saugeen Band
Ph: (519) 797-2781
Fax: (519) 797-2978**

The Council of the Saugeen First Nation # 29
Ogimahkanuk Sauking

Bruce Agency

Ontario, NOH 2L0

26 September AD 2013
Day - Kejick Month - Geesis

MOTION NO. 01 (Continued)

- E. In order to issue the tax rulings that have been requested by SFN, NFN and HONI and are a precondition to the transfer of the Transmission Line to the Limited Partnership, the Canada Revenue Agency has required that two amendments be made to the Limited Partnership Agreement. One amendment limits the ability of Hydro One Inc., HONI, SFN and NFN from transferring their interest in the Limited Partnership to someone other than an entity that is wholly owned, directly or indirectly by First Nations or by Hydro One Inc. The second amendment is to remove a provision of the Limited Partnership Agreement, which in certain circumstances, limited the liability of the general partner of the Limited Partnership to SOFC and the First Nations.
- F. It is proposed that SFN, NFN, HONI and Hydro One enter into the letter agreement in the form attached to amend the Anishnaabekiing Naagnigewin Agreement (the "Amending Letter Agreement") to correct the description of the Transmission Line and to remove the limitation on the percentage ownership interest that SOFC may hold in the Limited Partnership and simply limit SOFC's initial contribution to the Limited Partnership to not more than \$72 million and to amend the Limited Partnership Agreement as described in Recital E.
- G. Band Council has concluded that it is necessary and desirable for SFN and NFN to be able to invest the full \$72 million into the Limited Partnership through SOFC, to make the proposed amendments to the Limited Partnership Agreement described in Recital E and to enter into and perform its obligations under the Amending Letter Agreement.
- BE IT RESOLVED THAT:**
1. SFN is authorized to enter into, execute, deliver and perform its obligations under the Amending Letter Agreement and Chief Randall Kahgee is authorized and directed, for and on behalf of SFN, to sign the Amending Letter Agreement with any amendments or variations thereto as he may approve, his execution of the Amending Letter Agreement, to be conclusive evidence of such approval, and the document so executed is the Amending Letter Agreement authorized by this resolution.

5 in favor

Carried


(Ogimah-Randall Kahgee)

(Anikeh-Ogimah-Randal Roote)

(Anikeh-Ogimah-Ken Roote)

(Anikeh-Ogimah-Vernon Roote)

(Anikeh-Ogimah-Sonya Roote)

(Anikeh-Ogimah-Stacey John)

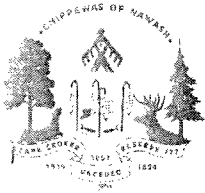
(Anikeh-Ogimah-Bryan Johnson)


(Anikeh-Ogimah-Letitia Thompson)

(Anikeh-Ogimah-Clinton Root)

(Anikeh-Ogimah-Joanne Mason)

BAND COUNCIL RESOLUTION
CHIPPEWAS OF NAWASH



CHIPPEWAS OF NAWASH
BAND COUNCIL RESOLUTION
(DONOK-NAH-GAHMIN)

FILE REFERENCE

The Council of the CHIPPEWAS OF NAWASH FIRST NATION Of Southern Ontario/Bruce District In the Province of Ontario	Current Capital Balance \$ _____ Committed \$ _____ Current Revenue Balance \$ _____ Committed \$ _____
On the <u>Twenty sixth</u> of <u>September</u> AD <u>2013</u> (Day) - Kee-shi-gag (Month) - Geezis	

DO HEREBY RESOLVE:

MOTION NO. 457


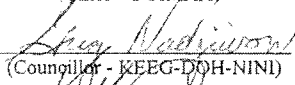





(Page 1 of 3)

Moved by Kathy Jones, Seconded by Christopher Solomon Sr.,

RECITALS:

- A. The Chippewas of Nawash Unceded First Nation ("NFN") and the Chippewas of Saugeen First Nation ("SFN"), have entered into the Anishnaabeking Naagnigewin Agreement with Hydro One Networks Inc. ("HONI") dated June 18, 2012 in respect of a commercial investment by the NFN and SFN in a limited partnership to be formed, ("Limited Partnership") which will own and operate high-voltage transmission facilities from the Bruce Power Nuclear Generating Facility in Kincardine, Ontario to HONI's switchyard in Milton, Ontario (the "Transmission Line"). The Anishnaabeking Naagnigewin Agreement was amended by a letter agreement dated December 18, 2012 which, among other things, added Hydro One Inc. as a party to the agreement.
- B. The terms of the Anishnaabeking Naagnigewin Agreement provide that a new corporation to be owned by the NFN and SFN, the Saugeen Ojibway Nations Finance Corporation, ("SOFC") would enter into a limited partnership agreement, (the "**Limited Partnership Agreement**"), with two corporations that HONI will cause to be formed to act as a general partner of the Limited Partnership and as the initial limited partner of the Limited Partnership
- C. It was anticipated that the Transmission Line would have a cost of \$600 million and that the partners to the Limited Partnership would contribute 40% of the cost of the Transmission Line (\$240 million) to the Limited Partnership as equity. The Anishnaabeking Naagnigewin Agreement provided that SOFC's interest in the Limited Partnership could not exceed 30%, which, if the total equity of the Limited Partnership was \$240 million, would allow SOFC to contribute not more than \$72 million to the Limited Partnership as equity.

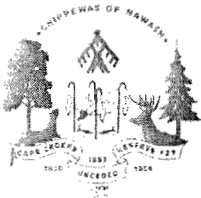
Quorum: 5

 (Chief - OGIMAA)		
 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)
 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)

"CAUTION - - CONFIDENTIAL - - CAUTION"

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RECOMMENDED	APPROVED
DATE _____ RECOMMENDING OFFICER _____	DATE _____ APPROVING OFFICER _____



CHIPPEWAS OF NAWASH BAND COUNCIL RESOLUTION (DONOK-NAH-GAHMIN)

FILE REFERENCE

The Council of the CHIPPEWAS OF NAWASH FIRST NATION Of Southern Ontario/Bruce District In the Province of Ontario	Current Capital Balance \$ _____ Committed \$ _____ Current Revenue Balance \$ _____ Committed \$ _____
On the <u>Twenty sixth</u> of <u>September</u> AD <u>2013</u> (Day) - Kee-shi-gag (Month) - Geezis	


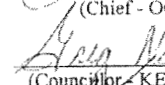

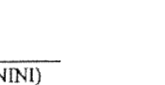
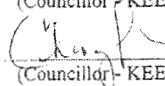
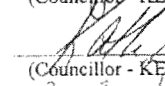
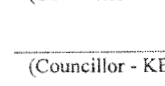
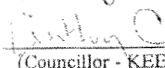
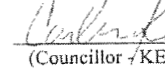
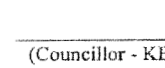
DO HEREBY RESOLVE:

MOTION NO. 457 Continued

(Page 2 of 3)

- D. HONI has advised NFN and SFN that there was an error in identifying the components of the Transmission Line, with the result that the cost of the Transmission Line was miscalculated. The revised estimated cost of the Transmission Line is approximately \$535 million, resulting in a total Limited Partnership equity of \$214 million. In order to allow SOFC to maintain an investment of \$72 million in the Transmission Line, HONI has agreed that to amend the Anishnaabekiing Naagnigewin Agreement to remove the limitation on the percentage ownership that SOFC may hold in the Limited Partnership and simply limit SOFC's initial contribution to the Limited Partnership to not more than \$72 million.
- E. In order to issue the tax rulings that have been requested by NFN, SFN and HONI and are a precondition to the transfer of the Transmission Line to the Limited Partnership, the Canada Revenue Agency has required that two amendments be made to the Limited Partnership Agreement. One amendment limits the ability of Hydro One Inc., HONI, NFN and SFN from transferring their interest in the Limited Partnership to someone other than an entity that is wholly owned, directly or indirectly by First Nations or by Hydro One Inc. The second amendment is to remove a provision of the Limited Partnership Agreement, which in certain circumstances, limited the liability of the general partner of the Limited Partnership to SOFC and the First Nations.
- F. It is proposed that NFN, SFN, HONI and Hydro One enter into the letter agreement in the form attached to amend the Anishnaabekiing Naagnigewin Agreement (the "**Amending Letter Agreement**") to correct the description of the Transmission Line and to remove the limitation on the percentage ownership interest that SOFC may hold in the Limited Partnership and simply limit SOFC's initial contribution to the Limited Partnership to not more than \$72 million and to amend the Limited Partnership Agreement as described in Recital E.

Quorum: 5

 (Chief - OGIMAA)		
 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)
 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)
 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)	 (Councillor - KEEG-DOH-NINI)

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RECOMMENDED

APPROVED

DATE

RECOMMENDING OFFICER

DATE

APPROVING OFFICER



CHIPPEWAS OF NAWASH
BAND COUNCIL RESOLUTION
(DONOK-NAH-GAHMIN)

FILE REFERENCE

The Council of the CHIPPEWAS OF NAWASH FIRST NATION Of Southern Ontario/Bruce District In the Province of Ontario On the <u>Twenty sixth</u> of <u>September</u> AD <u>2013</u> (Day) - Kee-shi-gag (Month) - Geezis	Current Capital Balance \$ _____ Committed \$ _____ Current Revenue Balance \$ _____ Committed \$ _____
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DO HEREBY RESOLVE:

MOTION NO. 457 Continued

(Page 3 of 3)

- G. Band Council has concluded that it is necessary and desirable for NFN and SFN to be able to invest the full \$72 million into the Limited Partnership through SOFC, to make the proposed amendments to the Limited Partnership Agreement described in Recital E and to enter into and perform its obligations under the Amending Letter Agreement.

BE IT RESOLVED THAT:

1. NFN is authorized to enter into, execute, deliver and perform its obligations under the Amending Letter Agreement and Chief Arlene Chegahno is authorized and directed, for and on behalf of NFN, to sign the Amending Letter Agreement with any amendments or variations thereto as she may approve, her execution of the Amending Letter Agreement to be conclusive evidence of such approval, and the document so executed is the Amending Letter Agreement authorized by this resolution.

5 for
Carried.

Quorum: 5

(Councillor - KEEG-DOH-NINI)

(Councillor - KEEG-DOH-NINI)

(Councillor - KEEG-DOH-NINI)

(Chief - OGIMAA)

(Councillor - KEEG-DOH-NINI)

(Councillor - KEEG-DOH-NINI)

(Councillor - KEEG-DOH-NINI)

(Councillor - KEEG-DOH-NINI)

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(Councillor - KEEG-DOH-NINI)

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RECOMMENDED

APPROVED

DATE

RECOMMENDING OFFICER

DATE

APPROVING OFFICER