

CONVERTIBLE LOAN AGREEMENT

THIS AGREEMENT (“**Agreement**”) made as of November 9, 2018.

BETWEEN:

THE CORPORATION OF THE COUNTY OF BRANT

A body corporate duly incorporated under the *Municipal Act (Ontario)* with offices located at
26 Park Avenue, P.O. Box 160, Burford, Ontario N0E 1A0
(“**Brant County**”)

- and -

SIX NATIONS OF THE GRAND RIVER DEVELOPMENT CORPORATION

A band-empowered entity performing the function of government as recognized under the *Indian Act* (Canada) and duly incorporated under the laws of Canada with offices located at
2498 Chiefswood Road, Ohsweken, Ontario N0A 1M0
(“**Six Nations**”)

- and -

ADIDAS CANADA LIMITED

A body corporate duly incorporated under the laws of Canada with an office at
100 Adi Dassler Way, Paris, Ontario N3L 0B8
(“**Adidas Canada**”)

WHEREAS, Brant County and Adidas Canada Limited entered into a joint venture agreement on October 27, 2015 (the “**Management Agreement**” or “**Joint Venture**”) for the purpose of developing, owning and operating a renewable energy project (the “**Project**”) at 100 Adi Dassler Way, Paris, Ontario N3L 0B8;

AND WHEREAS, Brant County wishes to borrow from Six Nations of the Grand River the Principal Amount which may, at the option of Six Nations, convert into an ownership stake of the Joint Venture as contemplated herein;

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

1. Loan. The Lender has agreed to advance the sum of one hundred and ninety-three thousand, five hundred Canadian dollars (**\$193,500 CAD**) (the “**Principal Amount**”) by way of loan to the Borrower upon and subject to the terms and conditions contained in this Agreement.

2. Interest. The outstanding portion of the Principal Amount shall bear interest at the rate of 9.189% per annum calculated, compounded and payable every six (**6**) months in arrears, or a pro-rata amount for a portion thereof, as applicable, commencing on the last day of the month after the date of the advance of the Loan and ceasing on the earlier of the date of repayment of the Principal Amount in full and the Conversion Date.

3. Restrictions on Early Repayment. Brant County may not repay the Principal Amount early, except as explicitly contemplated herein. Notwithstanding the foregoing, in the event that the Project ceases to operate or generate revenues due to unexpected weather, mechanical failure, termination of the FIT Contract, or otherwise, such cessation occurs for a period of not less than ninety (90) days, and there is no reasonable expectation that the Project will return to normal operation, Brant County, at its option, may repay the outstanding portion of the Principal Amount and Interest in full extinguishment of its obligations under this Agreement.

4. Principal Amount Repayment. On March 4, 2023 which is the day after five years from the date of Project Commercial Operation (the “**Conversion Date**”) as defined in Independent Electricity System Operator (“**IESO**”) Feed-In Tariff (“**FIT**”) FIT Contract Version 4.0, June 26, 2015 (the “**Contract**”), in full repayment and extinguishment of the Principal Amount, Brant County shall, at the option of Six Nations, within fourteen (14) days of the provision of written request:

- a) Repay to Six Nations the outstanding Principal Amount in full; or,
- b) Transfer to Six Nations a proportion of Brant County’s beneficial interest in the Project equal to fifteen percent (15%) of total project ownership. For additional clarity, beneficial interest shall mean the right to participate in the profits and losses during operation and upon liquidation as contemplated in the Joint Venture.

In the event that Six Nations fails to exercise its option within thirty (30) days of the Conversion Date, Brant County may, upon the provision of written notice to Six Nations, fulfill either option 4(a) or 4(b), at its sole and absolute discretion, in full satisfaction and extinguishment of the Principal Amount obligation. Transfer of the outstanding Principle Amount to an Ontario lawyer’s trust account with a signed direction for the funds to be dispersed to Six Nations shall additionally constitute payment.

5. Condition Precedent. Notwithstanding subsection 4(b) herein, prior to the transfer of such beneficial ownership, Six Nations must agree to be bound by the terms of the Joint Venture in a manner acceptable to Brant County and Adidas Canada, acting reasonably. For additional clarity, after the conversion, as applicable, the Joint Management Team in the Joint Venture shall continue to consist of one voting representative from Adidas Canada and one voting

representative from Brant County. Six Nations will be provided notice of and be permitted to have one non-voting representative attend all meetings of the Joint Management Team.

6. Transfer Authorization. Subject to the terms of this agreement and notwithstanding any applicable terms in the Joint Venture Agreement, Brant County and Adidas do hereby authorize the transfer of beneficial ownership from Brant County to Adidas as contemplated herein, and do hereby waive any and all right of first refusal.

7. Not a Partnership. Nothing contained in this Agreement shall be deemed to create a partnership, relationship of principal and agent or employer and employee between the parties.

8. 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 Agreement.

9. Notice. Any notice or other communication required or permitted to be given by this Agreement shall be in writing and shall be effectively given if: (a) delivered personally; (b) sent by prepaid courier service; (c) sent by registered mail; or (d) sent by prepaid fax, to the address first written above or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section.

10. 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.

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

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the convertible loan and supersedes all prior agreements, understandings, negotiations and discussions, whether oral, written or otherwise, of the Parties on this subject matter.

13. Independent Legal Advice. The parties hereto acknowledge that they have been afforded the opportunity to obtain independent legal advice with respect to this Agreement and confirm that they are acting of their own free will and not under duress or undue influence.

14. Counterparts. This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above. The signature of any of the Parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

15. 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 WHEREOF the parties have executed this Agreement effective as of the date first written above.

**THE CORPORATION OF THE
COUNTY OF BRANT**

**SIX NATIONS OF THE GRAND RIVER
DEVELOPMENT CORPORATION**

Per:

Per:

Per:

Per:

Authorized Signatories

Authorized Signatories

ADIDAS CANADA LIMITED

Per:

Per:

Authorized Signatories