

1. Recipient(s):	Name: Main Contact: Title: Address: Phone: Email:
2. Lead Recipient (Joint Recipients only):	Name: Main Contact: Title: Address: Phone: Email:
3. Funding Agreement Identification Number:	
4. Contract Start Date:	[NTF: once the IESO receives the executed copy of the Funding Agreement from the Recipient, the IESO will execute and date the Funding Agreement. The Contract Start Date will be the date that the IESO executes the Funding Agreement]
5. Contract End Date:	
6. Maximum Funding Amount:	\$ _____ (subject to adjustment as provided herein) <input type="checkbox"/> Banking Authorization Form and void cheque attached
7. Eligible Funding Date:	<*>
8. Applicant Type:	[NTF: drop-down menu]
9. The Project relates to one FIT Project or to a FIT Project Portfolio,	

as further described in Schedule "F":	[NTF: drop-down menu]
10. The following Schedules are attached to and incorporated into the Funding Agreement:	Schedule A Terms and Conditions Schedule B Definitions Schedule C Work Plan Schedule D Deliverables and Disbursement Schedule Schedule E Additional Eligible Expenses or Ineligible Expenses (if applicable) Schedule F Details of FIT Contract(s)

NOW THEREFORE, for valuable consideration, the IESO and the Recipient(s) hereby mutually agree to be bound by the terms and conditions set out in the Funding Agreement.

[NTF: additional signature blocks will be added for each Joint Recipient, as applicable.]

SAMPLE ONLY

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the Funding Agreement by the undersigned duly authorized representatives as of the date listed below.

**INDEPENDENT ELECTRICITY SYSTEM
OPERATOR**

[NAME OF ENTITY]

***[NTF: this signature line will be used for Co-ops,
First Nation and Métis Communities,
Municipalities, Public Sector Entities and
corporations.]***

Signature

Signature

Printed Name, Title

Printed Name, Title

Date executed

Date executed

I have the authority to bind the IESO.

I have the authority to bind the above Person.

**[LIMITED PARTNERSHIP], by its general partner
[NAME OF GENERAL PARTNER CORPORATION]**

***[NTF: for all other forms of entities, the IESO will
determine the proper format of the signature
line.]***

***[NTF: this signature line will be used for limited
partnership entities, and will include the name
of the limited partnership Recipient and the
name of its general partner (the corporation
that controls the business under statute).]***

Signature

Printed Name, Title

Date executed

I have the authority to bind the above Person.

SCHEDULE A: TERMS AND CONDITIONS

TO FUNDING AGREEMENT

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SECTION 1 DEFINITIONS

1.1 Definitions

Capitalized terms used and not defined in the Funding Agreement will have the meanings given to them in Schedule “B”.

SECTION 2 ACTIVITIES AND DELIVERABLES

2.1 Activities and Deliverables

- (a) The Recipient must:
 - (i) carry out the Activities set out in the Work Plan by the Target Completion Dates, as set out in Schedule “C”;
 - (ii) submit all required Reports as set out in Section 3.1;
 - (iii) submit Invoices, Proof of Payment, and any other supporting documentation outlined in Schedule “D”, or otherwise required by the IESO, as evidence of the Activities completed;
 - (iv) complete and submit the Requests for Funding and any applicable Deliverables by the Submission Deadlines; and
 - (v) not make any changes to the FIT Project or any other elements of the Application or the Funding Agreement, other than a change to the Funding Agreement with prior written consent of the IESO pursuant to Section 7.3.
- (b) Upon submission of each Deliverable, the Recipient represents and warrants to the IESO that:
 - (i) the Recipient is in compliance with the Funding Agreement and the FIT Program;
 - (ii) every External Resource used by the Recipient to carry out the Deliverables was procured using a Competitive Procurement Process, if required to do so pursuant to Section 4.2;
 - (iii) the Request for Funding does not request funding in respect of any Ineligible Expenses or duplicative funding, as per the Recipient’s obligations under Sections 4.4 and 4.5, respectively;
 - (iv) as of the submission date of the Deliverable, no Default Event or Termination Event has occurred or is occurring; and
 - (v) all information contained in the Deliverables is true, accurate and complete in all material respects.

- (c) The Recipient acknowledges and agrees that:
- (i) the IESO retains the sole and absolute discretion to accept or reject Deliverables and evidence of completion of the Activities other than as set out herein;
 - (ii) the determination of the acceptability, quality, and completeness of a Deliverable will be in the sole and absolute discretion of the IESO and the IESO will have the right to reject all or a portion of any Deliverable if it determines that the Deliverable is not acceptable, is of insufficient quality, or is incomplete;
 - (iii) acceptance of a Deliverable by the IESO under the Funding Agreement is only for the purpose of verifying the acceptable completion of the Deliverables for the purpose of the Funding Agreement and is not an endorsement by the IESO for any other purpose;
 - (iv) it is the responsibility of the Recipient to notify the IESO immediately of any delays or events that may materially affect the completion of the Work at any time;
 - (v) the Recipient is solely responsible for any action or inaction, whether or not such action or inaction results in a Default Event or Termination Event, of the Internal Resources and External Resources used by the Recipient in respect of the Work and the Funding Agreement; and
 - (vi) where the Recipients are Joint Recipients, the Joint Recipients are jointly and severally liable under the Funding Agreement, including for any action or inaction of the Lead Recipient appointed by such Joint Recipients to represent them to the IESO under the Funding Agreement.

SECTION 3 REPORTING

3.1 Reports

- (a) The Recipient will be required to submit to the IESO the following reports to provide updates on progress to-date as well as identification of any setbacks that may impact timelines:
- (i) Check-In Reports, as set out in Schedule “D”;
 - (ii) if requested by the IESO, additional Check-In Reports, within ten (10) Business Days of any such request from the IESO;
 - (iii) the Request for Funding Summary Report; and
 - (iv) the Final Summary Report;
- (collectively, the “**Reports**”).

- (b) The Recipient shall ensure that the Reports are signed by an authorized signing officer of the Recipient or, in the case of Joint Recipients, the Lead Recipient.
- (c) If a Report is not accepted by the IESO, the IESO will notify the Recipient of the IESO's refusal of the Report within twenty (20) Business Days of receipt of the Report.
- (d) Should the IESO not accept a Report, the Recipient must re-submit the Report within ten (10) Business Days of the IESO's request.

SECTION 4 PROJECT EXPENSES

4.1 Eligible Expenses

- (a) Funding will be provided for Eligible Expenses included in a Request for Funding submitted to the IESO in accordance with the Funding Agreement, up to the applicable Maximum Funding Amount. Any such funding will not include amounts relating to benefits, deductions and withholdings, including any taxes, union dues, Canada Pension Plan contributions, employment insurance contributions, and employer contributions by the Recipient for Internal Resources.
- (b) Eligible Expenses must be evidenced by supporting documentation as set out in the Funding Agreement or as otherwise required by the IESO.
- (c) Expenses paid by the Recipient for Internal Resources that provided services used to complete Work must satisfy the following requirements in order to be considered **"Eligible Internal Expenses"**:
 - (i) the expenses must have been incurred for the services of Internal Resources that are directly related to the completion of the Work and, in the opinion of the IESO, such expenses were reasonably necessary to carry out the Work, and, for clarity, are not expenses relating to any other services that the Internal Resource may provide to the Recipient;
 - (ii) the number of hours devoted to the completion of the Work must reflect the number of hours that would be required to accomplish the Work by an appropriately qualified and experienced individual working reasonably and efficiently;
 - (iii) the expenses are evidenced by Timesheets and Proof of Payment; and
 - (iv) the expenses are not Ineligible Expenses.
- (d) Expenses paid by the Recipient for External Resources that provided services used to complete Work must satisfy the following requirements in order to be considered **"Eligible External Expenses"**:

- (i) the expenses must have been incurred for the services of External Resources that are directly related to the completion of the Work and, in the opinion of the IESO, such expenses were reasonably necessary to carry out the Work;
- (ii) the External Resources were retained pursuant to a Competitive Procurement Process where required pursuant to Section 4.2;
- (iii) the expenses are evidenced by Invoices and Proof of Payment; and
- (iv) the expenses are not Ineligible Expenses.

4.2 Competitive Procurement Process

- (a) Subject to Section 4.2(b), if the Recipient intends to retain a provider of goods or services having an aggregate value equal to or greater than \$15,000.00 (exclusive of HST) in order to carry out the Deliverables, the Recipient must procure the goods or services through a procurement process (the “**Competitive Procurement Process**”) that is in compliance with any applicable procurement policy of the Recipient and at a minimum complies with the following requirements:
 - (i) the request for proposals contains a clear description and specifications of the deliverables and does not contain any features that would unduly reduce or restrict competition;
 - (ii) purchases, commitments, projects or deliverables have not been fragmented, subdivided or split for the purpose, in whole or in part, of being valued below \$15,000.00 (exclusive of HST) to avoid a competitive procurement process;
 - (iii) the bidders are at Arm’s Length to the Recipient, or Joint Recipients, and to each other;
 - (iv) there has been no price fixing or other collusion between any of the bidders or between any bidder and the Recipient;
 - (v) at least two bidders have participated, unless an exception to this requirement has been granted by the IESO;
 - (vi) all bidders have appropriate skills, qualifications and experience in respect of the goods or services to be provided;
 - (vii) bids have been submitted in writing and are confidential;
 - (viii) the winning bid has been chosen in accordance with transparent criteria reflecting price or quality;
 - (ix) adequate written records have been made and kept regarding the process;
 - (x) the process has been procedurally fair; and

- (xi) the Recipient has not been subject to any actual or potential conflict of interest.
- (b) Where the provider of goods or services has been providing such services to the Recipient prior to January 1, 2016, or the value of the services is less than \$15,000.00 (exclusive of HST), the requirement of a Competitive Procurement Process will not apply to the engagement or retention of such External Resource.

4.3 Compliance with the Ontario Travel, Meal and Hospitality Expenses

- (a) The Recipient acknowledges and agrees that all meeting, travel and hospitality expenses it incurs in fulfilling its obligations under the Funding Agreement shall, at all times, be made in accordance with the Ontario Travel, Meal and Hospitality Expenses Directive to which the IESO is subject, as may be amended or replaced from time to time. The Ontario Travel, Meal and Hospitality Directive 2010 is available at: <https://www.ontario.ca/government/travel-meal-and-hospitality-expenses-directive-2010>.
- (b) Subject to Sections 4.3(a) and 4.3(c), funding under the Project Development Stream may be provided for meeting expenses (e.g. venue rentals, chair and table rentals, audio-visual equipment, travel to and from meetings, lodging, hospitality, etc.) that are directly related to the Activities.
- (c) The Recipient may claim any such expenses as Eligible Expenses up to a maximum of:
 - (i) if the FIT Project does not form part of a FIT Project Portfolio, \$5,000 per FIT Project; or
 - (ii) in respect of a FIT Project Portfolio, \$10,000 per Recipient;as applicable.

4.4 Ineligible Expenses

- (a) The following expenses (the “**Ineligible Expenses**”) are ineligible for inclusion as a Project Expense under the EPP:
 - (i) any Costs of acquiring an Economic Interest, by any means, including any equity or equity-like contribution, in the FIT Supplier or its Affiliate;
 - (ii) any Costs associated with submitting the Application, or applications under any of the Support Programs, or entering into a funding agreement under any of the Support Programs;
 - (iii) any Costs associated with meeting the administrative obligations of the Application or Funding Agreement under the EPP or any other Support Program, including preparing and submitting Deliverables;

- (iv) any amounts paid to Governmental Authorities, including fees paid for governmental certifications;
- (v) any Costs or activities related to meeting with or the lobbying of any Governmental Authority or the IESO;
- (vi) any Costs in respect of employees or any other internal resources or commitments that do not pertain to the FIT Project or FIT Project Portfolio;
- (vii) any Costs related to activities listed in Section 6.1(c) of the Project Development Rules;
- (viii) any Costs associated with Work that have already received funding under any other funding agreement with the IESO for the same FIT Project, or that have otherwise been fully funded by another source;
- (ix) any Costs related to the purchase or leasing of equipment or supplies, telecommunications hardware, computer hardware or software;
- (x) any Costs associated with use of personal devices (e.g. costs relating to mobile or landline phones, costs of laptops or internet service provider fees, etc.);
- (xi) any Costs related to administrative operating expenses such as real estate expenses, insurance, office supplies, printing, mailing, utilities, membership dues, subscriptions, accounting activities, or maintenance of equipment;
- (xii) any Costs for hospitality, travel, meals or lodging that do not comply with the Ontario Travel, Meal and Hospitality Directive 2010, as further outlined in Section 4.3;
- (xiii) any Costs that have not been approved by the IESO as part of the Budget or otherwise in writing;
- (xiv) any Costs that are not either an Eligible External Expense or an Eligible Internal Expense;
- (xv) any Costs that the Recipient(s) did not incur directly or are not directly related to the FIT Project;
- (xvi) any Costs incurred, or relating to any activity, matter or thing carried out before the Eligible Funding Date or after the Contract End Date;
- (xvii) any Costs incurred that are not evidenced by Deliverables or other evidence satisfactory to the IESO, in its sole and absolute discretion;
- (xviii) any Costs that, in the IESO's view, in its sole and absolute discretion, materially deviate from the approved Application with respect to the Activities, Work Plan, Budget, Project Team, timelines or Project(s) description;

- (xix) any Costs paid by means of services in-kind, cash, bonds, promissory notes or barter;
 - (xx) any Costs in respect of HST;
 - (xxi) any Costs in respect of any benefits, deductions and withholdings, including any taxes, union dues, Canada Pension Plan contributions, employment insurance contributions and employer contributions paid by the Recipient in respect of the employment of Internal Resources;
 - (xxii) any capital, operating, maintenance, or construction-related Costs of a FIT Project;
 - (xxiii) any Costs associated with preparing a FIT Application or entering into a FIT Contract, including the legal review of relevant program or contractual documents;
 - (xxiv) any application fees, application security or performance security required to be paid to the IESO under the FIT Program;
 - (xxv) any Costs incurred in respect of a FIT Project following the issuance by the IESO of a Notice to Proceed, provided that:
 - (A) the IESO may, in its sole and absolute discretion, accept certain expenses incurred after the IESO issues a Notice to Proceed if the IESO determines that the expenses relate to work that was substantially and reasonably started before such Notice to Proceed was issued;
 - (B) if the Funding Agreement relates to more than one FIT Project, then any costs in respect of any particular FIT Project shall be considered Ineligible Expenses if:
 - (1) the costs are incurred following the issuance by the IESO of a Notice to Proceed in respect of that FIT Project, to the extent that they can be distinguished from expenses incurred in respect of the Recipient's other FIT Projects; or
 - (2) the costs are incurred following the date on which the last FIT Project among the Recipient's FIT Projects to receive a Notice to Proceed is issued a Notice to Proceed by the IESO;
 - (xxvi) any Costs incurred while the FIT Contract is in Default or after it has been terminated by the FIT Supplier or the IESO; and
 - (xxvii) any other Ineligible Expenses set out in Schedule "E" hereto.
- (b) The Recipient must not request funding from the IESO for any Ineligible Expense.

4.5 Duplicative Funding

- (a) Where the Recipient has received, receives, or expects to receive additional government funding (whether under the Support Programs, the IESO's former support programs, or otherwise from any of the federal, provincial or municipal governments, or any of their agencies) in relation to any Activity or Deliverable:
 - (i) the Recipient is required to disclose such sources of funding to the IESO;
 - (ii) the Recipient consents to the IESO contacting any such sources of funding to verify any information in respect of the same;
 - (iii) the Recipient acknowledges and agrees that the Recipient must not request, apply for or accept any such duplicative funding from the IESO under the Funding Agreement; and
 - (iv) the Recipient acknowledges and agrees that any such funding will be deducted from any funding that would otherwise be disbursed to a Recipient under the Funding Agreement, and failure by the Recipient to disclose such additional funding will be considered a Default Event under Section 8.2 of the Funding Agreement.
- (b) The IESO has the sole and absolute discretion to withhold funding for any Work that is, or is perceived to be, duplicative of funding received from any other source.

SECTION 5 FUNDING AND PAYMENTS

5.1 Maximum Funding Amount

The maximum funding amount (the "**Maximum Funding Amount**") that the IESO may pay to the Recipient pursuant to the Funding Agreement is the amount set out on the cover page to the Funding Agreement.

5.2 Requests for Funding

- (a) In order to receive a First Disbursement or Subsequent Disbursement, the Recipient must submit a Request for Funding to the IESO as required by Section 5.3.
- (b) Requests for Funding may be submitted no more frequently than quarterly or as otherwise provided for in Schedule "D".
- (c) The IESO may approve or refuse a Request for Funding, in its sole and absolute discretion.
- (d) Without limiting the generality of Section 5.2(c), in the event that the Recipient is in Default under any other agreement, if any, between the Recipient and any of the IESO, its predecessor entities, or any of their third party funds managers, whether entered into before or after the Contract Start Date, the IESO may refuse a Request for Funding,

in its sole and absolute discretion, and may continue to refuse such Request for Funding on this basis until such Default is cured in accordance with such other agreement.

- (e) If the Request for Funding is not approved by the IESO, the IESO will use commercially reasonable efforts to notify the Recipient of the IESO's refusal of the Request for Funding within a reasonable time of receipt of the Request for Funding. Should the IESO refuse the Request for Funding, the Recipient must comply with any instructions from the IESO, amend its Request for Funding, and, unless otherwise instructed by the IESO, re-submit it to the IESO within ten (10) Business Days of receiving such instructions from the IESO.
- (f) If the IESO approves the Request for Funding, the IESO will endeavour to provide the Recipient with the Disbursement pursuant to Section 5.3 within a reasonable time following receipt of the Request for Funding.

5.3 Disbursements

- (a) In order to receive a Disbursement, the Recipient will be required to submit the following Deliverables by the Submission Deadline provided for in Schedule "D" hereto:
 - (i) any Deliverable(s) associated with the Disbursement, as outlined in Schedule "D" of the Funding Agreement;
 - (ii) a Request for Funding;
 - (iii) any other information the IESO may request, including any Check-In Reports, in its sole and absolute discretion;
 - (iv) evidence that the Recipient has entered into the FIT Contract and evidence of the Participation Level of the Recipient, for a First Disbursement; and
 - (v) a Final Summary Report, for any Disbursement that, in the opinion of the IESO in its sole and absolute discretion, will be the final Disbursement that will be paid to the Recipient either because it causes the Recipient to have received the Maximum Funding Amount or for any other reason.
- (b) Following approval of any Request for Funding in accordance with Section 5.2(c), and provided that the Recipient is not in breach of any of its obligations under the Funding Agreement, the IESO will pay the Recipient:
 - (i) the first Disbursement (the "**First Disbursement**"), which amount shall be:
 - (A) for each FIT Project not forming part of a FIT Project Portfolio, 50% of the Project Expenses multiplied by the Participation Level of the Recipient as determined by the FIT Contract, up to the Maximum Funding Amount; or

- (B) for each FIT Project Portfolio, 50% of the Project Expenses multiplied by the average of the Participation Levels of the Recipient in respect of the FIT Contracts as determined by the respective FIT Contracts, up to the Maximum Funding Amount; or
- (ii) provided that any previous Disbursements totalled an amount less than the Maximum Funding Amount, one or more subsequent Disbursements (each, a **"Subsequent Disbursement"**), which amount shall be:
 - (A) for each FIT Project not forming part of a FIT Project Portfolio, 50% of the Project Expenses, which Project Expenses were not captured by the Request for Funding under the First Disbursement or any previous Subsequent Disbursement, multiplied by the Participation Level of the Recipient as determined by the FIT Contract, up to the Maximum Funding Amount; or
 - (B) for each FIT Project Portfolio, 50% of the Project Expenses, which Project Expenses were not captured by the Request for Funding under the First Disbursement or any previous Subsequent Disbursement, multiplied by the average of the Participation Levels of the Recipient in respect of the FIT Contracts as determined by the respective FIT Contracts, up to the Maximum Funding Amount;

as applicable. For the purposes of this Section 5.3(b), any Project Expenses relating to Community Engagement Activities will be funded at 50% of the Project Expenses without being subject to the calculation of the Participation Level set out above, all of which remains subject to the Maximum Funding Amount.

5.4 Payment

- (a) Subject to Section 8.4(d), the IESO will not provide a Disbursement to the Recipient for any Request for Funding that was not approved by the IESO prior to the Contract End Date.
- (b) Funding Payments will only be made directly to the Recipient for Project Expenses that have been paid by the Recipient. Where expenses have been jointly incurred by a Recipient and another Person, the Funding Payment will only reimburse the Recipient for the portion of the expense that the Recipient demonstrates to the IESO was paid by the Recipient.
- (c) Subject to Section 5.4(d), the IESO will pay the Recipient, by electronic fund transfer, unless otherwise authorized in writing by the IESO.
- (d) In a case where more than one Recipient is a party to the Funding Agreement, all Recipients acknowledge and agree that the IESO will make payment to the Lead Recipient only and that any and all payments made to the Lead Recipient are deemed to be payments made to all Recipients for the purposes of the Funding Agreement. All Recipients acknowledge and agree that the Lead Recipient is responsible for making

payments to the other Recipients, and the IESO has no liability for the Lead Recipient's failure to do so nor do any of the Recipients have any claim against the IESO in respect of any payment made by the IESO to the Lead Recipient under this Funding Agreement.

- (e) HST and all other applicable taxes will be shown separately on all Requests for Funding addressed to the IESO in respect of Project Expenses. The Recipient must deduct all recoverable HST from expenses and other Eligible Expenses of the Recipient before calculating the amounts to be requested from the IESO. The Recipient acknowledges that the Deliverables do not constitute a "supply" and the Funding Payments are not subject to HST under the *Excise Tax Act*. Accordingly, the Recipient acknowledges that the IESO will not be reimbursing, or paying, HST in respect of Project Expenses or the Funding Agreement.

SECTION 6 REPRESENTATIONS AND WARRANTIES

6.1 Recipient's Representations and Warranties

The Recipient represents and warrants as follows and acknowledges that the IESO is relying on such representations and warranties in entering into the Funding Agreement:

- (a) it has reviewed the Project Development Rules, acknowledges that the IESO has recommended that it receive independent legal advice with respect to the Project Development Rules, the Application, and the Funding Agreement, and it has had an opportunity to receive such advice;
- (b) it is a First Nation and Métis Community, Municipality, Public Sector Entity, Co-op, or a Legal Entity that meets the requirements set out in Section 1.2 of the Project Development Rules;
- (c) it is validly existing and it has the requisite power and capacity to enter into the Funding Agreement and to perform its obligations hereunder;
- (d) it has duly authorized, executed and delivered the Funding Agreement, and the Funding Agreement is a valid and binding obligation of the Recipient enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;
- (e) any information the Recipient provided to the IESO, whether in or in support of the Application or the Funding Agreement, is true and complete as of the date the Recipient executed the Funding Agreement;
- (f) the Recipient meets all Mandatory Eligibility Requirements as of the date it executed the Funding Agreement;
- (g) the Recipient has obtained all required third party consents, permissions, and authorizations to do all things contemplated in the Funding Agreement;

- (h) none of the IESO, its predecessor entities, or any of their third-party funds managers have notified the Recipient that it is in Default of any existing agreements with the IESO, its predecessor entities, or any of their third-party funds managers, including funding agreements, and the Recipient has not been party to an agreement with the IESO, its predecessor entities, or any of their third-party funds managers that was terminated by such counterparty as a result of a Default;
- (i) the Recipient has Access Rights to the Project Site(s) either directly or through an Affiliate; and
- (j) the Recipient has not received, and does not expect to receive, additional government funding (whether federal, provincial or municipal) in relation to an Activity for which funding is being provided under the Funding Agreement.

6.2 The IESO's Representations and Warranties

The IESO represents and warrants to the Recipient as follows and acknowledges that the Recipient is relying on such representations and warranties in entering into the Funding Agreement:

- (a) the IESO is a corporation without share capital amalgamated under the laws of the Province of Ontario, and has the requisite power and capacity to enter into the Funding Agreement and to perform its obligations hereunder; and
- (b) the Funding Agreement has been duly authorized, executed, and delivered by the IESO and is a valid and binding obligation of the IESO enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

SECTION 7 NOTIFICATION REQUIREMENTS

7.1 Recipient's Notification Requirements

The Recipient must provide prompt written notice to the IESO within twenty (20) Business Days after the occurrence of any one or more of the following events:

- (a) the Recipient is awarded or receives governmental funding (whether federal, provincial or municipal) for any or all of the Activities being funded under the Funding Agreement;
- (b) the Recipient is in Default of any agreement, including the Funding Agreement or any other funding agreement, with the IESO;
- (c) the Recipient no longer meets one or more of the applicable Mandatory Eligibility Requirements;
- (d) the Recipient becomes aware of any actual or potential conflict of interest;

- (e) the FIT Project experiences any cause, action, occurrence, event or delay, or the Recipient reasonably expects the FIT Project to experience any cause, action, occurrence, event or delay, that has materially affected or may materially affect the Work Plan, the Project Team, the Budget, the Activities, the Deliverables or the Deliverable deadlines, including the Target Completion Dates or Submission Deadlines, in the Funding Agreement;
 - (f) the Recipient or, if applicable, its Affiliate, as the case may be, has been offered a FIT Contract and has informed the IESO they will not be accepting the FIT Contract;
 - (g) the FIT Supplier is in Default under the FIT Contract, or the FIT Contract has been terminated by either of the IESO or the FIT Supplier, as the case may be;
 - (h) the FIT Project has experienced a Force Majeure; and
 - (i) the IESO has issued a Notice to Proceed in respect of the FIT Project;
- as applicable.

7.2 Contents of Notification

In its notification made to the IESO pursuant to Section 7.1, the Recipient must, as applicable:

- (a) identify the reason for the Default or termination of the FIT Contract;
- (b) explain how the Force Majeure will impact the viability of the Project; and
- (c) explain whether and how the Recipient intends to rectify the events set out in its notification made to the IESO pursuant to Section 7.1.

7.3 Amendment Requests

- (a) Subject to Sections 7.3(b) and 7.3(c), a Recipient may request an amendment to the following aspects of the Funding Agreement:
 - (i) the Activities;
 - (ii) the Deliverables;
 - (iii) the Target Completion Dates;
 - (iv) the Submission Deadlines;
 - (v) the Budget; and
 - (vi) the Project Team.
- (b) In order to request an amendment pursuant to Section 7.3(a), a Recipient must submit to the IESO an amendment request, in the form found on the Website (the

“Amendment Request”). The IESO reserves the right to waive the requirement for an Amendment Request for non-material amendments to the Target Completion Dates and the Submission Deadlines, which amendments shall be effective only if confirmed in writing by the IESO.

- (c) The IESO may grant or deny any such Amendment Request in its sole and absolute discretion.
- (d) Any Amendment Request must be signed by the Recipient and, in the case of Joint Recipients, the Lead Recipient. Any Amendment Request must provide the IESO with a rationale for the amendment requested and an updated Work Plan and Budget, to the extent that the Amendment Request would require a change to the Work Plan and Budget.
- (e) Upon submission of an Amendment Request, the Recipient must represent and warrant to the IESO that it is in compliance with all of its obligations under the EPP, the Funding Agreement, the FIT Program, and all other Support Programs, as applicable.
- (f) Upon submission of an Amendment Request, if the Amendment Request relates to a change to, or addition of, an External Resource, the Recipient must provide the IESO with evidence that it undertook a Competitive Procurement Process, or that it is exempt from the Competitive Procurement Process requirement provided for under Section 4.2(b), which includes providing copies of relevant requests for proposals (if applicable), quotes and rates from potential service providers showing the agreed upon rates for services between all External Resources, as applicable.
- (g) If a Recipient is requesting an amendment in respect of the Submission Deadline of a Deliverable, then such Amendment Request must be submitted at least ten (10) Business Days prior to such Submission Deadline.
- (h) If a Recipient is requesting an amendment in respect of the Submission Deadline of a Deliverable, then the IESO shall not be liable to the Recipient for, and shall not pay any Disbursement as compensation for, any expenses incurred in respect of such Deliverable (i) after such Amendment Request is submitted, and (ii) after such Submission Deadline, unless such Amendment Request is approved.
- (i) If the Amendment Request is granted pursuant to Section 7.3(c), the IESO will provide an executed letter to the Recipient outlining the changes to the Funding Agreement, including, if applicable, any new Submission Deadlines related to Deliverables or any new Contract End Date. The Recipient, or in the case of Joint Recipients, all Joint Recipients, will then execute such letter to indicate its acceptance of the changes to the Funding Agreement and return it to the IESO in accordance with its terms and Section 19 of the Funding Agreement. The changes to the Funding Agreement outlined in such letter shall only become effective once it has been duly executed by both the IESO and the Recipient, and aside from the changes outlined in such letter, the Recipient shall remain bound by all of the terms and conditions of the Funding Agreement.

8.1 Term

The Funding Agreement will become effective on the Contract Start Date and will terminate on the Contract End Date.

8.2 Default Events

- (a) Any material breach of the Funding Agreement by the Recipient, including those set out below, will be an event of default ("**Default Event**"):
 - (i) the Recipient fails to notify the IESO of any actual or potential conflict of interest;
 - (ii) the Recipient has amounts owing to the IESO in respect of another funding agreement or other program, contract or arrangement with the IESO that have not been paid after due notice;
 - (iii) in the opinion of the IESO, there are any material errors or materially incorrect information in the Application of the Recipient;
 - (iv) the IESO notifies the Recipient that it is in Default of any existing agreements with the IESO, its predecessor entities, or any of their third-party funds managers, including funding agreements;
 - (v) the Recipient fails to complete the Activities and submit the Deliverables by the Submission Deadline, unless the IESO has agreed in writing, in its sole and absolute discretion, to amend the Submission Deadline; and
 - (vi) the Recipient fails to notify the IESO of any of the events set out in Section 7.1 of the Funding Agreement.
- (b) Should a Default Event occur, the IESO will be entitled to deliver to the Recipient a written notice that the Recipient is in default of its obligations under the Funding Agreement (the "**Notice of Default**"). The Notice of Default will set out the nature of the Default and a reasonable period of time by which the Default must be cured.

8.3 Termination Events

- (a) Each of the following events may, in the IESO's sole and absolute discretion, trigger the early termination of the Funding Agreement, provided that the events described in Sections 8.3(a)(vii) through 8.3(a)(ix) shall trigger the automatic early termination of the Funding Agreement (each a "**Termination Event**"):
 - (i) in the opinion of the IESO, the Recipient has provided false or misleading information in its Application, the Funding Agreement, a Deliverable, or in any other communication with the IESO, whether written, oral, or by omission;

- (ii) the Recipient commits, or the IESO reasonably believes that the Recipient has committed, any act of fraud in relation to the IESO, the FIT Project, the Project Development Rules, the Funding Agreement, or any of the other Support Programs, or has been convicted under the *Criminal Code* (Canada) of fraud or a fraud-related offence;
 - (iii) any of the events in Section 7.1(f) have occurred;
 - (iv) the Recipient is no longer eligible to participate in the EPP;
 - (v) the Recipient notifies the IESO in writing that it wishes to withdraw from the EPP;
 - (vi) the IESO determines that the Project has been divided, or the Recipient has been formed, for the purpose of increasing the amount of funding that may be available to the Recipient under the EPP;
 - (vii) the Recipient ceases to do business as a going concern, admits in writing its inability to pay debts as they become due, files or becomes the subject of a petition in bankruptcy, appoints a receiver, acquiesces in the appointment of a receiver or trustee, becomes insolvent, makes an assignment for the benefit of creditor, goes into liquidation or receivership or otherwise loses legal control of its business;
 - (viii) funding to the IESO is terminated or the EPP is suspended, revoked, or terminated; and
 - (ix) the IESO terminates the Funding Agreement for convenience by providing written notice to the Recipient, in which case the Funding Agreement will be terminated effective on the date (the “**Termination for Convenience Date**”) that is ten (10) Business Days following the date of such written notice.
- (b) Should the Funding Agreement be terminated pursuant to a Termination Event listed in Section 8.3, the IESO will provide the Recipient with written notice that states that the Funding Agreement is terminated effective the date of such notice.

8.4 Remedies of the IESO

- (a) If any Default Event is not cured by the date set out in the Notice of Default, then the IESO may, upon written notice to the Recipient,
 - (i) suspend the payment of funds for such period as the IESO determines appropriate;
 - (ii) refuse a Request for Funding;
 - (iii) demand the repayment of an amount equal to any funds the Recipient used for purposes not agreed upon by the IESO or that were improperly paid; and/or

- (iv) terminate the Funding Agreement.
- (b) If the Funding Agreement is terminated pursuant to any of Sections 8.3(a)(i) through 8.3(a)(vii), inclusive, or 8.4(a)(iv), the IESO may demand the repayment of an amount equal to any funds the IESO provided to the Recipient and the Recipient will not be eligible for any future payments related to the FIT Project under the EPP or any Support Program. The IESO's remedies hereunder are in addition to any other rights it may have under the Funding Agreement or otherwise. Nothing in this section limits or impacts any other rights or causes of action that the IESO may have regarding representations, warranties, covenants and indemnities in its favour contained in the Funding Agreement.
- (c) If the IESO waives compliance with any of the conditions, obligations or covenants contained in the Funding Agreement, the waiver will be without prejudice to any of its rights of termination in the event of the non-fulfillment, non-observance or non-performance of any other conditions, obligation or covenants in whole or in part.
- (d) If the Funding Agreement is terminated pursuant to Section 8.3(a)(ix), the Recipient shall provide to the IESO, within ten (10) Business Days of the Termination for Convenience Date, all Deliverables in Schedule "D" completed up to the Termination for Convenience Date along with a Request for Funding. If the IESO approves the Request for Funding, and provided that the Recipient is not in breach of any of its obligations under the Funding Agreement as of the Termination for Convenience Date, the IESO shall pay to the Recipient an amount calculated pursuant to Section 5.3(b) based on the Project Expenses incurred up to the date of the notice of the termination pursuant to Section 8.3(a)(ix) from the IESO and evidenced by the Request for Funding that have not been covered by previous Disbursements, up to the Maximum Funding Amount.
- (e) Subject to Section 8.4(b), the IESO may, in its sole and absolute discretion, make a Funding Payment to the Recipient for Project Expenses paid as of the date of termination. The Recipient agrees that such amount will be its sole and exclusive payment, and it will not be entitled to any other amounts whether as damages, Costs, expenses or otherwise.

SECTION 9 RECORDS RETENTION AND AUDIT RIGHTS

9.1 Records Retention

The Recipient must keep and maintain all books and records, including, without limitation, all communications records, Invoices, request for proposal documents, letters, receipts and any documentation related to Deliverables, as applicable, necessary to support the information contained in and with respect to each of the representations and warranties set out herein, any Deliverables submitted to the IESO, and any Request for Funding, statement or information submitted to the IESO in relation to the EPP, for the duration of the Funding Agreement and for a period of seven (7) years thereafter, or such longer period as may be specified by applicable Laws and Regulations (the "**Audit Period**").

9.2 Audit Rights

- (a) The IESO, an independent auditor identified by the IESO, or the Government of Ontario (in each case, the “**Inspecting Party**”), will be entitled to request copies of, and access to, the Recipient’s books and records from time to time during the Audit Period for audit, verification, or reporting purposes, and may provide all such records and information to its third party advisors, the OEB, and the Government of Ontario.
- (b) The Inspecting Party may, at its own expense, upon twenty-four hours’ notice to the Recipient, enter upon the Recipient’s premises during normal business hours to review the progress of the FIT Project and the Recipient’s expenditure of funds and, for these purposes, the Inspecting Party may:
 - (i) inspect and copy the records and documents referred to in Section 9.1 of the Funding Agreement; and
 - (ii) conduct an audit or investigation of the Recipient in respect of the expenditure of the funds, the completion of the Deliverables, or the FIT Project.
- (c) To assist in respect of the rights set out in this Section 9.2, the Recipient must disclose any information reasonably requested by the Inspecting Party, and must do so in a form and within the time frames reasonably requested by the Inspecting Party.
- (d) No provision of the Funding Agreement will be construed so as to give the Inspecting Party any control whatsoever over the Recipient’s records or those of its contractors.
- (e) If any discrepancy is identified by the audit referred to in this Section 9.2, the appropriate adjustments will be promptly made between the Parties.
- (f) If there has been an overpayment by the IESO, the amount of the overpayment will constitute a debt due to the IESO and may be so recovered. If such overpayment is greater than 3% of the appropriate funding in respect of the Deliverables set out in Schedule “D”, the Costs of such audit must be paid by the Recipient, and such amount will also constitute a debt due to the IESO and may be so recovered. Any debt due to the IESO herein referred to may, in addition to any other remedies available at law or in equity, also be recovered by the IESO by set-off.

SECTION 10 REPAYMENT AND SET-OFF

10.1 Repayment

- (a) If the Recipient at any time owes any monies to the IESO, whether or not their return or repayment has been demanded by the IESO, such monies will be deemed to be a debt due and owing to the IESO by the Recipient and the Recipient must pay or return the amount to the IESO immediately unless the IESO directs otherwise in writing.
- (b) The IESO may charge the Recipient interest on any monies owing by the Recipient at the then current interest rate charged by the Province of Ontario on accounts receivable.

- (c) The Recipient must pay any monies owing to the IESO by certified cheque payable to the IESO and sent by registered mail to the IESO at the address provided in Section 19 of the Funding Agreement or as the IESO may otherwise direct from time to time.
- (d) Without limiting the generality of Section 10.1(a), should the IESO discover that monies are owed to it by the Recipient, the IESO shall be entitled to issue a statement to the Recipient indicating the amount that is owed, the basis for the payment, and the deadline by which the monies must be repaid.

10.2 Set-off

The IESO will be entitled to set-off any monies owed to it by the Recipient or to which the IESO may be entitled pursuant to any other agreement with the Recipient, including any FIT Contract or LRP Contract, against any obligations that the IESO may have to the Recipient under the Funding Agreement or any other agreement.

SECTION 11 CONFIDENTIALITY

11.1 Confidential Information

- (a) **“Confidential Information”** means all information that has been identified as confidential and which is furnished or disclosed by the Disclosing Party and its Representatives to the Receiving Party and its Representatives in connection with a Funding Agreement, whether before or after the Parties signed the Funding Agreement, including all new information derived at any time from any such confidential information, but excluding:
 - (i) publicly available information, unless made public by the Receiving Party in a manner not permitted by the Funding Agreement;
 - (ii) information that is already known to, or in the possession of, the Receiving Party at the time of its disclosure by the Disclosing Party as evidenced by the Receiving Party's records;
 - (iii) information that is lawfully acquired at any time by the Receiving Party without restrictions from a third party without breach of confidentiality by such third party;
 - (iv) the Final Summary Report; and
 - (v) information that is independently developed by the Receiving Party, as evidenced by the Receiving Party's records.
- (b) The Recipient acknowledges and agrees that the IESO will have the right to make public the names of the Recipient or any of its Affiliates, Joint Recipient and any Person that Controls or is affiliated with the Recipient, the title, location, and type of renewable technology of the Project(s), and the amount of the Funding Payments, if any.

- (c) The Recipient acknowledges and agrees that the IESO may communicate with any of the Recipient, its Affiliates, or any third party in order to verify any information provided in connection with the Funding Agreement. The Recipient expressly consents to such communication and disclosure of any relevant information.
- (d) The Recipient acknowledges and agrees that the IESO reserves the right to disclose to the Government of Ontario and its ministries and agencies, including the System Operator, Auditor General of Ontario, Ministry of Energy and MNR, as well as the IESO's counsel, consultants and other advisors retained for the purpose of administering the EPP, all information contained in an Application and Funding Agreement and all other information with respect to a Recipient or its Affiliates that it has received in the course of carrying out the EPP, including Confidential Information.
- (e) The Recipient consents to the IESO contacting any sources of funding identified by the Recipient as provided for in to Section 3.7 of the Project Development Rules.
- (f) The Recipient authorizes the collection by the IESO of the information set out in the Application and the Funding Agreement and otherwise collected in accordance with the terms hereof, and the use of such information for the purposes set out in or incidental to the Project Development Rules and the Funding Agreement, and for the purposes of offering, managing and directing the EPP generally.
- (g) The Recipient agrees that the IESO may share the Confidential Information of the Recipient with the Ministry of Energy and use the Confidential Information of the Recipient for the purposes of creating policies and standards for the development of community power projects or programs, for policy development, and for general reporting purposes. These standards, policies and reports may be made publicly available provided they do not disclose any information specific to the FIT Project or Recipient-specific information. Subject to Sections 11.1(b) to 11.1(g), the Receiving Party will,
 - (i) use the Confidential Information of the Disclosing Party solely in connection with performing its obligations and exercising its rights under the Funding Agreement; and
 - (ii) not publish, reproduce, copy, disseminate or disclose the Confidential Information, or otherwise use the same except in performing its obligations under the Funding Agreement, without the prior written consent of the Disclosing Party.
- (h) Subject to Sections 11.1(b) to 11.1(g), the Receiving Party must maintain the Confidential Information of the Disclosing Party in confidence using at least the same degree of care as it employs in maintaining in confidence its own proprietary and confidential information, but in no event less than a reasonable degree of care.
- (i) Upon the expiry or termination of the Funding Agreement and at the request of the Disclosing Party, the Receiving Party will destroy or return the Confidential Information to the Disclosing Party, provided that the Receiving Party may retain a copy of such

essential information as required by Laws and Regulations or its document retention policies.

11.2 FIPPA Compliance

The Recipient acknowledges that the IESO is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) ("**FIPPA**") and that any information provided to the IESO in connection with the FIT Project or otherwise in connection with the Funding Agreement is subject to disclosure in accordance with *FIPPA*. Each Party must comply with all privacy laws applicable to it.

SECTION 12 INTELLECTUAL PROPERTY RIGHTS

12.1 Intellectual Property

"**Intellectual Property**" means any intellectual, industrial or other proprietary right of any type in any form protected or protectable under the laws of Canada, any foreign country, or any political subdivision of any country, including all trademarks, official marks, copyrights, applications and registrations therefore, confidential information, all programs, plans, procedures, art, drawings, designs, patterns, specifications, process, data, research, documents, reports, studies, papers, preliminary sketches, layouts, copy, commercial material, computer software, source codes, photography, films, video tapes, transcriptions, compilation of information, and all plans for advertising.

12.2 Ownership Rights

- (a) Each Party will retain all rights, title and interest in and to its Intellectual Property. Neither Party will acquire any right, title or interest in or to any Intellectual Property of the other Party pursuant to the Funding Agreement.
- (b) Except to the extent provided for in Section 13.1, the IESO grants the Recipient no license or other rights to use any names, logos or marks associated with the IESO, the Province of Ontario, or the EPP.
- (c) The Recipient grants the IESO the right to use the Final Summary Report on the Website and in its promotional materials, as well as to make changes to the Final Summary Report including editing for grammar and style.

SECTION 13 ACKNOWLEDGEMENT OF SUPPORT

13.1 Acknowledgement

The Recipient must recognize the IESO's contribution in all publicity and non-confidential publications related to the FIT Project in written documents by including the following text, unless instructed by the IESO otherwise:

"This project was made possible in part through the financial support of the Independent Electricity System Operator's (IESO) Energy Partnerships Program."

[Insert name of the Recipient] is solely responsible for implementation of this project, and the IESO has no responsibility or liability whatsoever in the event that any person suffers any losses or damages of any kind as a result of the project."

13.2 Publishing Materials

If the Recipient publishes any material of any kind relating to the Project, the Recipient must indicate in the material that the views expressed in the material are the views of the Recipient and do not necessarily reflect those of the IESO or the Province of Ontario. The IESO will not endorse any product or thing developed or produced as a result of, or in connection with, the Project and the IESO's acceptance of any Project or Deliverable will not be construed as an endorsement by the IESO for any other reason.

SECTION 14 CONFLICT OF INTEREST

14.1 No Conflict

- (a) The Recipient must carry out the Activities and use the Disbursements without any actual or potential conflict of interest.
- (b) For the purposes of this section, a conflict of interest includes any circumstances where:
 - (i) the Recipient; or
 - (ii) any person who has the capacity to influence the Recipient's decisions;has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Recipient's objective, unbiased and impartial judgment relating to the FIT Project and the use of the Disbursements.

14.2 Disclosure of Conflicts

The Recipient must:

- (a) disclose to the IESO in writing, without delay, any situation that could reasonably be interpreted as either an actual or potential conflict of interest or other breach of this Section 14; and
- (b) comply with any terms and conditions that the IESO may reasonably prescribe as a result of the disclosure (without prejudice to any remedy the IESO may be entitled to exercise hereunder).

SECTION 15 LIABILITY

15.1 No IESO Liability

- (a) Notwithstanding anything contained in the Funding Agreement, the Recipient acknowledges and agrees that the IESO will not have any liability whatsoever in the event that the Recipient suffers any losses or damages of any kind as a result of:
 - (i) undertaking any Activity;
 - (ii) the completion of a Deliverable;
 - (iii) the Lead Recipient's disbursement of funds among Joint Recipients, if applicable;
 - (iv) any delays in processing the Deliverables or releasing the Funding Payments to the Recipient;
 - (v) the subject matter of the Funding Agreement; or
 - (vi) participation in the EPP.
- (b) By entering into the Funding Agreement, the IESO does not in any way represent, warrant or guarantee that any of the Recipient or any of its Affiliates will be awarded any additional FIT Contract.
- (c) Despite anything in the Project Development Rules or otherwise in the Funding Agreement, Recipients are solely responsible for ensuring the technical, regulatory and financial viability of their FIT Projects, and the IESO shall have no responsibility whatsoever to independently assess the viability of any FIT Project, nor any liability in the event that a FIT Project turns out not to be viable in any respect.

15.2 Joint and Several Liability of Joint Recipients

In a case where more than one Recipient is a party to the Funding Agreement, then all Recipients shall be jointly and severally liable to the IESO for all representations, warranties, obligations, covenants and liabilities hereunder.

SECTION 16 INDEMNIFICATION

16.1 Indemnification

The Recipient agrees to indemnify and hold the IESO, its affiliates, and its officers, directors, members, partners, principals, agents, servants, employees and subcontractors (collectively, the "**Indemnitees**") harmless from and against any and all actions, claims, damages, losses, liabilities, expenses, costs, judgments, settlements or other costs, including without limitation, reasonable attorneys' fees, arising out of or relating to: (i) any material breach of or material inaccuracy in any representation, warranty, or covenant of the Recipient in the Funding Agreement, the Application or the Project Development Rules; (ii) any claim that any activities infringe upon or violate any patent, copyright, trade secret, contractual, or any other proprietary right of any third party, and (iii) any bodily injury, death or damage to property related to or arising out of the FIT Project, the EPP, the Project Development Rules or the Funding Agreement, including that caused by any act or negligent omission or wilful misconduct of the Recipient,

its affiliates, and each of their officers, directors, members, partners, principals, agents, servants, employees and subcontractors.

SECTION 17 INSURANCE

17.1 Insurance Requirements

- (a) The Recipient will obtain and maintain throughout the term, at its own cost and expense, all the necessary and appropriate insurance covering such risks and in such amount that a prudent person would maintain when completing the Deliverables. Under no circumstances will the IESO be liable to the Recipient or any employee thereof for any failure by the Recipient to obtain any insurance necessary or desirable in relation to the subject matter of the Funding Agreement.
- (b) The Recipient must, upon request of the IESO, provide proof of the insurance required by the Funding Agreement in the form of valid certificates of insurance and confirm the required coverage exists, as at the time of the commencement of the Funding Agreement, and, if applicable, renewal replacements on or before the expiry of any such insurance. Upon the request of the IESO, a copy of each insurance policy must be made available to it.

SECTION 18 DISPUTE RESOLUTION

18.1 Arbitration

Unless otherwise provided for in the Funding Agreement, all disputes arising out of or relating to the Funding Agreement that cannot be resolved by the Parties following an appropriate period of discussion will be resolved by way of binding arbitration. In such case, the Parties will appoint a single arbitrator, or if the Parties fail to appoint an arbitrator within 15 days following the delivery of a Party's intention, notice or demand to refer the dispute to arbitration, upon application of either of the Parties, the arbitrator will be appointed by a judge of the Superior Court of Justice (Ontario) sitting in the Judicial District of Toronto Region. The arbitrator must not have any current or past business or financial relationships with any Party (except prior arbitration). The arbitrator must provide each of the Parties an opportunity to be heard and must conduct the arbitration hearing in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). Unless otherwise agreed to by the Parties, the arbitrator will render a decision within 30 days after the end of the arbitration hearing and must notify the Parties in writing of such decision and its accompanying reasons. The arbitrator will be authorized only to interpret and apply the provisions of the Funding Agreement and shall have no power to modify or change the Funding Agreement in any manner. The decision of the arbitrator will be conclusive, final and binding upon the Parties. Each Party will bear its own Costs incurred in conducting the arbitration and will share equally the Costs of any third party associated with the arbitration.

18.2 IESO's Alternative Remedies

Despite Section 18.1, where the Recipient owes a debt to the IESO under the Funding Agreement, the IESO shall be entitled, in its sole and absolute discretion, to pursue all available remedies, including arbitration, small claims court, litigation, engaging the services of collection agencies, or exercising rights of set-off as provided for in the Funding Agreement. Further, despite Section 18.1, where there is

a dispute between the Parties, which dispute has a monetary value of \$25,000 or less, the IESO may, in its sole and absolute discretion, pursue any and all remedies available to it in small claims court.

SECTION 19 NOTICE PROVISIONS AND COMMUNICATION

- (a) Subject to Section 19(g), any notices required to be given by the Funding Agreement may be given by personal delivery, in which case the notice will be deemed to have been given on the day of delivery, or by prepaid post, in which case the notice will be deemed to have been given with the expiration of the fifth day after the date of mailing, or by electronic means on a Business Day, in which case the notice will be deemed to have been given on the Business Day next following the Business Day of sending, and in each case to the address given below:

In the case of the IESO:

Independent Electricity System Operator

120 Adelaide Street West, Suite 1600
Toronto, Ontario, M5H 1T1

Attention: Contract Management – Energy Support Programs
Phone No: (416) 969-6317
Email: EPP@ieso.ca

- (b) No amendment, waiver or other contractual documentation relating to the EPP will be binding on the IESO unless it is executed by a representative of the IESO's "Contract Management – Energy Support Programs" division.
- (c) In the case of the Recipient, to the address of the Recipient or, if applicable, the Lead Recipient set out on the cover page of the Funding Agreement.
- (d) Notices delivered hereunder are for the purposes of the EPP only and do not constitute notice for any other purpose, including any obligation to provide notice to the IESO under the FIT Program or the System Operator pursuant to the IESO Market Rules. No notice to or from the IESO will be binding on the IESO pursuant to the Funding Agreement unless the sender of such notice identifies the recipient of such notice as "Contract Management – Energy Support Programs."
- (e) A Recipient must not at any time directly or indirectly communicate with the media, the Ministry of Energy, or any Person other than its Internal Resources and External Resources in relation to the Project Development Rules, the Application, the EPP, or any Funding Agreement awarded without first obtaining the written permission of the IESO or as authorized by Schedule "C" of the Funding Agreement. Such prohibited communication by a Recipient may result in termination of the Funding Agreement.
- (f) The Recipient's contact information, including a valid email address, may be amended by the Recipient by providing written notice to the IESO. The IESO will not be

responsible for any failed transmission resulting from a Recipient's failure to provide accurate contact information.

- (g) If the Recipient sends information or documentation to the IESO at the above street address, the Recipient must use a courier or registered mail, and must require a signature from the IESO evidencing receipt of the package. The IESO will not be deemed to have received such package unless receipt by the IESO is evidenced by signature of an IESO representative.
- (h) If applicable, the IESO is permitted to, but shall not be obligated to, communicate with or provide any notices to a Recipient who is not the Lead Recipient.
- (i) The IESO reserves the right to refuse to communicate with External Resources in respect of the Funding Agreement without the direct involvement of the Recipient or Lead Recipient, as applicable.
- (j) All Recipients acknowledge and agree that any knowledge of or communication with the Lead Recipient or any Recipient shall be deemed to the knowledge of or communication to all Recipients that are Parties to the Funding Agreement.

SECTION 20 INTERPRETATION

20.1 Table of Contents and Headings

The inclusion of a table of contents and headings and the division of the Funding Agreement into articles, sections, and subsections are for convenience of reference only and will not affect the interpretation of the Funding Agreement. Unless otherwise indicated, any reference in the Funding Agreement to an article, section, subsection or Schedule refers to the specified article, section or subsection of or Schedule to the Funding Agreement.

20.2 Number and Gender

In the Funding Agreement, words importing the singular number will include the plural and vice versa, and words importing gender will include all genders.

20.3 Currency

Unless otherwise indicated, all dollar amounts referred to in the Funding Agreement are expressed in Canadian funds.

20.4 Time Periods and Business Days

- (a) Time periods within which a payment is to be made or any other action is to be taken hereunder will be calculated excluding the day on which the period commences, but including the day on which the period ends.
- (b) Whenever payment is to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment will be made or action taken on the next following Business Day.

20.5 References to Statutes or Agencies

- (a) Reference to any statute, regulation or bylaw will be deemed to be a reference to such statute, regulation or bylaw as amended, re-enacted or replaced from time to time, unless otherwise agreed herein.
- (b) Reference to any Governmental Authority will be deemed to be a reference to such Governmental Authority or any successor thereof, unless otherwise agreed in the Funding Agreement.

20.6 Reasonableness

Whenever a Party is permitted or required to make a determination or decision or provide its consent pursuant to the Funding Agreement, the Party must act reasonably unless the Funding Agreement indicates that such Party may act otherwise (e.g. in its sole and absolute discretion).

20.7 Time is of the Essence

Time will at all times be of the essence of the Funding Agreement.

20.8 Entire Agreement

At any particular time, the Funding Agreement, together with all Schedules then attached hereto (or as replaced and superseded in accordance with the terms of the Funding Agreement), constitute the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in the Funding Agreement.

20.9 Governing Law

The Funding Agreement will be construed and governed by the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

20.10 Binding Agreement

The Funding Agreement will enure to the benefit of and will be binding on and enforceable by the Parties and, where the context so permits, their respective successors and the IESO's assigns. Except as otherwise set out in the Funding Agreement, the Funding Agreement will not confer upon any other Person except the Parties and their respective successors and the IESO assigns, any rights, interests, obligations or remedies under the Funding Agreement.

20.11 Assignment

The Recipient must not assign the Funding Agreement, in whole or in part, without the prior written consent of the IESO, whose consent will not be unreasonably withheld. The IESO shall have the right to

assign the Funding Agreement to a third party at any time, without the consent of the Recipient, including a third party program manager.

20.12 Severability

If any provision of the Funding Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

20.13 Amendments and Waivers

No amendment or waiver of any provision of the Funding Agreement will be binding on either Party unless it is consented to in writing by such Party pursuant to the terms set out in Section 19. No waiver of any provision of the Funding Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver unless otherwise provided. Nothing will be construed to be or have the effect of a waiver, except an instrument in writing signed by the Party which expressly waives a provision under the Funding Agreement.

20.14 Interpretation

The Parties acknowledge and agree that any doubt or ambiguity in the meaning, application or enforceability of any term or provision of the Funding Agreement will not be construed or interpreted against the IESO or in favour of the Recipient when interpreting such term or provision.

20.15 No Agency, Joint Venture or Other Relationship

The IESO and the Recipient are independent operators and agree and declare that nothing in the Funding Agreement will be construed as creating a partnership, joint venture, or agency relationship between the Parties. Neither Party has any authority whatsoever to enter into legally binding obligations on behalf of the other.

20.16 Execution in Counterparts

The Funding Agreement may be executed in several counterparts, each of which so executed will be deemed to be an original, and such counterparts together will constitute one and the same instrument and will be deemed to bear the Contract Start Date set by the IESO.

20.17 Inconsistency with the Project Development Rules

In the case of any conflict between the Project Development Rules, the Application, and the Funding Agreement, the provisions of the Funding Agreement will prevail.

20.18 Survival

Section 9, Section 10, Section 11, Section 12, Section 13, Section 15, Section 16, Section 18 and Section 19 of these terms and conditions will survive the termination of the Funding Agreement and continue in full force and effect.

SCHEDULE B

TO FUNDING AGREEMENT

DEFINITIONS

The following terms have the respective meaning stated below when used in the Funding Agreement:

<u>Term or Acronym</u>	<u>Definition</u>
Access Rights	has the meaning given to it in the <i>FIT Definitions</i> .
Activities	means the activities approved by the IESO as listed in Schedule “C” of the Funding Agreement.
Affiliate	means a Person that (i) Controls a party; (ii) is Controlled by a party; or (iii) is Controlled by the same Person that Controls a Party.
Amendment Request	has the meaning given to it in Section 7.3 of Schedule “A”.
Applicant Type	means any of: (a) Co-ops; (b) First Nation and Métis Communities; (c) Municipalities; and (d) Public Sector Entities, as applicable.
Application	means the application submitted under the EPP <i>Project Development Stream</i> .
Arm’s Length	has the meaning given to it in the <i>Income Tax Act</i> (Canada).
Audit Period	has the meaning given to it in Section 9.1 of Schedule “A”.
Banking Authorization Form	means the banking authorization form for EPP found on the Website.
Budget	means a budget for the costs associated with each Activity listed in the Work Plan, including the total amount of funding requested and a detailed breakdown of the Community Engagement Activities, as submitted by the Recipient as part of the Application and approved by the IESO.

Business Day	means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario.
Business Plan	<p>means a formal written document that outlines a business plan related to the FIT Project, including but not limited to the following, as applicable:</p> <ul style="list-style-type: none"> (i) the Recipient's background information; (ii) a mission statement; (iii) the Project Team; (iv) goals and milestones in respect of the FIT Project; (v) plans for reaching the goals and milestones in respect of the FIT Project; (vi) any anticipated challenges, and strategies for mitigating them; (vii) marketing strategy; (viii) financial strategy (e.g. profit/loss, balance sheets, expenses, cash flow); (ix) operational strategy; and (x) any anticipated opportunities for growth.
Check-In Report	means a status report in the form posted on the Website from time to time with respect to a FIT Project and submitted by the Recipient to the IESO as may be requested by the IESO from time to time or as otherwise set out in Schedule "D" that describes the work completed and in progress, Eligible Expenses incurred and paid to date, and any changes to FIT Projects.
Community Engagement Activities	means activities relating to organizing, preparing for and holding community meetings to support the development of the FIT Project, including Co-op Organizational Activities.
Community Engagement Report	<p>means a detailed written document identifying the following as applicable, but not limited to:</p> <ul style="list-style-type: none"> (a) a summary of the Community Engagement Activities undertaken by the Recipient; (b) a summary of the overall results of the Community Engagement Activities; and (c) copies of all associated materials used in the community engagement process, (e.g. presentations, website materials, marketing materials, letters distributed to community members, etc.).
Competitive Procurement	has the meaning given to it in Section 4.2(a) of Schedule "A".

Process	
Confidential Information	has the meaning given to it in Section 11.1(a) of Schedule “A”.
Contract End Date	<p>means the earlier of:</p> <p>(a) the date that is set out on the cover page to the Funding Agreement;</p> <p>(b) the date on which the IESO has paid the Maximum Funding Amount to the Recipient and the Recipient has, in the sole and absolute discretion of the IESO, delivered all of the Deliverables to the IESO required under this Agreement for the Disbursements made, which Contract End Date is confirmed by the IESO in writing; and</p> <p>(c) the effective date of the termination of the Funding Agreement pursuant to Section 8.</p>
Contract Start Date	means the date that is set out on the cover page to the Funding Agreement.
Control	<p>means, with respect to a Person at any time,</p> <p>(a) the owning or holding as beneficiary (directly or indirectly) of any securities or ownership interest that would allow for the election or appointment of 50% or more of the directors of the Person (or those other persons responsible for the management of the entity); or</p> <p>(b) the exercise of de facto, or actual, control of that Person, whether direct or indirect and through any means; and</p> <p>and Controlled by has a corresponding meaning.</p>
Co-op	has the meaning given to it in the <i>FIT Definitions</i> .
Co-op Development Summary Report	<p>means a detailed written document identifying, as applicable, the following:</p> <p>(a) the professional services conducted; and</p> <p>(b) the Recipient’s progress on implementation of a community investment strategy with regard to the plan approved in the Application.</p>
Co-op Organizational Activities	<p>means, with respect to a Co-op, organizational development activities including:</p> <p>(a) professional services required to develop member recruitment and marketing strategy;</p> <p>(b) professional services required to finalize and execute its community</p>

	<p>investment strategies;</p> <p>(c) membership recruitment and marketing; and</p> <p>(d) development of an Offering Statement.</p>
Costs	means costs, expenses, fees, taxes, rates, in-kind payments, or other consideration of any kind.
Crown	means Her Majesty the Queen in Right of the Province of Ontario or Her Majesty the Queen in Right of Canada.
Default	<p>means an event of default identified by a party, as defined in the relevant agreement,</p> <p>(a) which has not been cured in accordance with the provisions of any such agreement or otherwise to the satisfaction of the IESO, in its sole and absolute discretion,</p> <p>(b) for which there is no cure period, or</p> <p>(c) for which the cure period has expired.</p>
Default Event	has the meaning given to it in Section 8.2(a) of Schedule "A".
Deliverables	<p>means the deliverables as set out in Schedule "D", which may include any or all of the following:</p> <p>(a) Community Engagement Report;</p> <p>(b) Summary Report;</p> <p>(c) Reports;</p> <p>(d) Proof of Payment;</p> <p>(e) Project Expense Report;</p> <p>(f) Request for Funding;</p> <p>(g) Request for Funding Summary Report;</p> <p>(h) Invoice(s);</p> <p>(i) Timesheets;</p> <p>(j) Business Plan;</p> <p>(k) Co-op Development Summary Report;</p>

	<ul style="list-style-type: none"> (l) EASR Summary Report; (m) Engineering Report; (n) Environmental Constraints Analysis; (o) Fuel Study; (p) Plan of Development; (q) Project Management Report; (r) REA Studies and Plans; (s) Regulatory Approvals Report; (t) Resource Assessment Report; (u) Site-Specific Summary Report; (v) Waterpower Projects Report; (w) Banking Authorization Form; and (x) a revised or updated version of Schedule "C", to the extent that it has changed, or confirmation that the previously submitted copy of Schedule "C" is still true, accurate and complete.
Disbursement	means the First Disbursement or a Subsequent Disbursement, as applicable.
Disclosing Party	means the party who discloses its Confidential Information to the Receiving Party by virtue of the Funding Agreement.
Distribution System Code	has the meaning given to it in the <i>FIT Definitions</i> .
EASR Summary Report	<p>means a written overview of the Environmental Activity and Sector Registry filing necessary or appropriate for the FIT Project, including but not limited to:</p> <ul style="list-style-type: none"> (i) detailed descriptions of the work carried out; (ii) names of Persons or entities retained to carry out the work; (iii) the time frame (start date to completion date) in which the work was conducted; and (iv) copies of the filing on the registry accessed through Service Ontario's ON-e-Source for Business Portal at www.serviceontario.ca.

Economic Interest	means, with respect to any Person other than a natural person, the right to receive, or the opportunity to participate in any payments arising out of or return from, and an exposure to a loss or a risk of loss by, the business activities of such Person, by means, directly or indirectly, of an equity interest in a corporation, limited partnership interest in a limited partnership, partnership interest in a partnership, membership in a Co-op, or, in the sole and absolute discretion of the IESO, other similar ownership interest.
Electricity	means electric energy, measured in kilowatt-hours.
Electricity Act	means the <i>Electricity Act, 1998</i> , S.O. 1998, c. 15, Sch. A.
Eligible Expenses	means Eligible Internal Expenses and Eligible External Expenses, as well as any expenses the Recipient is permitted to submit to the IESO pursuant to Section 4.3, and specifically excludes Ineligible Expenses.
Eligible External Expenses	has the meaning given to it in Section 4.1(d) of Schedule "A".
Eligible Funding Date	is the date listed on the cover page of the Funding Agreement, as of which date Eligible Expenses may be eligible for funding.
Eligible Internal Expenses	has the meaning given to it in Section 4.1(c) of Schedule "A".
Engineering Activities	<p>means engineering activities for purposes of FIT Project site preparation and capital cost estimate consisting of:</p> <ul style="list-style-type: none"> (a) conceptual design layout consisting of: preferred FIT Project site selection, preliminary site plan, assessment of technology alternatives, FIT Project site servicing, FIT Project site constraints, transportation assessment, survey and map preparation, outlining developmental costs, determining capital costs and determining operation, maintenance and decommissioning costs, and electricity production estimates; (b) electrical engineering design consisting of: equipment selection, FIT Project site electrical plan, electrical room layouts/single line diagram, connection corridor hydro and telephone and cost estimates; (c) civil/geotechnical engineering design consisting of: geotechnical investigations, grading and servicing plan, FIT Project site plan refinement, storm water management, cost estimates and FIT Project site survey; and for landfill gas, drill test wells to test for landfill gas quality and quantity, review existing landfill cover and revise and update previous landfill gas calculations; and (d) mechanical/structural engineering design, consisting of: <ul style="list-style-type: none"> (i) structural engineering, consisting of: foundation design,

	<p>framing review, scale facility, fuel storage within building foundation, tipping floor, retaining/push walls, equipment foundations, stacks, cost estimating and building design; and</p> <p>(ii) mechanical engineering, consisting of: PID drawing, equipment selection, equipment layout, building HVAC, process ventilation, fire protection, building hazard classification, facility plumbing and drainage, process services, electrical load list, heat loss calculations and cost estimates.</p>
Engineering Report	<p>means a report on the Engineering Activities undertaken by the Recipient, that includes at a minimum:</p> <ul style="list-style-type: none"> (a) detailed descriptions of the Work carried out; (b) names of Persons or entities retained to carry out the Work; (c) the time frame (start date to completion date) in which the Work was conducted; and (d) a list of all engineering documents created, developed or finalized as a result of the Engineering Activities, including the date that such document was finalized.
Environmental Constraints Analysis	<p>means a report that includes:</p> <ul style="list-style-type: none"> (a) a review of background information such as planning documents and databases; (b) identification of natural heritage features using desktop mapping and on-site investigation; (c) verification of site suitability for Project technology; and (d) identification of the required Regulatory Approvals that the FIT Project will require.
EPP	means the IESO's Energy Partnerships Program.
Excise Tax Act	means the <i>Excise Tax Act</i> , R.S.C. 1985, c. E-15, as amended.
External Resource	means an external duly qualified professional or technical consultant or contractor retained to carry out some or all of the Activities and deliver some or all of the Deliverables.
Final Summary Report	<p>means the substantive summary report submitted by the Recipient following completion of all Work, on the date required by Schedule "D", which report includes the following two components:</p> <ul style="list-style-type: none"> (a) an evaluation of the Work undertaken pursuant to the Funding Agreement; and (b) a case study to be published on the Website.

FIPPA	has the meaning given to it in Section 11.2 of Schedule “A”.
First Disbursement	has the meaning given to it in Section 5.3(b)(i) of Schedule “A”.
First Nation and Métis Community	has the meaning given to “First Nation Community” and “Métis Community” in the FIT Definitions.
FIT Application	means an application submitted under the FIT Rules.
FIT Application Period	has the meaning given to it in the FIT Rules.
FIT Contract	means the version of the contract under the FIT Program applicable to the FIT Project.
FIT Definitions	<p>means:</p> <p>(a) for a Project that is the subject of an existing FIT Contract, the applicable version of Schedule 1 – Standard Definitions to the FIT Contract; or</p> <p>(b) for a Project that is or will be the subject of a FIT Application, the version of Schedule 1 – Standard Definitions that is applicable to the FIT Application or that is in effect at the time the Application is made under the EPP.</p>
FIT Program	means the applicable version of the IESO’s Feed-In Tariff Program.
FIT Project	means a renewable energy project that is the subject of a FIT Application or a FIT Contract and, for the purposes of the Funding Agreement, references to a FIT Project will refer to each one of the FIT Projects comprising a FIT Project Portfolio, if applicable.
FIT Project Portfolio	means 4 or more FIT Projects within the same FIT Application Period.
FIT Rules	means the version of the rules under the FIT Program applicable to the FIT Project.
FIT Supplier	means a “Supplier” as defined in the <i>FIT Definitions</i> .
Force Majeure	has the meaning given to it in the <i>FIT Definitions</i> .
Fuel Study	means an investigative written and technical analysis that outlines the viability of the potential fuel for the renewable generation facility, the availability of the fuel, a cost analysis, and a comparison of potential fuel sources.
Funding Agreement	means the Energy Partnerships Program – Project Development Stream Funding Agreement between the Parties, including all schedules attached

	hereto.
Funding Agreement Identification Number	means the unique identifier of this Funding Agreement, as set out on the cover page.
Funding Payment	means a payment made under the Funding Agreement in relation to expenses associated with the completion of the Deliverables.
Government of Ontario	means Her Majesty the Queen in right of Ontario.
Governmental Authority	has the meaning given to it in the <i>FIT Definitions</i> .
HST	means the harmonized sales tax applicable in Ontario.
IESO	means the Independent Electricity System Operator of Ontario established under Part II of the <i>Electricity Act, 1998 (Ontario)</i> and its successors and assigns.
IESO- Controlled Grid	has the meaning given to it in the IESO Market Rules.
IESO Market Rules	means the rules made under Section 32 of the <i>Electricity Act, 1998 (Ontario)</i> , together with all market manuals, policies, and guidelines issued by the IESO, as may be amended from time to time.
including (or includes)	means including (or includes) without limitation.
Indemnitees	has the meaning given to it in Section 16.1 of Schedule “A”.
Ineligible Expenses	has the meaning given to it in Section 4.4 of Schedule “A”.
Inspecting Party	has the meaning given to it in Section 9.2(a) of Schedule “A”.
Intellectual Property	has the meaning given to it in Section 12.1 of Schedule “A”.
Internal Resource	means an appropriately qualified employee or other internal human resource of the Recipient that provides services to carry out some or all of the Activities and contribute to the completion of some or all of the Deliverables.
Invoices	means copies of invoices, bills or receipts issued by an External Resource, relating to Eligible External Expenses, that must at a minimum include: <ul style="list-style-type: none"> (a) an itemized invoice addressed to the Recipient on the External Resource’s letterhead outlining the expenses incurred by the Recipient

	<p>with respect to the Work being undertaken by the External Resource;</p> <p>(b) detailed descriptions of the Work carried out;</p> <p>(c) names of Persons or entities retained to carry out the Work;</p> <p>(d) the time frame (start date to completion date, as applicable) in which the Work was conducted;</p> <p>(e) hours, hourly wages and total expenditures for each Person or entity for the Work or costs associated in completing the Work; and</p> <p>(f) the total cost and hours of the Work reflected in the body of the invoice.</p>
Joint Recipient	means, where more than one Recipient is a party to the Funding Agreement, any of the Recipients.
Laws and Regulations	<p>means, from time to time:</p> <p>(a) applicable federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes;</p> <p>(b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other Person having jurisdiction;</p> <p>(c) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority;</p> <p>(d) any requirements under or prescribed by applicable common law;</p> <p>(e) the Retail Settlement Code, the Distribution System Code, the Transmission System Code and any other codes issued by the OEB; and</p> <p>(f) the IESO Market Rules, as well as any manuals or interpretation bulletins issued by the IESO from time to time in respect of the same.</p>
Lead Recipient	means the Person identified as the Lead Recipient on the cover page to the Funding Agreement, which Person is a Recipient under the Funding Agreement and is the main contact that represents all Joint Recipients for the purposes of notices, other communications, instructions, and payment of funding.
Legal Entity	means a limited partnership or corporation (with or without share capital).

LRP Contract	means any contract under any version of the IESO's Large Renewable Procurement program.
Mandatory Eligibility Requirements	has the meaning given to it in the <i>Project Development Rules</i> .
Maximum Funding Amount	has the meaning given to it in Section 5.1 of Schedule "A".
MNRF	means the Ontario Ministry of Natural Resources and Forestry or its successors.
Municipality	has the meaning given to it in the <i>FIT Definitions</i> .
Natural Person	means a natural person, but does not include a natural person in his or her capacity as trustee, executor, administrator or other legal representatives.
Notice of Default	has the meaning given to it in Section 8.2(b) of Schedule "A".
Notice to Proceed	has the meaning given to it in the <i>FIT Definitions</i> .
OEB	means the Ontario Energy Board as established by the <i>Ontario Energy Board Act, 1998</i> , S.O. 1998, c. 15, Sched. B or its successor.
Offering Statement	means the offering statement required to be filed pursuant to Section 34 of the <i>Co-operative Corporations Act</i> , R.S.O. 1990, c. C.35.
Participation Level	means: (a) Aboriginal Participation Level; (b) Community Participation Level; (c) Municipal Participation Level; (d) Public Sector Entity Participation Level; or (e) Education or Health Participation Level, as those terms are defined in the <i>FIT Definitions</i> , as applicable.
Parties	means the parties to the Funding Agreement, and "Party" means any one of them.
Person	means a Natural Person, First Nation that is a "band" as defined in the <i>Indian Act</i> , RSC 1985, c. I-5, co-operative, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), joint venture, sole proprietorship, Governmental Authority or other entity of any kind, including the IESO.
Plan of	means a comprehensive description of how an applicant for Crown land to the

Development	MNRF's waterpower site release process intends to construct a waterpower facility and its associated infrastructure.
Processed Cheque	means a cheque paid by the Recipient's bank and cleared by the depositor's account as evidenced by a digital image of the front and back of the cheque provided by the financial institution that holds the account from which the cheque was drawn.
Project	means a FIT Project.
Project Development Rules	has the meaning given to it in Section 1.3 of the Energy Partnerships Program Project Development Stream Rules.
Project Expenses	means the amount equal to the actual expenses paid by the Recipient for the Work funded under the Funding Agreement as set out in Schedule "C" and Schedule "D", respectively, that are Eligible Expenses and are not Ineligible Expenses.
Project Expense Report	<p>a summary chart, in the form found on the Website, of the items outlined in parts (b)(iii) and (b)(iv) of the definition of "Request for Funding", as applicable, that specifies:</p> <ul style="list-style-type: none"> (a) Invoice numbers or date of Timesheet, as applicable; (b) total Invoice or Timesheet amounts; (c) Ineligible Expenses to be deducted from the Invoices or Timesheets; and (d) a description of any other Project Expenses being claimed in respect of the Disbursement; <p>and which contains a declaration that the expenses listed are Project Expenses.</p>
Project Management Report	<p>means a detailed written account of the Activities and Deliverables for the entire duration of the FIT Project, including but not limited to the following, as applicable:</p> <ul style="list-style-type: none"> (i) the work completed, outlining in detail the funds spent; (ii) the specific Internal Resources and External Resources who conducted the work, outlining their roles and overall involvement; (iii) the time frame in which the work was done; (iv) goals and milestones in respect of the FIT Project; and (v) any changes to, and challenges and successes encountered in respect of, the Work Plan, Budget, anticipated timelines, Internal Resources, External Resources, FIT Project viability, or the FIT Project

	generally.
Project Site	means the location or proposed location of the FIT Project.
Project Team	means all Internal Resources and external consultants with responsibility for the Project, as set out in the Application and approved by the IESO.
Proof of Payment	<p>means evidence of payment confirming the Eligible Expenses incurred and paid by the Recipient in respect of the Work, and approved by the IESO, as outlined in the Funding Agreement, in at least one of the following forms:</p> <ul style="list-style-type: none"> (i) a Processed Cheque; (ii) a cheque and accompanying bank statement reflective of the withdrawal amount and date from the Recipient's bank account; (iii) a credit card statement reflective of the charged amount and date; (iv) a signed letter from the External Resource on the External Resource's letterhead indicating that payment has been made in full by the Recipient in respect of the Project (referencing the Project name/reference number) on the Invoice from the External Resource referencing (a) the number of such Invoice, (b) the total amount paid, and (c) the date payment was received; (v) payroll logs; or (vi) other acceptable methods of proof of payment approved by the IESO, in its sole and absolute discretion; <p>as applicable.</p>
Public Sector Entity	has the meaning given to it in the <i>FIT Definitions</i> .
REA	means the renewable energy approval issued by the Ontario Ministry of the Environment and Climate Change under Section 47.3 of the <i>Environmental Protection Act</i> (Ontario).
REA Studies and Plans	<p>means those studies and plans necessary or appropriate for the purpose of the FIT Project's REA and which may include:</p> <ul style="list-style-type: none"> (A) construction plan: report describing the details of the construction activities, location and timing, any negative environmental effects and mitigation measures; (B) consultation report: report that summarizes the outcome of two public meetings and a municipal meeting. For clarity, a minimum of three notifications to the public are required; (C) decommissioning plan: a plan for decommissioning of the FIT

	<p>Project;</p> <p>(D) design and operations report: a FIT Project site plan, conceptual plans related to both design and operation, and an environmental effects monitoring plan;</p> <p>(E) effluent management plan report: an assimilative capacity report;</p> <p>(F) emissions summary and dispersion modeling;</p> <p>(G) hydrogeological assessment: assessment of hydrogeological conditions and storage assessment, monitoring and contingency plans;</p> <p>(H) noise study report;</p> <p>(I) odour study report: report on processes and sources of odour, environmental effects and mitigation;</p> <p>(J) project description report: report describing energy sources, equipment, activities, capacity, land ownership, negative environmental effects and FIT Project map;</p> <p>(K) surface water assessment report: report assessing surface water features and storage, monitoring and contingency plans;</p> <p>(L) wind turbine specification report: report specifying wind turbines to be used (applies to Class 3, 4 or 5 wind projects);</p> <p>(M) natural heritage assessment and archaeology/ cultural investigation (as required by the MNRF): report on natural/cultural heritage assessment and water records review, agency consultation and FIT Project site investigations (boundary delineation only); and</p> <p>(N) Crown land interest report (as required by the MNRF): report on title searches, consent from unpatented mining claim holders, legal agreements, mitigation, FIT Project site access controls and measures to address compatibility to existing land use.</p>
Receiving Party	means the party who receives Confidential Information from the Disclosing Party by virtue of the Funding Agreement.
Recipient	means the Person or Persons identified as the Recipient(s) on the cover page to the Funding Agreement and includes the Lead Recipient, as applicable.
Regulatory Approvals	<p>means, at any time, any approvals, permits or licenses necessary or appropriate for the FIT Project issuable by any Governmental Authority under Laws and Regulations that may be reasonably obtained at such time, including but not limited to, those required by the following Governmental Authorities under the legislation indicated:</p> <p>(A) Fisheries and Oceans Canada - <i>Fisheries Act</i>, R.S.C., 1985, c. F-14;</p>

	<p>(B) MNRF - <i>Lakes and Rivers Improvement Act</i>, R.S.O. 1990, c. L.3, <i>Public Lands Act</i>, R.S.O. 1990, c. P.43, <i>Provincial Parks and Conservation Reserves Act</i>, S.O. 2006, c. 12, <i>Endangered Species Act</i>, 2007, S.O. 2007, c. 6, <i>Conservation Authorities Act</i>, R.S.O. 1990, c. C.27;</p> <p>(C) Transport Canada - <i>Navigable Waters Act</i>, R.S.C. , 1985, c. N-22;</p> <p>(D) Parks Canada - <i>Historic Canals Regulations</i>, SOR/93-220, and <i>National Parks Act</i>, S.C. 2000, c. 32;</p> <p>(E) Environment Canada/Fisheries and Oceans Canada - <i>Species at Risk Act</i>, 2007, S.O. 2007, c. 6;</p> <p>(F) Ministry of the Environment and Climate Change - <i>Ontario Water Resources Act</i>, R.S.O. 1990, c. O.40, and <i>Clean Water Act</i>, 2006, S.O. 2006, c. 22;</p> <p>(G) Ministry of Tourism, Culture and Sport - <i>Ontario Heritage Act</i>, R.S.O. 1990, c. O.18; and</p> <p>(H) Municipalities - applicable municipal legislation and bylaws.</p>
Regulatory Approvals Report	means a report on the Regulatory Approvals necessary or appropriate for the FIT Project, including copies of applications submitted for all Regulatory Approvals.
Reports	has the meaning given to it in Section 3.1(a) of Schedule "A".
Representatives	means a Party's directors, officers, shareholders, employees, auditors, consultants, advisors (including economic or legal advisors), contractors, and agents.
Request for Funding	<p>means:</p> <p>(a) a statement, in the form found on the Website, addressed to the IESO from the Recipient that specifies a Disbursement amount and confirms, in a manner satisfactory to the IESO, the Project Expenses paid by the Recipient in respect of the Work; and</p> <p>(b) the supporting documents as required for each Disbursement, including:</p> <p>(i) a Project Expense Report;</p> <p>(ii) a statement containing all of the representations and warranties outlined in Section 2.1(b);</p> <p>(iii) Invoice(s) for any and all consideration paid, in a form permitted by the Funding Agreement, for External Resources, and corresponding Proof of Payment with respect to the same; and</p> <p>(iv) copies of Timesheets for services completed by Internal Resources and corresponding Proof of Payment with respect to</p>

	the same.
Request for Funding Summary Report	<p>means a detailed report, in the form found on the Website, that:</p> <ul style="list-style-type: none"> (a) outlines the Work undertaken by the Recipient that is evidenced by the Invoices and Proof of Payment for which a Request for Funding is being submitted; and (b) describes the Person or entity that undertook the Work and the status of the Work completed at the time of the Request for Funding. <p>Where the Request for Funding is in respect of more than one Activity, a Request for Funding Summary Report must be submitted in respect of each such Activity.</p>
Resource Assessment	<p>means an assessment of resource or fuel requirements consisting of:</p> <ul style="list-style-type: none"> (A) for wind: <ul style="list-style-type: none"> (i) a preliminary wind resource assessment (over a period of one to two months) consisting of: basic site screening and pre-feasibility analysis; meteorological tower permitting, installation and commissioning; data validation and cleaning; model setup; constraints definition; wind resource map development; turbine evaluation and layout organization; and (ii) a complete wind resource assessment (over a period of one to two years) including: data validation and cleaning; updated wind resource map; layout optimization; uncertainty evaluation; estimates of wake, availability, electrical, aerodynamics and other losses; and gross and net energy yield predictions; (B) for solar power, a preliminary solar assessment consisting of a basic FIT Project site screen, solar intensity calculations, space availability analysis and other analysis using publicly available data; (C) for waterpower, a preliminary water assessment consisting of validation of available resource information, modeling, making necessary adjustments, defining constraints, energy yield analysis and mapping; (D) for biomass, biogas and landfill gas: <ul style="list-style-type: none"> (i) a preliminary fuel price/availability assessment consisting of: an assessment of local fuel availability and pricing and evaluation of energy availability from the fuel source; (ii) a detailed fuel availability study consisting of: an analysis of sources, types, quantities, quality, and suppliers of fuel; factors influencing fuel availability; competition for fuel; a review of the FIT Project's fuel

	<p>supply plan; fuel pricing; transportation costs; estimated fuel requirements; and risk assessment;</p> <p>(iii) a preliminary gas production/availability study consisting of: field measurements of landfill gas (surface) and desktop modeling of landfill gas availability, evaluation of energy availability from fuel source and the estimated revenue;</p> <p>(iv) an assessment of waste disposal issues, including disposal opportunities and FIT Project site capacity; and</p> <p>(v) for landfill gas only, field measurements of landfill gas (surface) and desktop modeling of landfill gas availability.</p>
Resource Assessment Report	means a report that details the findings of a Resource Assessment.
Retail Settlement Code	has the meaning given to it in the <i>FIT Definitions</i> .
Rules	mean the rules with respect to applying for funding under the EPP.
Schedules	means the schedules to this Agreement.
Site-Specific Studies	<p>means appropriate site-specific studies which may include one or more of the following:</p> <p>(a) air quality/climate change review using existing data (for on-reserve FIT Projects only);</p> <p>(b) noise study;</p> <p>(c) effluent management study;</p> <p>(d) storm water management;</p> <p>(e) surface water;</p> <p>(f) hydrogeology;</p> <p>(g) coastal environment;</p> <p>(h) bird studies;</p> <p>(i) bat studies;</p> <p>(j) fish inventory and habitat;</p> <p>(k) breeding amphibians;</p> <p>(l) ecological land classification;</p> <p>(m) agriculture and forestry, archaeology assessment; and</p> <p>(n) heritage assessment.</p>

Site-Specific Summary Report	means a report that outlines the nature of the Site-Specific Studies undertaken and the outcome of the same, and copies of all appropriate and related documentation or reports developed as a result.
Submission Deadline	means that date that the Deliverable(s) are due to be submitted to the IESO, as set out in Schedule “D”.
Subsequent Disbursement	has the meaning given to it in Section 5.3(b)(ii) of Schedule “A”.
Summary Report	means a report that: <ul style="list-style-type: none"> (a) outlines the legal, financial and technical nature of the professional advice sought by the Recipient; (b) describes the Person or entity who provided the professional advice and any business decisions made by the Recipient as a result; and (c) where the Recipient is a Co-op, includes a copy of the draft or final Offering Statement.
Support Programs	has the meaning given to it in the <i>Project Development Rules</i> .
System Operator	means the Independent Electricity Operator of Ontario established under Part II of the <i>Electricity Act, 1998</i> (Ontario) and its successor, acting pursuant to its authority to make, administer and enforce the IESO Market Rules.
Target Completion Date	means the date that an Activity is due to be completed, as set out in Schedule “C”.
Termination Event	has the meaning given to it in Section 8.3(a) of Schedule “A”.
Termination for Convenience Date	has the meaning given to it in Section 8.3(a)(ix) of Schedule “A”.
Timesheet	means an itemized accounting that identifies the Internal Resource(s), hours worked and cost per hour, if applicable, in respect of an Activity or a Deliverable, that is deemed acceptable by the IESO.
Transmission System Code	has the meaning given to it in the <i>FIT Definitions</i> .
Waterpower Projects Report	means certified copies of all appropriate waterpower permit documentation (including waterpower lease agreements).
Website	means http://www.ieso.ca/epp .
Work	means the Activities and/or the Deliverables.

Work Plan	means the project plan as set out in the Application and approved by the IESO and outlined in the table in Schedule “C”.
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SAMPLE ONLY

SCHEDULE C

TO FUNDING AGREEMENT

WORK PLAN

Activity	Target Completion Date	Scope of Work (please provide a description of the scope of work to be carried out)

SCHEDULE D

TO FUNDING AGREEMENT

DELIVERABLES AND DISBURSEMENT SCHEDULE

Disbursement	Deliverables [NTF: IESO will specify additional reports to be provided by each particular Recipient. Additional specific Deliverables will be listed prior to entry into the Funding Agreement, based on the Application.]	Request for Funding Supporting Documentation	Submission Deadline	Disbursement Amount
First Disbursement	<ul style="list-style-type: none">Request for FundingRequest for Funding Summary Report, for each ActivityUpdated Schedule “C”, to the extent that it has changed, or confirmation that the previously submitted copy of Schedule “C” is still true, accurate and completeAny other information requested by the IESO	As set out in the definition of “Request for Funding” in Schedule “B”.	[DATE]	<p>If for a single FIT Project:</p> <p>Subject to Section 5.3(b)(i), 50% of Project Expenses multiplied by the Participation Level of the Recipient, up to the Maximum Funding Amount.</p> <p>If for a FIT Project Portfolio:</p> <p>Subject to Section 5.3(b)(i), 50% of Project Expenses multiplied by the average of the Participation Levels of the Recipient in respect of the FIT Contracts, up to the Maximum Funding Amount.</p>

Subsequent Disbursement	<ul style="list-style-type: none"> • Request for Funding • Request for Funding Summary Report, for each Activity • Final Summary Report, if applicable, including the following Deliverables: <ul style="list-style-type: none"> ○ [NTF: IESO will insert applicable Deliverables] • Any other information requested by the IESO 	As set out in the definition of “Request for Funding” in Schedule “B”.	[DATE]	<p>If for a single FIT Project:</p> <p>Subject to Section 5.3(b)(ii), 50% of Project Expenses multiplied by the Participation Level of the Recipient, up to the Maximum Funding Amount (less any amounts paid out in the First Disbursement and in any previous Subsequent Disbursements).</p> <p>If for a FIT Project Portfolio:</p> <p>Subject to Section 5.3(b)(ii), 50% of Project Expenses multiplied by the average of the Participation Levels of the Recipient in respect of the FIT Contracts, up to the Maximum Funding Amount (less any amounts paid out in the First Disbursement and in any previous Subsequent Disbursements).</p>
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SCHEDULE E

TO FUNDING AGREEMENT

ADDITIONAL ELIGIBLE EXPENSES OR INELIGIBLE EXPENSES (IF APPLICABLE)

[NTF: will be left blank if the IESO chooses not to add specifics based on the FIT Project per Section 3.6 of the Project Development Rules]

In addition to the Eligible Expenses set out in the Funding Agreement, the following will be considered Eligible Expenses, provided that they are otherwise paid and evidenced in accordance with the Funding Agreement:

Additional Eligible Expenses	
Item	Description

In addition to the Ineligible Expenses set out in the Funding Agreement, the following will be considered Ineligible Expenses:

Additional Ineligible Expenses	
Item	Description

SCHEDULE F
TO FUNDING AGREEMENT
DETAILS OF FIT PROJECT(S)

[NTF: will be completed by the IESO prior to execution, based on information in Application]

FIT Projects					
FIT Reference Number/FIT Contract Identification ID	Renewable Fuel	Project Size (kW)	NTP Milestone Date (if applicable)	FIT Supplier Name	IESO Contract Analyst

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