

SOLAR ASSET MANAGEMENT AGREEMENT

THIS AGREEMENT is effective as of October 27, 2015.

BETWEEN the Corporation of the County of Brant, located at 26 Park Avenue, P.O. Box 160, Burford, Ontario N0E 1A0 (“**Brant County**”); and, Adidas Canada Limited located at 100 Adi Dassler Way, Paris, Ontario N3L 0B8 (“**Adidas Canada**”) (each a “**Party**” and collectively the “**Parties**”);

WHEREAS, Brant County and Adidas Canada wish to enter an agreement for the purpose of developing, owning and operating renewable energy projects, for the term and upon the conditions as set forth in this agreement (the “**Management Agreement**”);

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is hereby agreed as follows:

1. Formation and Duration

1.1 Replacement. This Agreement replaces all previous versions of this Agreement.

1.2 Purpose. The parties form a Management Agreement for the purpose of developing, owning and operating the Installation in order to sell electricity to the electrical grid under the Independent Electricity System Operator (IESO)’s Feed-in-Tariff program.

1.3 The “**Installation**” consists of all the relevant equipment (that may include but is not limited to panels, inverters, racking and wiring), contracts, licenses, and any and all assets necessary for one or more solar installations to generate electricity and sell it to the Independent Electricity System Operator (IESO) under the Feed-in-Tariff program or otherwise, to be located at the following address, or such other location(s) as mutually agreed upon in writing from time to time:

Adidas Solar (FIT-HAYR1Y2) at 100 Adi Dassler Way, Paris, Ontario N3L 0B8

1.4 Term. The Management Agreement shall commence as of the date first set out above and shall continue in force until termination as contemplated in this Management Agreement or upon the mutual agreement of the Parties in writing.

1.5 Approvals and Consents. The Parties acknowledge that this Management Agreement is subject to obtaining and maintaining all necessary approvals for the Installation. The Parties will jointly identify all approvals required and cooperate with each other in obtaining such approvals.

1.6 Title of Property. Subject to the other provisions herein, all property subject to this Management Agreement, including the Installation, Feed-in Tariff contract, and intangible rights such as an interest in required licenses shall be taken in the names of the Parties as tenants-in-common in their respective proportion of ownership interest in the Installation and in any other assets covered by this Management Agreement with Brant County having an ownership interest of fifty one percent (**51%**) and Adidas Canada of forty-nine percent (**49%**) (individually the “**Interest**” and collectively the “**Interests**”).

2. Contributions, Distributions and Responsibilities

2.1 Contributions. The Management Agreement shall require capital contributions from the Parties from time to time in proportion to their Interest in the amounts stipulated by the capital budget and operating budget for the Management Agreement to be agreed upon by the Parties from time to time; and, such other costs, expenses and liabilities that may arise from time to time as is reasonably necessary to operate the Installation.

2.2 Failure to Make Required Contributions. If any Party fails or refuses to contribute its share of required funds when and as the funds are required as set forth herein, time being of the essence of this requirement,

- a) the other Party shall have the right, at its sole option, to pay the required sum, and upon payment, the non-paying Party shall reimburse that Party for the amount paid together with interest on such sum from the date of payment to the date of reimbursement, at a rate equal prime plus 2% per annum; and,
- b) subject to the notice and cure period set forth herein, the non-paying Party shall be deemed to be in default, and the non-defaulting Party rights in section 7 shall apply.

2.3 Distribution. Distributions to the Parties shall be made in proportion to their Interest after all operational, financial, marketing and other expenses of the Management Agreement are paid.

3. Management and Operation

3.1 Decisions/Approvals of the Parties. All decisions or approvals required to be made by the Parties in relation to the Installation and the Management Agreement shall be made by the Joint Management Team consisting of two (2) members, with each Party designating one (1) member (the “**Joint Management Team**”).

3.2 Meetings. The Joint Management Team shall meet not less than annually at such times and at such places as determined by the Joint Management Team. Special meetings of the Joint Management Team may be called by any member at any time.

3.3 Meeting Notice & Quorum. Notice of all meetings of the Joint Management Team shall be delivered not later than three business (3) days before the date on which the meeting is to be held, unless notice is waived by both members. Both members of the Joint Management Team shall constitute a quorum to transact business.

3.4 Absence. If a Parties' representative misses three (3) consecutive scheduled meetings, at the option of the other Party, then: that Party shall be deemed to be in default under this Agreement; or, the other Party shall be entitled to deal with matters listed on the agenda for those 3 meetings at a subsequent meeting, even if there are no representatives of the other Party present at the subsequent meeting.

3.5 Joint Management Team Responsibilities. The Joint Management Team shall have the responsibility of managing and overseeing the Installation including the following:

- a) preparing and approving the budget for the Installation;
- b) providing on-going service, management of operation and maintenance of the Installation;
- c) if it determines it to be necessary, appointing a manager to manage the daily operation of the Installation and delegate such duties to such manager as it deems appropriate;
- d) obtaining and keeping in force, insurance on such terms and in such amounts as the Joint Management Team deems appropriate, acting reasonably.
- e) reporting back to and carrying out the wishes of each representative's Board of Directors.

3.6 Arbitration of Disputes. If, during the course of the Management Agreement, the Parties are unable to agree on any matter with respect to which a decision must be made, or if, on termination, no satisfactory arrangement can be made for settlement of each Party's interest in the Management Agreement, the dispute or disputes shall be subject to binding arbitration by a single arbitrator. The parties shall each use all reasonable efforts to avoid arbitration, including referring the dispute to senior executives and/or the board of directors of a Party for resolution. The Parties agree that there shall be no appeal from the decision of the arbitrator. The *Arbitration Act, 1991* (Ontario) shall apply.

3.7 No Charges or Contract Breach. No Party shall charge the Installation or its Interest or take any action that will put the Installation in breach of its Feed-In Tariff Contract, as applicable, except as specifically and mutually agreed by both Parties in writing, or as set out herein

4. Disposal of Aging Assets

4.1 Upon the end of the term of one or more of the Feed-in-Tariff program contract(s), as applicable, it is agreed that Adidas Canada does hereby have the right, but not the obligation, to purchase from Brant County, Brant County's ownership stake in the affected Installation, or, where only a portion of the Installation is affected, the affected portion thereof, and all related equipment and assets (referred to herein as the "**Aging Assets**") at fair market value as determined by the parties, or if the parties cannot agree, by a third party business valuator jointly selected by the parties, acting reasonably and in good faith (such right being the "**Option**").

4.2 If the Option is not exercised, this Management Agreement shall terminate with respect only to the Aging Assets, and such Aging Assets shall be sold with the monies distributed as contemplated in Section 5 herein.

5. Termination

5.1 Distribution of Assets on Termination. On the termination of this Management Agreement for any reason other than a purchase of a Party's Interest by the other Party or as a result of one Party being in Default, all assets, or with respect to Aging Assets, only the applicable Aging Assets, shall be liquidated, and the proceeds realized from the liquidation shall be distributed according to the following order of priority, except that for Aging Assets all referenced payments of expenses and liabilities shall only apply to those directly related or appropriately apportioned to the Aging Assets:

- a) first, to payments of all Management Agreement expenses, including obligations, debts, salaries, and taxes, and expenses necessary to wind up the Management Agreement and the establishment of a reserve for any and all contingent liabilities;
- b) second, to discharge from sums otherwise payable to a Party, all sums owing to any chargee;
- c) third, from monies otherwise payable to a Party, payment of all sums owing to the other Party under this Agreement;
- d) fourth, to repayment of all sums received as contributions from the Parties; and,
- e) fifth, divided between the Parties in direct proportion of their capital contributions at the time of termination.

5.2 Audit on Termination. On termination, the Parties shall, if they determine that such action shall be advisable, employ a firm of chartered accountants to make a complete and final

audit of the books, records, and accounts kept under this Management Agreement provided, and all final adjustments between the Parties shall be made on the basis of such audit. Should the Parties disagree about the choice of a chartered accountant, the audit shall be performed by the accountant for the Management Agreement, and accepted by the Parties.

5.3 Liability for Claims Asserted After Termination. If, after termination, any claim, liability, or expense shall be asserted against the Management Agreement which was not used in computing the profits and losses and which is a proper item of computation, the Parties shall bear the amount of any such claim, liability, or expense in their proportionate Interest. The Parties shall cooperate and consult with one another in defending any such claim, or expense and in making any settlement or compromise.

6. Transfer of Interest / Right of First Refusal. With the exception of Aging Assets as contemplated in section 4 herein, no partial Transfer of an Interest is permitted unless otherwise agreed upon by the Parties in writing and duly executed. Additionally, no transfer of any kind is permitted if such transfer will result in breach, non-compliance or loss of favourable treatment under any Installation Feed-In Tariff Contract, as may be applicable.

6.1 Right of First Offer to the Other Party. Either Party who desires to Transfer all of its Interest shall first offer to Transfer such Interest to the other Party.

7. Defaults and Remedies for Default

7.1 Events of Default. The occurrence or happening of an act of bankruptcy or insolvency, corporate dissolution, or the failure to abide by any material terms of this Agreement shall constitute an event of default on the part of a Party (“Default”).

7.2 Rights Upon Default. In the event of Default, the non-defaulting Party shall have the right to seek specific performance, bring any action at law or equity to recover damages, or, at its sole option, to wind-up the Management Agreement.

7.3 Option to Purchase or Dissolution. On a wind-up of the Management Agreement, the non-defaulting Party shall have the option of purchasing the property owned by the defaulting Party in relation to the Installation and this Management Agreement (either directly or through a separate entity controlled by the non-defaulting Party) at fair market value, as determined by a qualified appraiser appointed by and paid for the non-defaulting Party. If the non-defaulting Party chooses not to purchase the assets of the Management Agreement, the defaulting Party’s assets shall be liquidated and the insolvent or defaulting party or its successors or legal representatives shall be entitled to its share of the net proceeds.

7.4 Rectification of Default. Where a Default has been rectified prior to a proceeding or action being commenced, or prior to the wind-up of the Management Agreement, provided all of the non-defaulting Party's costs of pursuing its remedies, including legal fees and disbursements on a solicitor and his/her own client basis, have been reimbursed by the defaulting Party, the right to pursue any remedy under this Agreement for such Default shall cease.

8. Miscellaneous

8.1 Not a Partnership. Nothing contained in this Agreement, or otherwise, shall constitute the Parties partners, or render them liable to contribute more than their ratable amounts as described above, or entitle them to any participation in the results or profits of the Management Agreement other than as specified herein. This Agreement does not create a partnership.

8.2 Agreement Binding and Further Assurances. This Agreement shall be binding upon the parties and upon the successors and permitted assigns, and the parties agree for themselves and their respective successors and permitted assigns to execute any and all instruments in writing which are or may become necessary to carry out this Management Agreement.

8.3 Severability. In the event any parts of this Agreement are found to be invalid or unenforceable, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the invalid or unenforceable parts were deleted.

8.4 Waiver. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the person or party.

8.5 Jurisdiction. This Agreement will be construed in accordance with and be governed by the laws of the Province of Ontario and each party agrees to submit to the exclusive jurisdiction of the courts of Ontario.

IN WITNESS the parties have executed this Agreement on the 8th day of November 2018

**THE CORPORATION OF THE
COUNTY OF BRANT**

ADIDAS CANADA LIMITED

Per:

Per:

Per:
Authorized Signatories

Per:
Authorized Signatories