



111 Horton Street  
P.O. Box 2700  
London, ON N6A 4H6

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January 7, 2013

Ms. Cathy Saunders, City Clerk  
The Corporation of the City of London  
300 Dufferin Ave., City Clerk's Office, 3rd Floor  
London, ON  
N6A 4L9

**Re: Shareholder Resolution**

Dear Ms. Saunders:

Pursuant to the request made by The Corporation of the City of London (the "City") in its letter dated December 20, 2012, London Hydro's Board of Directors met on January 7, 2013 and passed the attached resolution, which confirms that London Hydro is prepared to collaborate with London District Renewable Energy Cooperative ("LDREC") through a joint venture arrangement; pursue applications under the Ontario Power Authority ("OPA") FIT program for rooftop solar projects on certain identified properties owned by the City; and make available to the joint venture the benefit of certain pre-existing applications under the FIT program that had been previously filed by London Hydro.

Subject to the Shareholder Declaration, Article 8.7, governing London Hydro, Shareholder approval is required for London Hydro to participate in a joint venture initiative with the LDREC. London Hydro's Board has passed this resolution, subject to their approval of the lease terms with the City and approval of the joint venture agreement with LDREC before January 18, 2013, LDREC being successfully established and financed and appropriate due diligence and business case, which will be carried out in due time prior to committing to each project. However, we have passed these resolutions for the purpose of expediting all approvals for timely submission of FIT applications to the OPA, which must be completed no later than January 18, 2013. Submission of applications to OPA does not necessarily mean that the joint venture will be offered the opportunity to enter into a contract with OPA in respect of any of the submitted projects nor does it mean that we will commit to all of the submitted projects for which Offers are received.

A preliminary estimate for the various projects requires a total investment of \$7.3 million. These projects offer more in the way of “green benefits” in accordance with City approved *Phase 1 Strategy for Employing Solar PV Systems on City of London’s Municipal Buildings and Properties* than an opportunity for significant economic returns to the joint venture parties. Our final approval for individual projects for which FIT offers are received from the OPA will be dependent on the financial returns being reasonable for both joint venture parties and that they not prejudice our other strategic initiatives or adversely impact our distributions to the City.

Sincerely,



Peter Johnson, Chair  
London Hydro Inc.

- c. Linda Rowe, Deputy City Clerk, City of London  
Jennifer Smout, City Solicitor, City of London  
Bill Campbell, Division Manager, Facilities, City of London

Attach.