

ENERSHARE Technologies Inc.

THIS AGREEMENT made in triplicate this 8th day of February, 1988.

B E T W E E N:

ENERSHARE TECHNOLOGIES INC.
hereinafter call "Enershare"

OF THE FIRST PART,

- and -

TOWN OF PELHAM
a corporation incorporated under the laws of Ontario
hereinafter called the "Owner"

OF THE SECOND PART.

WHEREAS the Owner owns and operates the buildings listed and described in Schedule "A" attached hereto and forming part of this agreement (hereinafter referred to collectively as the "PREMISES"); and

WHEREAS Enershare has undertaken an energy study of the Premises; and

WHEREAS Enershare has agreed to provide thermal management services including the provision and installation of certain energy conservation equipment at the Premises;

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements herein contained, other good and valuable consideration and the sum of one (\$1.00) dollar of lawful money of Canada now paid by each of the parties hereto to the other, (the receipt whereof is hereby acknowledged), the parties hereto covenant, promise and agree as follows:

DEFINITIONS

In and for the purposes of this agreement,

(a) "Equipment" means the energy conservation equipment and ancillary services designed to reduce energy consumption at the Premises having an approximate cost to Enershare of \$10,000.00, a list of which will be delivered to the Owner after the execution of this contract and will be known as Schedule "B" to be attached hereto and forming part of this agreement;

(b) "Base year energy budget" means the total of the agreed upon annual consumption levels for natural gas, hydro electricity and water measured at the Premises and listed in Schedule "C" attached hereto and forming part of this agreement and as adjusted by the published prices for those energy sources at the time of the execution of this agreement and adjusted from time to time in accordance with the terms of this agreement;

(c) "Hereto", "herein" and words of similar import have reference to this agreement as a whole and not to any particular section, subsection or clause of this agreement;

(d) In referring to any party herein, the singular includes the plural, the plural the singular and any gender, any other gender;

(e) Headings are included for convenience and reference only and shall not affect the interpretation hereof.

COMMENCEMENT DATE AND TERM OF AGREEMENT

1 The commencement date for this agreement shall be the first day of the month following execution of this contract.

2 The term of this agreement shall be 10 years from the operational start date and the Owner shall have the right to purchase the equipment during the currency of this agreement in accordance with the purchase option provision as set forth in paragraph 28.

RIGHT OF TERMINATION

3 Notwithstanding anything herein contained to the contrary, Enershare shall have the unilateral and unfettered right, whether or not Owner is in default herein, to terminate this agreement within forty-five (45) days following the execution of this agreement.

EQUIPMENT INSTALLATION

4 Enershare, at its own expense, shall obtain and install the equipment in accordance with its working drawings or plans.

5 The Owner shall have access and copies of all of Enershare's working drawings or other plans and specifications for the installation of the equipment. In the event that the Owner requires an alternative manner of installation, the Owner shall pay all costs of the installation in excess of the costs of Enershare's proposed installation of the equipment.

6 Enershare shall obtain all necessary licences for the installation of the equipment and shall comply with all municipal and provincial legislation pertaining to the installation of the equipment or arising from the thermal management services to be provided under this agreement. Enershare's subcontractors shall be properly licenced contractors by the appropriate licencing authority and shall have proper coverage under the Worker's Compensation Act for their employees.

OWNERSHIP OF THE EQUIPMENT

7 Enershare shall own the equipment throughout the term of this agreement unless it is purchased by Owner pursuant to paragraph 28 hereof. The equipment shall remain the personal property of Enershare and no item thereof shall become a fixture of the Premises notwithstanding its installation on or attachment to real property or to an improvement located thereon. Plates or markings may be affixed to or placed on the equipment by Enershare to indicate its ownership and Enershare shall have the right to register its interest under

the Personal Property Security Act and under any other legislation that Enershare deems necessary or advisable. Owner shall immediately notify Enershare in writing upon learning of any encumbrance, lien or claim against Enershare's equipment.

UPGRADING OF EQUIPMENT

8 Enershare shall at all times have the right to replace, upgrade or alter any item of equipment with an equivalent or superior item of equipment. It is understood that any equipment replacement will in no way contribute to a reduction of service to the community.

SERVICES BY ENERSHARE

9 Enershare shall provide all necessary thermal management services, including the payment of utility bills under paragraph 12 and the monitoring of and adjustments and repairs to the equipment. The Owner shall incur no costs for such service, repairs, adjustments and monitoring, except when the need for maintenance or repairs principally arises due to the negligence or willful misconduct of the Owner or any employee or agent thereof; in such case, the Owner shall pay for the actual cost of the maintenance or repair. Notwithstanding the foregoing, the Owner shall be allowed to maintain and repair the equipment so long as the Owner has the express written permission of Enershare to do so. All parts and improvements of any kind effected or affixed to the equipment by Enershare shall belong to and become the property of Enershare.

REPAIRS

10 Enershare shall commence to provide any necessary repairs to the equipment within a reasonable time after being notified of any malfunction, and shall complete the repairs within a reasonable period of time.

ACCESS

11 Enershare, its servants and agents, shall have reasonable access to the Premises for the purpose of installation of the equipment and for the purpose of performing its obligations herein.

PAYMENT OF UTILITY BILLS

12.1 Enershare shall pay all applicable monthly utility bills submitted to the Owner by Provincial Gas, Ontario Hydro, Town of Pelham and any other alternate energy suppliers or their successors pertaining to the Premises and which have been included in the base year energy budget. Subject to the Owner paying Enershare's compensation within the time allotted in paragraph 25 herein, Enershare shall be liable for all penalties or interest owing in respect of any late payment of the utility bill. Enershare shall provide the Owner with photocopies of all receipts of utility bills or other evidence of payment satisfactory to the Owner. In the event that the Owner is late in making payment of the compensation referred to in paragraph 25 herein to Enershare, Enershare shall not be obliged to pay the utility bills until full payment of the monthly compensation is received from the Owner including an additional sum to cover penalties incurred by Enershare.

12.2 When reading dates for utility bills are after the commencement date of this agreement or after the date of termination of this agreement, bills for those dates falling due after the commencement date or the date of termination will be prorated for that period after the commencement date or prior to the date of termination for payment by Enershare.

INSURANCE BY ENERSHARE

13 At all times during the term of this agreement Enershare shall maintain in full force and effect at its own expense liability insurance such as will protect Enershare and Owner from any claims for damages for personal injury, including death and from claims for property damage including loss of use which may arise from Enershare's installation of the equipment or any replaced, upgraded or altered equipment and the provision of services under this agreement.

14 The Owner shall be shown on any policy as an additional named insured in respect of Enershare's negligence or misconduct and such insurance shall be in a minimum amount of one million dollars (\$1,000,000.00). Upon execution of this agreement, Enershare shall provide to the Owner evidence of such insurance, and all policies shall be satisfactory to the Owner in respect of form and issuer. Any policy shall state that it will not be changed or cancelled without thirty (30) days prior written notice to the Owner.

INSURANCE BY OWNER

15.1 At all times during the term of this agreement the Owner shall maintain in full force and effect broad boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount not less than the full replacement cost of the boiler, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus owned or operated by Enershare and/or the Owner.

15.2 Enershare shall be included as an additional named insured on all existing or future boiler and machinery policies. Upon execution of this agreement, the Owner shall provide to Enershare evidence of such insurance, and all policies shall state that it will not be changed or cancelled without thirty (30) days prior written notice to Enershare.

15.3 At all times during the term of this agreement the Owner shall maintain in full force and effect public liability and property damage insurance, including personal injury liability, protective insurance coverage with respect to the Premises and equipment.

15.4 This policy shall be written on a comprehensive basis with an inclusive limit of not less than five million dollars (\$5,000,000.00) for bodily injury to any one or more persons, or property damage and shall contain a severability of interests clause and a cross liability clause. Upon execution of this agreement, the Owner shall provide to Enershare evidence of such insurance, and all policies shall be satisfactory to Enershare in respect to form and issuer. Any policy shall state that it will not be changed or cancelled without thirty (30) days prior written notice to Enershare.

16 At all times during the term of this agreement the Owner shall maintain in full force and effect insurance upon the Premises and property of every description and kind owned by Owner or installed by or on behalf of Owner in the said Premises in an amount of not less than the full replacement cost thereof with coverage against at least the perils of fire and standard extended coverage and containing a waiver of subrogation clause against Enershare. This policy shall show Enershare's interest. Upon execution of this agreement, the Owner shall provide to Enershare evidence of such insurance, and all policies shall be satisfactory to Enershare in respect to form and issuer. Any policy shall state that it will not be changed or cancelled without thirty (30) days prior written notice to Enershare.

DAMAGE TO OR DESTRUCTION OF EQUIPMENT

17.1 If any item of equipment is damaged, destroyed or stolen, by an event which is covered by insurance, Enershare and the Owner will utilize the insurance proceeds to repair or replace the equipment, the Owner shall pay any deductible required to be paid under Owner's property and boiler and machinery policy for each occurrence of damage.

17.2 If the damage or destruction principally arose due to the negligence, willful misconduct, or other default under the terms of the contract by the Owner or any employee or agent of the Owner, Enershare may elect to have the damaged equipment repaired or replaced at the Owner's expense if necessary, to the extent that same is not covered by insurance proceeds.

17.3 Enershare may elect pursuant to paragraph 17.2 in writing within thirty (30) days to require the Owner to invest the additional funds needed to repair or replace the equipment provided that the repairs or replacements can and shall be completed within ninety (90) days. Should Enershare not make such an election, Enershare may:

(A) Invest the additional funds needed to repair or replace the equipment, provided that the repairs or replacements can and shall be completed within ninety (90) days; or

(B) Terminate this agreement in respect of the particular facility in which the damaged or destroyed equipment is or was located by a notice to Owner; upon such termination, Enershare shall have the rights and obligations of paragraph 31.

17.4 Nothing in paragraphs 17.1 and 17.2 restricts the rights and remedies of Enershare and the Owner under this agreement, particularly but not limited to remedies related to destroyed or damaged equipment.

DAMAGE TO OR DESTRUCTION OF PREMISES

18 In the event that any of the facilities comprising the Premises are destroyed or damaged then Enershare shall receive the appropriate compensation for its losses from the insurance proceeds or other sources and this agreement will be terminated.

RESPONSIBILITIES OF OWNER

19 The Owner shall provide rent-free space satisfactory to the parties for the installation and operation of the equipment and shall be responsible for the day to day operation of the equipment in accordance with the instructions of Enershare. Owner shall also operate the Premises in accordance with the operating procedures set out in Schedule "D" attached hereto and forming part of this agreement (hereinafter referred to as "the operating procedures"). The Owner shall maintain the Premises subject to normal wear and tear and shall take all necessary steps to ensure the operating condition of all mechanical systems and other energy consuming equipment on the Premises is in accordance with the manufacturer's specifications. The Owner shall not move, remove, alter or change in any way the equipment or any parts thereof without prior written notice to Enershare containing sufficient particulars of the change or changes so as to enable Enershare to determine whether a material change as defined in paragraph 26 has occurred.

20 The Owner shall provide Enershare with all contracts or similar documents signed by the Owner relating to energy usage for at least the two years prior to the date of this contract that would have had an effect on the calculation of the energy budget as stated in schedule "C". In addition, Enershare shall be provided with any contracts or similar documents signed by the Owner that will affect any future period of time covered by this contract.

NOTIFICATION TO ENERSHARE

21.1 Owner shall notify Enershare by telephone within four hours once it knows of:

(A) Any material malfunction in the operation of the equipment; or

(B) Any interruption or alteration of the energy supply to the premises.

21.2 The Owner shall notify Enershare forthwith upon its learning of any emergency conditions affecting the equipment. If an emergency condition exists and it is not possible to notify Enershare, then the Owner shall act reasonably to protect the equipment from damage, and then notify Enershare as soon as possible of the emergency condition.

IDEMNIFICATION BY OWNER

22 The Owner agrees to indemnify, defend and hold Enershare harmless from any and all claims, actions, costs, expenses, damages and liabilities including legal fees arising out of or connected with or resulting from the negligence or misconduct of the Owner, the Owner's employees or the Owner's agents in connection with their activities within the scope of this agreement.

23 The Owner acknowledges and agrees that the Owner's existing heating ventilation and air-conditioning systems and equipment which are not intended to be replaced are required to be in good working order and condition. Written notice identifying that this equipment is in conformity with these standards will be provided by Enershare prior to the operational start date.

24 If the Owner's system and equipment are not in good working order and condition, then Enershare shall have the right to either:

- A) Make any repairs that may be necessary the cost of which shall be payable by Enershare; or
- B) Terminate this agreement within 45 days of the Owners submission to the Ontario Municipal Board as long as said submission has been received by the Ontario Municipal Board no later than March 11, 1988.

COMPENSATION TO ENERSHARE

25.1 The Owner agrees to pay Enershare an annual amount in twelve (12) monthly installments, for the installation of the equipment and the provision of its thermal management services described herein. The annual amount shall be equal to the base year energy budget less the guaranteed discount outlined in Schedule "E" attached hereto and forming part of this agreement. Notwithstanding the above, the base year energy budget and the payments based thereon shall be adjusted from time to time as follows:

(A) To reflect any increase in the published energy rates as determined by the appropriate utility rate schedules, namely, the rates as published by Provincial Gas, Ontario Hydro, Town of Pelham or their successors. If during the term of this agreement alternate fuels are substituted for those that were used to establish the base year energy budget, the aforementioned adjustments will be based on the thermal content of the substitute fuel in British Thermal Units (hereinafter called "B.T.U.'s") prorated to the thermal content of the original fuel in B.T.U.'s. For the purpose of making calculations, the following thermal contents values will be used for the fuels presently contemplated to be used:

Water	--
Natural Gas	1000 BTU/Cubic Foot
Electricity	3413 BTU/KWH

Enershare will compute the proposed changes to the base year energy budget under this clause as they occur.

(B) Should energy rates decrease, then the budget as set out in Schedule "C" will be decreased by one half of the rate decrease for that utility.

(C) To reflect any material changes effected and calculated in accordance with paragraph 26 of this agreement.

25.2 Payment of each of the twelve (12) installments shall be due on the first business day of each month. The first payment may be the first day of the month following the date of designation by Enershare as the operational start date following all or part of the installation of the equipment. Enershare will advise the Owner in writing of that date. The monthly installments will be as shown in the base year energy budget or any subsequent adjusted base year energy budget then in effect.

25.3 A late penalty of two (2%) percent per month shall be payable forthwith on any balance not received by Enershare within ten (10) days of the due date, such penalty to be computed from the due date to the date payment is received.

MATERIAL CHANGES IN USE OF PREMISES

26.1 The Owner shall deliver to Enershare a notice within seven (7) days of any actual or intended material change in the use of a building comprising the Premises occurring after execution of this agreement. A "material change" shall mean any changes affecting energy use at any particular building comprising the Premises which reasonably could be expected to increase the amount of energy used at any single building by more than two (2%) percent per month which may include but not be limited to the following:

(A) A deterioration of the building structure or envelope from its current condition, save and except for reasonable wear and tear; or

(B) The types of equipment used on the Premises; or

(C) Other conditions affecting energy use on the Premises such as an increase in the degree days of heating and/or cooling beyond the norm for the area as published by Environment Canada.

26.2 If energy usage increases as a result of governmental or municipal legislation or regulation, then Enershare has the right to amend the budget to give effect to the foregoing.

26.3 Upon delivery of a notice describing a material change or upon learning of a material change, Enershare shall calculate the proposed adjustment to the base year energy budget reflecting the energy cost of the material change.

26.4 As a result of the said adjustment to the base year energy budget, payment for Enershare's services shall be increased in an amount equal to the increase pro rata. The new payment structure shall apply from the date of change of the base year energy budget and the payment figure shall be adjusted accordingly from that date.

AUTHORIZATION TO PURCHASE ENERGY

27 The Owner hereby irrevocably appoints Enershare as its agent on behalf of the Owner to negotiate and enter into agreements for the purchase of all forms of energy for the purposes of this agreement during the term of this agreement.

PURCHASE OPTION

28 The Owner may at any time terminate this agreement and acquire all the equipment by paying the termination value of the agreement. The Owner may exercise this option by delivering a notice thereof to Enershare not less than ninety (90) days prior to the date the Owner shall select to acquire the equipment. Such date shall be named in the notice. The termination value shall be as follows:

In the first year	-	\$19,720
In the second year	-	\$17,300
In the third year	-	\$15,343
In the fourth year	-	\$13,387
In the fifth year	-	\$11,240
In the sixth year	-	\$ 9,630
In the seventh year	-	\$ 7,148
In the eighth year	-	\$ 5,819
In the ninth year	-	\$ 3,667
In the tenth year	-	\$ 2,716

EVENTS OF DEFAULT BY OWNER

29 Each of the following events or conditions shall constitute an "event of default" by the Owner:

(A) Any failure of the Owner to pay Enershare its compensation required by paragraph 25 herein for a period of more than ten (10) days after the date scheduled for payment; or

(B) Failure by the Owner to perform or comply with the terms and conditions of this agreement including breach of any covenant contained herein provided that such failure continues for fifteen (15) days after notice to the Owner demanding that such failure to perform be cured; or

(C) Any representation or warranty made by the Owner in this agreement which was knowingly false or misleading in any material respect when made, provided that the Owner is made aware of the representation or warranty so relied on by Enershare and Enershare provides to the Owner a period of ten (10) days to remedy the effect of the false or misleading representation or warranty; or

(D) Levy of a writ of execution or order of attachment, against the Premises or the Owner's machinery, equipment or fixtures located thereon, unless same is released or satisfied within ten (10) days of such levy.

EVENTS OF DEFAULT BY ENERSHARE

30 Each of the following events or conditions shall constitute an "event of default" by Enershare:

(A) The failure by Enershare to install all of the equipment herein; or

(B) Provided Owner has made payment to Enershare as required by paragraph 12 and 25, failure by Enershare to make the payments of utility bills pursuant to paragraph 12 herein and any of the utility bills are in arrears for a period in excess of thirty (30) days; or

(C) Any representation or warranty furnished by Enershare in this agreement which was knowingly false or misleading in any material respect when made; provided that Enershare is made aware of the representation or warranty so relied on by the Owner and the Owner provides to Enershare a period of ten (10) days to remedy the effect of the false or misleading representation or warranty.

REMEDIES ON DEFAULT OF OWNER

31.1 In the event of default by Owner, Enershare shall provide the Owner with a notice detailing the default and providing Owner with fifteen (15) business days from date of receipt of such notice by the Owner to cure such default.

31.2 In the event that the Owner fails to pay Enershare its compensation when due or on any other event of default by the Owner pursuant to the terms hereof, Enershare shall be entitled to:

(A) Exercise all remedies available at law or at equity or other appropriate proceedings including bringing an action or actions from time to time for recovery of amounts due and unpaid by the Owner, and/or damages for the equipment damaged or destroyed due to the negligence or willful misconduct of the Owner, which shall include all costs and expenses reasonably incurred in the exercise of its remedy (including legal fees) and/or for specific performance; or

(B) Terminate this agreement by delivery of a notice declaring termination, enter the Premises to dismantle and/or remove its equipment from the Premises; or

(C) Terminate this agreement by delivery of a notice declaring termination, which shall then entitle Enershare to receive from the Owner, within 30 days, the value of this project as more particularly set out in paragraph 28 of this agreement as of the date of the termination notice.

REMEDIES ON DEFAULT OF ENERSHARE

32.1 In the event of default by Enershare, the Owner shall provide Enershare with a notice detailing the default and providing Enershare with fifteen (15) business days from date of receipt of such notice by Enershare to cure such default.

32.2 In the event that Enershare fails to cure the default as aforesaid then the Owner shall select one of the following remedies:

(A) exercise its option to purchase all the equipment for half the termination value as set forth in paragraph 28 and terminate the agreement by delivery of a notice declaring termination, or

(B) purchase all the installed equipment by continuing monthly financing payments pertaining to that equipment directly to Enershare or its lender; or

(C) purchase in one lump sum all the installed equipment for the value outstanding under all original leases and contracts pertaining to that equipment including the assumption of any financing thereof either to Enershare or its lender.

33 In the event that Enershare becomes bankrupt, insolvent or ceases carrying on business, the Owner covenants and agrees to either exercise its option as set forth in paragraph 28; or to assume on a continuing basis all obligations under all original leases and contracts pertaining to the equipment including all financing thereof or exercise one of options indentified in clause #32.2.

REPRESENTATIONS AND WARRANTIES OF OWNER

- 34 The Owner warrants and represents to Enershare that:
- (A) It has all requisite power, authority, licences, permits and franchises, corporate or otherwise to execute and deliver this agreement in performance of its obligations hereunder; and
 - (B) Execution, delivery and performance of this agreement will not result in a breach or violation or constitute a default under any agreement, lease or instrument to which it is a party or by which it or its properties may be bound or affected; and
 - (C) The Owner intends to continue to use the Premises in a manner similar to its present use except as disclosed by owner to Enershare in writing; and
 - (D) The Owner has provided Enershare with all records heretofore requested by Enershare and the information set forth subsequently provided pursuant to this agreement will be, to the best of the Owner's knowledge, true and accurate in all material aspects except as has been disclosed by the Owner in writing; and
 - (E) Its execution, delivery, and performance of this agreement has been duly authorized. This agreement has been duly executed and delivered for it by the signatories so authorized.

REPRESENTATIONS AND WARRANTIES OF ENERSHARE

- 35 Enershare warrants and represents to the Owner that:
- (A) It has all requisite power, authority, licences, permits and franchises, corporate or otherwise, to execute and deliver this agreement and perform its obligations hereunder; and

(B) Its execution, delivery, and performance of this agreement has been duly authorized by Enershare and are within the corporate powers and capacities of Enershare. This agreement has been duly executed and delivered for it by the signatories so authorized; and

(C) It has not received any notice, nor to the best of its knowledge is there pending or threatened any notice, or any violation of any applicable laws, ordinances, regulations, rules, decrees, awards, permits or orders which would materially adversely affect its ability to perform hereunder; and

(D) That the equipment provided has been newly manufactured, and upon installation on the Premises will be in good working order and ready to use.

OWNERSHIP OF EQUIPMENT UPON EXPIRATION OF THIS AGREEMENT

36 Upon the expiration of this agreement, Enershare shall charge one dollar (\$1.00) to the Owner to transfer all the equipment, which shall be in good working order, to the Owner free and clear of all encumbrances, and the Owner shall then be responsible for all monitoring in connection therewith, and save Enershare free of any further responsibilities for its operation, monitoring, or maintenance.

COMPLIANCE WITH LAW AND STANDARD PRACTICES

37 Enershare shall perform its obligations hereunder in compliance with the laws of the province of Ontario and the laws of Canada as each shall respectively apply.

NOTICE AND CHANGE OF ADDRESS

38 All notices to be given by either party to the other shall be in writing and must be either delivered or mailed by registered or certified mail, return receipt requested, addressed as follows:

To Enershare: Enershare Technologies Inc.
167 Dolomite Drive
Downsview, Ontario
M3J 2N1

Attention: Mr. Bruce Robertson

Owner: The Corporation of the Town of Pelham
Pelham Town Square
Box 400
Fonthill, Ontario
L0S 1E0

Attention: Mr. Allen Peters

Or such other addresses as either party may hereinafter designate by a notice to the other. Notices are deemed to be received on the day they are delivered or five days after registered or certified mailing.

INTERPRETATION

39 This agreement and the construction and enforceability thereof shall be interpreted under the laws of the Province of Ontario.

STRICT PERFORMANCE

40 The failure of either Enershare or the Owner to insist upon the strict performance of the terms and conditions hereof shall not constitute or be construed as a waiver or relinquishment of either party's rights to thereafter enforce the same in accordance with this agreement in the event of a continuing or subsequent default on the part of either party.

SEVERABILITY

41 It is mutually agreed that in the event that any clause or provision of this agreement or any part thereof shall be declared invalid, void or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this agreement unless the result would be manifestly inequitable or unconscionable.

ASSIGNMENT

42 This agreement is not assignable without the written permission of the other party save and except that the compensation payable to Enershare hereunder may be assigned without consent, and Enershare may assign this contract as security without consent.

NON-PERFORMANCE

43 It is agreed between the parties hereto that neither party shall be held responsible for damages caused by delay or failure to perform its obligations hereunder when such delay or failure is due to fires, strike, floods, acts of God, lawful acts of public authorities, or delays which cannot reasonably be foreseen or provided against.

COMPLETE AGREEMENT

44 This agreement when executed together with all schedules attached hereto as provided for by this agreement shall constitute the entire agreement between both parties. This agreement may not be amended, modified or terminated except by writing signed by the parties hereto.

FURTHER DOCUMENTS

45 The parties shall execute and deliver all documents and perform all further actions that may be reasonably necessary under the provision of this agreement.

ACCEPTANCE

46 This agreement is open for acceptance by Owner until 5:00 P.M. on the 60th day from the date of this agreement and if not signed and returned to Enershare by such date this agreement shall be null and void.

 Witness and corporate seal of the parties hereto affixed as attested by the hands of its proper signing officers on that behalf.

The Corporation of the Town of Pelham

Per: E.S. Bergensten
Mayor

Per: Mary Hackett
Clerk

Date

Enershare Technologies Inc.

Per: [Signature]
President

Per: [Signature]
Secretary/Treasurer

Feb 10 1988
Date

corporate seal

SCHEDULE A

Pelham Arena
1120 Haist Street
Fonthill, Ontario
L0S 1E0

SCHEDULE C

	DEMAND	HYDRO		NAT.GAS		WATER		
	(KW)	CONS.	COST	CONS.	COST	CONS.	COST	TOTAL
		(KWH)	(\$)	(MCF)	(\$)	(IMP.GAL)	(\$)	(\$)
JAN	125	58613	2872	293	1529	2155	2181	6582
FEB	134	51857	2660	265	1389	--	--	4049
MAR	130	55031	2761	230	1214	--	--	3975
APR	125	19678	1393	98	544	--	--	1937
MAY	-	6881	432	23	137	1350	1376	1945
JUNE	-	5531	352	27	160	--	--	512
JULY	108	6325	683	12	75	--	--	758
AUG	-	8635	535	17	103	--	--	638
SEPT	130	24570	1603	16	98	299	325	2026
OCT	121	74443	3454	124	670	--	--	4124
NOV	120	61523	2958	183	978	--	--	3936
DEC	125	61218	2971	303	1579	--	--	4550
TOTALS		434305	22674	1591	8476	3804	3882	35032

SCHEDULE D

For the purposes of this Thermal Management services agreement Owner agrees:

A) ICE MAKING

- To have the ice thickness reduced from the present depth to an ice depth of 3/4" minimum and 1" maximum; thereafter to be maintained at these depth tolerances, or at an ice thickness mutually agreed to by Owner and Enershare.

- To measure the ice depth at the highest structural point in the ice pad should structural deviations caused by frost heave occur.

- To have the amount of flood water reduced to no more than eighty-five (85) imperial gallons per flood.

- That the temperature of the flood water will be no greater than 60.0 degrees Celsius (140 degrees Fahrenheit), measured at the discharge supply side of the pressure vessel.

- To allow the temperature controller to be calibrated and sealed to produce a temperature no greater than 140 degrees Fahrenheit.

- To dump the scraped snow outside the building unless otherwise agreed to.

- That the water outlets to be provided at the resurfacing machine are:

1. cold domestic water, and/or
2. domestic hot water.

- That all other water sources and taps will be removed in the resurfacing machine room.

- That washing of the resurfacing machine, ice conditioner and other machine parts will be done with cold water or domestic hot water.

- To the installation of push buttons in the resurfacing room for selecting resurfacing water.

- To keep the resurfacing machine conditioner cutting blades sharp.
- To utilize the new ice-making techniques demonstrated by Enershare.
- To the calibration and sealing of the temperature controls to prevent tampering.

B) COMPRESSOR CONTROL

- That the control of the refrigeration compressors for ice making is assumed by a computer control system.
- That sensors are installed in the brine return, brine supply line and outside air.
- To the installation of a hand-off-auto switch, by Enershare, for motor control.
- To ensure that the hand-off-auto switch is always in auto position during normal operations.
- To place the switch in the hand position and notify Enershare immediately should the computer control system fail.
- To permit Enershare to change the compressor control sequence to the following:

On a call for cooling, the smallest compressor would start first. On a further call for cooling the small compressor would stop and the next larger would commence operation. Should the refrigeration requirements still not be satisfied then the smaller compressor would restart and both would operate until the cooling requirements are satisfied. As the cooling requirements are satisfied the above sequence would reverse under the control of the electronic control system.

In the installations where there are more than two compressors the electronic control system will select the optimum configuration of compressors to satisfy cooling requirements.

The electronic control system for the compressors will measure the brine temperature, and outdoor air and

calculate the optimum temperature for the ice surface.

During unoccupied night hours of the ice surface, the entire refrigeration system shall be shut down, whenever conditions permit. The electronic control system will calculate the optimum time to energize the refrigeration compressors to reduce the floor temperature based on the information received from the sensors, i.e. brine return temperature, brine supply temperature and outside air temperature.

C) DOMESTIC HOT WATER

- That the water temperature for showers, lavatories and general maintenance is to be no greater than 115 degrees Fahrenheit (46.1 degrees Celsius). These temperatures shall be measured at the discharge side of the heating vessel.

- To the calibration and sealing of the temperature controls to prevent tampering.

D) GENERAL AREA LIGHTING AND SERVICE AREA LIGHTING

- That the following light levels are to be maintained:

- 10 - 30 foot candles - shipping and receiving areas
- 10 - 30 foot candles - corridors and stairwells
- 10 - 30 foot candles - storage rooms and warehouses
- 60 - 70 foot candles - office desk working levels
- 10 - 20 foot candles - washrooms
- 30 - 60 foot candles - snack bars and meeting rooms

- To Continue to clean the lamps and lenses of all fluorescent fixtures to ensure that these light levels are maintained.

E) SPACE HEATING

- That the air temperatures to be maintained for comfort levels are:

HEATING

66 - 68 degrees F. - occupied - dressing room
55 degrees F. - unoccupied - dressing room

The point of measurement for the above temperatures shall be at the temperature sensor or thermostat whichever being the case.