

This is the 1<sup>st</sup> affidavit  
of L. Fournier in this case and was  
made on May 9, 2017

NO. S-174308  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL  
SERVICES INC.**

PLAINTIFF

AND:

**WEDGEMOUNT POWER LIMITED PARTNERSHIP  
WEDGEMOUNT POWER (GP) INC.  
WEDGEMOUNT POWER INC.  
THE EHRHARDT 2011 FAMILY TRUST  
POINTS WEST HYDRO POWER LIMITED PARTNERSHIP  
by its general partner POINTS WEST HYDRO (GP) INC.  
CALAVIA HOLDINGS LTD.  
SWAHEALY HOLDING LIMITED  
BRENT ALLAN HARDY  
DAVID JOHN EHRHARDT  
28165 YUKON INC.  
PARADISE INVESTMENT TRUST  
SUNNY PARADISE INC.**

DEFENDANTS

**AFFIDAVIT**

1. I, Luc Fournier, of 1080 Grande Allée West, Quebec City, Quebec G1K 7M3 SWEAR THAT:

2. I am a Senior Manager of the Plaintiff, Industrial Alliance Insurance and Financial Services Inc., and as such, have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be based on information and belief, and where so stated I verily believe them to be true.

3. I am authorized to swear this Affidavit on behalf of the Plaintiff.
4. I have read the Notice of Civil Claim herein. The facts set out in the Notice of Civil Claim are to the best of my knowledge and belief true. In this Affidavit, I have used the same definitions as used in the Notice of Civil Claim.
5. Attached hereto as **Exhibit "A"** is a copy of the first ten pages of the Credit Agreement. The entire Credit Agreement is approximately 250 pages and is available for inspection at the offices of Gowling WLG (Canada) LLP, counsel for the Plaintiff.
6. Attached hereto as **Exhibit "B"** is a copy of the Note.
7. Attached hereto as **Exhibit "C"** is a copy of the first ten pages of the Debenture. The entire Debenture is approximately 60 pages and is available for inspection at the offices of Gowling WLG (Canada) LLP, counsel for the Plaintiff.
8. Attached hereto as **Exhibit "D"** is a copy of the demand letters and Notices of Intention to Enforce Security issued by the Plaintiff on December 6, 2016, without the schedules attached thereto. Such schedules are available for inspection at the offices of Gowling WLG (Canada) LLP, counsel for the Plaintiff.
9. Attached hereto as **Exhibit "E"** is a copy of the Forbearance Agreement.
10. Attached hereto as **Exhibit "F"** is a copy of an example of the Corporate Guarantees.
11. Attached hereto as **Exhibit "G"** is a copy of an example of the Securities Pledge Agreements.
12. Attached hereto as **Exhibit "H"** is a copy of the Personal Guarantees.

13. Attached hereto as **Exhibit "I"** is a copy of the Subordination Agreement dated June 30, 2015 between 28165 Yukon Inc., Paradise Investment Trust and Sunny Paradise Holdings Inc. and the Plaintiff.

14. Attached hereto as **Exhibit "J"** is a copy of a memorandum (the "**IE Memo**") dated May 2, 2017 from Midgard Consulting Inc. and True North Energy Corp., the independent engineers for the Project, to David Ehrhardt.

15. As stated in the IE Memo:

- (a) active monitoring of the conditions at the intake should commence immediately to ensure the spring melt and runoff is handled appropriately;
- (b) there are two primary areas of risk over the upper area of the Project. These are:
  - (i) the continued satisfactory performance of the temporary diversion channel which was designed for 6-8 months of use but has now been in place for over 16 months; and
  - (ii) drainage control and runoff along the upper access road and buried penstock, which was exposed last fall due to uncontrolled runoff.
- (c) the independent engineers are requesting a regular site visit by the independent environmental monitor so as to monitor the site conditions during the spring thaw;
- (d) the onset of spring melt is expected within the end of May timeframe;
- (e) continued monitoring will allow an appropriate response to site conditions as they develop; and
- (f) the independent engineers advocate for an adaptive mobilization that commences work as soon as is practical after site access is achieved,

rather than a fixed schedule for the end of May to re-commence construction activity.


16. Attached hereto as **Exhibit "K"** is a copy of an email from David Delainey to myself, and others, dated May 3, 2017.


17. Attached hereto as **Exhibit "L"** is a copy of an email from David Ehrhardt to myself, and others, dated May 3, 2017.

18. Attached hereto as **Exhibit "M"** are copies of British Columbia Personal Property Registry search results for the Wedgemount Entities.

19. I know of no fact that would constitute a defence to the whole or to any part of the claim by the Plaintiff herein.

SWORN BEFORE ME at the City of  
Quebec, in the Province of Quebec,  
this 9 day of May, 2017.

  
A Commissioner for Affidavits in and  
for the Province of Quebec  
ANNIE LELIEVRE, LAWYER  
#2040780  
AT 1080 GRANDE ALLÉE WEST  
QUEBEC, QUEBEC, G7A 5E6

  
LUC FOURNIER

This is Exhibit "A" referred to in the Affidavit of Luc Fournier, sworn before me at Québec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Québec

EXECUTION VERSION

---

**CREDIT AGREEMENT**

**Among**

**WEDGEMOUNT POWER LIMITED PARTNERSHIP**  
**(Borrower)**

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES**  
**INC.**  
**(as a Lender)**

**THE OTHER LENDERS PARTIES HERETO**  
**(as Lenders)**  
**and**

**TRAVELERS CAPITAL CORPORATION**  
**(as Agent for the Lenders)**

---

**TABLE OF CONTENTS**

Article 1 DEFINITIONS.....	1
1.1 Definitions.....	1
1.2 Rules of Interpretation.....	1
Article 2 THE CONSTRUCTION LOAN FACILITY .....	1
2.1 Construction Loan Facility.....	1
2.2 Notice of Construction Advance.....	1
2.3 Interest Provisions Relating to Construction Loans.....	2
2.4 Construction Advance to pay Interest and Fees.....	2
2.5 First Construction Advance.....	3
2.6 Borrower Equity/ Cost Overrun.....	3
2.7 Use of Construction Loan Proceeds.....	4
2.8 Construction Loan Notes.....	4
Article 3 THE TERM LOAN FACILITY .....	4
3.1 Term Loan Facility.....	4
Article 4 GENERAL PROVISIONS RELATED TO LOAN FACILITIES .....	6
4.1 Total Commitments.....	6
4.2 Loan Funding.....	6
4.3 Prepayments.....	7
4.4 Fees.....	8
4.5 Other Payment Terms.....	9
4.6 Pro Rata Treatment.....	12
4.7 Change of Circumstances.....	13
4.8 Minimization of Costs.....	14
4.9 Agent's and Lender's Records.....	15
Article 5 SECURITY DOCUMENTS.....	15
5.1 Security.....	15
5.2 Insurance.....	17
5.3 Account Bank.....	18
5.4 Further Assurances.....	18
Article 6 CONDITIONS PRECEDENT.....	18
6.1 Conditions Precedent to the Financial Close.....	18
6.2 Conditions Precedent to Advances of Construction Loans.....	24
6.3 Conditions Precedent to Term Conversion.....	27
6.4 Conditions Precedent to Each Credit Event.....	30
6.5 No Approval of Work.....	31
Article 7 REPRESENTATIONS AND WARRANTIES .....	31
7.1 Organization.....	31
7.2 Authorization, No Conflict.....	32
7.3 Laws, Regulations, Etc.....	32
7.4 Applicable Laws.....	33
7.5 Enforceability.....	33
7.6 Employees.....	33
7.7 Taxes.....	33
7.8 Insolvency.....	33
7.9 Insurance.....	34

7.10 Business, Indebtedness, Contracts, Etc. .... 34

7.11 Location of Assets ..... 34

7.12 Financial Statements ..... 34

7.13 Partnerships and Joint Ventures ..... 34

7.14 No Default ..... 34

7.15 Permits ..... 34

7.16 Offices, Location of Collateral ..... 35

7.17 Adverse Change ..... 35

7.18 Hazardous Substances ..... 35

7.19 Litigation ..... 36

7.20 Judgments ..... 36

7.21 Title and Encumbrances ..... 37

7.22 Utilities ..... 37

7.23 Roads/Feeder Lines ..... 37

7.24 Sufficiency of Project Documents ..... 37

7.25 Project Documents ..... 38

7.26 Immunity ..... 38

7.27 Construction Budget, Projection ..... 38

7.28 Construction of Project ..... 38

7.29 Acts of God ..... 38

7.30 Builders' Encumbrances ..... 39

7.31 Disclosure ..... 39

7.32 Collateral ..... 39

7.33 Intellectual Property Rights ..... 39

7.34 EPA ..... 40

7.35 First Nations ..... 40

Article 8 COVENANTS OF BORROWER ..... 40

8.1 Use of Proceeds and Project Revenues ..... 41

8.2 Payment and Performance of Obligations ..... 41

8.3 Maintain Accounts ..... 41

8.4 Notices ..... 41

8.5 Notices under the Rights of Access and Occupation, Interconnection Agreement and the EPA 43

8.6 Financial Statements ..... 43

8.7 Reports ..... 45

8.8 Annual Operating Budget ..... 46

8.9 Distribution Report ..... 46

8.10 Additional Applicable Project Authorizations and Project Documents; Additional Lender Direct Agreements ..... 47

8.11 Cooperation ..... 47

8.12 Existence, Conduct of Business, Properties, Etc. .... 47

8.13 Obligations ..... 47

8.14 Books, Records, Access ..... 47

8.15 Operation of Project and Compliance with Annual Operating Budget ..... 48

8.16 Preservation of Rights; Further Assurances ..... 49

8.17 Taxes, Other Government Charges and Utility Charges ..... 50



8.18 Compliance with Laws, Instruments, Etc..... 50

8.19 Construction of Project..... 51

8.20 Substantial Completion Date..... 51

8.21 Final Completion..... 51

8.22 Maintenance of Insurance..... 51

8.23 Warranty of Title..... 59

8.24 Event of Eminent Domain..... 59

8.25 Indemnification..... 60

8.26 Certification of Interests..... 62

8.27 As Built Survey..... 62

8.28 Compliance with the Builders' Lien Legislation..... 62

8.29 Know Your Customer..... 63

8.30 Litigation..... 63

8.31 Rights of Access and Occupation..... 63

Article 9 NEGATIVE COVENANTS OF BORROWER..... 64

9.1 Limitations on Encumbrances..... 64

9.2 Indebtedness..... 64

9.3 Sale or Lease of Assets..... 64

9.4 Changes..... 64

9.5 Distributions..... 64

9.6 Investments..... 64

9.7 Transactions With Affiliates..... 65

9.8 Project Revenues..... 65

9.9 Partnerships..... 65

9.10 Constatng Documents, Merger and Dissolution..... 65

9.11 Amendments, Change Orders; Substantial Completion..... 65

9.12 Compliance With Operative Documents..... 66

9.13 Name and Location; Fiscal Year..... 67

9.14 Use of Project Site..... 67

9.15 Assignment..... 67

9.16 Transfer of Interests..... 67

9.17 Abandonment of Project..... 68

9.18 Hazardous Substances..... 68

9.19 Accounts..... 68

9.20 Insolvency Event..... 68

9.21 Sale-Leaseback..... 68

9.22 No Employees..... 68

Article 10 APPLICATION OF FUNDS..... 69

10.1 Funding Account..... 69

10.2 Proceeds Account..... 69

10.3 Insurance Proceeds Account..... 70

10.4 Debt Service Reserve Account..... 73

10.5 Builder's Lien Holdback Account..... 74

10.6 Equity Lock-Up Account..... 75

10.7 Distribution Account..... 75

10.8 Major Maintenance Account..... 75

10.9 Permitted Investments ..... 77

10.10 Funding And Proceeds Accounts waterfall ..... 77

10.11 Application of Eminent Domain Proceeds ..... 79

Article 11 EVENTS OF DEFAULT; REMEDIES ..... 79

11.1 Events of Default ..... 79

11.2 Exercise of Remedies ..... 84

11.3 Priorities of Payments Derived from Realization of Security Documents ..... 85

11.4 Non-Recourse ..... 86

Article 12 AGENT; SUBSTITUTION ..... 86

12.1 Appointment, Powers and Immunities ..... 86

12.2 Reliance by Agent ..... 87

12.3 Non-Reliance ..... 88

12.4 Defaults ..... 88

12.5 Indemnification ..... 88

12.6 Successor Agent ..... 89

12.7 Authorization ..... 89

12.8 Other Rights and Powers of Agent ..... 90

12.9 Amendments ..... 90

12.10 General Provisions as to Payments ..... 91

12.11 Participations ..... 91

12.12 Transfer of Loans ..... 91

12.13 Response to Borrower Requests ..... 93

Article 13 INDEPENDENT CONSULTANTS ..... 93

13.1 Removal and Fees ..... 93

13.2 Duties ..... 93

13.3 Independent Consultants' Certificates ..... 94

13.4 Certification of Dates ..... 94

Article 14 MISCELLANEOUS ..... 94

14.1 Addresses ..... 94

14.2 Additional Security, Right to Set-Off ..... 95

14.3 Delay and Waiver ..... 95

14.4 Costs, Expenses and Attorneys' Fees, Syndication ..... 95

14.5 Release of Sponsors ..... 96

14.6 Entire Agreement ..... 97

14.7 Governing Law ..... 97

14.8 Severability ..... 97

14.9 Headings ..... 97

14.10 Accounting Terms ..... 97

14.11 Additional Financing ..... 98

14.12 No Partnership, Etc. .... 98

14.13 Security Documents ..... 98

14.14 Lender Direct Agreement to Jurisdiction ..... 98

14.15 Interest Payments and Calculations ..... 98

14.16 Successors and Assigns ..... 99

14.17 Confidentiality ..... 100

14.18 Counterparts ..... 100



**INDEX OF EXHIBITS**

Exhibit A-1 Definitions and Rules of Interpretation  
Exhibit A-2 Payment Instructions

**Advances**

Exhibit B-1 Form of Notice of Construction Advance  
Exhibit B-2 Form of Notice of Term Conversion

**Closing Certificates**

Exhibit C-1 Form of Borrower's Closing Certificate  
Exhibit C-2 Form of Insurance Consultant's Certificate  
Exhibit C-3 Form of Independent Engineer's Closing Certificate  
Exhibit C-4 Form of Independent Engineer's Substantial Completion Certificate  
Exhibit C-5 Form of Independent Engineer's Construction Advance Certificate  
Exhibit C-6 Form of Independent Engineer's Final Completion Certificate  
Exhibit C-7 Form of Independent Engineer's Certificate Relating to Insurance Proceeds

**Project Description Exhibits**

Exhibit D-1 Material Applicable Project Authorizations  
Exhibit D-2 Project Budget  
Exhibit D-3 Financial Model  
Exhibit D-4 Pending Litigation  
Exhibit D-5 Summary Description of Rights of Access and Occupation  
Exhibit D-6 Location of Assets

**Others**

Exhibit E Lenders/Lending Offices  
Exhibit F Schedule of Lender Term Loans, Construction Loans and Proportionate Shares  
Exhibit G Form of Assignment Agreement  
Exhibit H Permitted Encumbrances  
Exhibit I Intentionally deleted  
Exhibit J-1 Form of Construction Loan Note  
Exhibit J-2 Form of Term Loan Note  
Exhibit K Corporate Chart

## CREDIT AGREEMENT

This CREDIT AGREEMENT (this "Agreement") dated as of June 30, 2015, among WEDGEMOUNT POWER LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of British Columbia, as Borrower, INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC., as a Lender, the other persons listed in Exhibit E or who later become a party hereto, as Lenders, and TRAVELERS CAPITAL CORPORATION, as Arranger and as Agent for the Lenders.

In consideration of the Agreement herein and in the other Finance Documents and in reliance upon the representations and warranties set forth herein and therein, the parties agree as follows:

### ARTICLE 1 DEFINITIONS

#### 1.1 DEFINITIONS

Except as otherwise expressly provided, capitalized terms used in this Agreement and its exhibits shall have the meanings given in Exhibit A-1.

#### 1.2 RULES OF INTERPRETATION

Except as otherwise expressly provided, the rules of interpretation set forth in Exhibit A-1 shall apply to this Agreement and the other Finance Documents.

### ARTICLE 2 THE CONSTRUCTION LOAN FACILITY

#### 2.1 CONSTRUCTION LOAN FACILITY

Subject to the terms and conditions set forth in this Agreement, each Lender severally shall, on the Business Day immediately following the Financial Close (the "Disbursement Date"), fund its Proportionate Share of the Total Construction Loan Commitment by way of deposit into the Funding Account and/or wire transfer to other accounts as directed by the Borrower in amounts approved by the Agent (individually, a "Construction Loan" and collectively, the "Construction Loans") which shall be used to make Advances to Borrower from time to time during the Construction Loan Availability Period, up to once monthly, as Borrower may request under Section 2.2.

#### 2.2 NOTICE OF CONSTRUCTION ADVANCE

Borrower shall request an Advance from the Funding Account, up to once monthly, by delivering to Agent an irrevocable written notice in the form of Exhibit B-1, appropriately completed (a "Notice of Construction Advance"), which specifies, among other things:

- 10
- (a) the amount of the requested Advance, which shall be in the minimum amount of \$500,000; and
  - (b) the date of the requested Advance, which shall be a Business Day.

Borrower shall give the Notice of Construction Advance to Agent at least five (5) Business Days (or three (3) Business Days in respect of the Advance on the Business Day after the Financial Close) before the requested date of an Advance with respect to the Construction Loan Facility. Agent shall provide a copy of such notice to each Lender specifying the Lender's Proportionate Share (with respect to the Construction Loan Facility) of the Advance.

### **2.3 INTEREST PROVISIONS RELATING TO CONSTRUCTION LOANS**

- (a) **Construction Loan Interest Rate.** Borrower shall pay interest (both before and after the occurrence of an Event of Default and including interest accruing after the commencement of an Insolvency Event) on the unpaid principal amount of the Construction Loans from the Disbursement Date until the Construction Loan Maturity Date at a rate per annum equal to the Interest Rate and, after the occurrence and during the continuance of an Event of Default, the Default Rate. Agent shall calculate and accrue interest in respect of each Construction Loan daily at the Interest Rate on the outstanding principal amount in respect of the Construction Loans, on the basis of a year of 365 days and the actual days elapsed. Interest on Construction Loans shall be paid in accordance with Section 2.3(b).
- (b) **Interest Payment Dates.** Borrower shall pay accrued interest on the unpaid principal amount of the Construction Loans: (i) on every Monthly Payment Date; (ii) on the Construction Loan Maturity Date; and (iii) in all cases, upon prepayment of any Construction Loans as and to the extent provided in Section 4.3; provided that interest payable pursuant to Section 4.5(c) shall be payable on demand.

### **2.4 CONSTRUCTION ADVANCE TO PAY INTEREST AND FEES**

If the COD has not occurred on or before the Target Commercial Operation Date, interest on the outstanding principal amount under the Loans during the period between the Target Commercial Operation Date and the earlier of the Term Conversion Date and the occurrence of an Event of Default shall be funded by way of releases from the Funding Account, or, to the extent there is no amount standing to the credit of the Funding Account, out of the proceeds of any other Available Construction Period Sources of Funds, including through liquidated damages payable by any Construction Partner under any Construction Contract.

Notwithstanding anything herein to the contrary, during the Construction Loan Availability Period and before the Term Conversion Date, if Borrower has not issued a Notice of Construction Advance in any calendar month at least five (5) Business Days prior to a Monthly Payment Date, Agent may (but shall not be obliged to) deem Borrower to have requested a Notice of Construction Advance on such Monthly Payment Date in an amount equal to the

interest, fees and other amounts payable hereunder on such Monthly Payment Date. Agent shall apply the proceeds of such Construction Advance to the payment of the relevant interest, fees and other amounts due hereunder.

Nothing herein concerning the source of funding of a payment of interest limits in any way the right of Lenders to receive interest or the obligation of Borrower to pay interest on the dates required by this Agreement or the right of any Lender to be paid from any Security held on its behalf.

## 2.5 FIRST CONSTRUCTION ADVANCE


The first Construction Advance after the Financial Close, will consist of the necessary funds to satisfy the following:

- (a) a portion of the Construction Loan Facility may be disbursed to Borrower or its Affiliates as reimbursement for Project Costs expended prior to the Financial Close. The amount of such reimbursement shall be the positive difference between (a) the Borrower's Equity already invested in the Project Costs, and (b) the Required Equity Contribution amount which permits Borrower to meet the Minimum DSCR Requirement and Gearing Requirement in accordance with the Financial Model;
- (b) pursuant to a direction to pay, for which the source of funds is the Advance from (a), payment of the following in the aggregate of \$● which includes:
  - (i) the fees and expenses of the Loan Agent;
  - (ii) the fees and expenses of the Lenders;
  - (iii) the fees and expenses of the Independent Engineer;
  - (iv) the fees and expenses of the Insurance Consultant;
  - (v) the fees and expenses of the Borrower's Counsel; and
  - (vi) the fees and expenses of the Lenders' Counsel.
- (c) to cover Project Costs in accordance with the conditions set out in Section 6.2.

## 2.6 BORROWER EQUITY/ COST OVERRUN

Other than as permitted pursuant to Section 2.5 and Section 10.10 Borrower may not request a Construction Advance under the Construction Loan Facility to reimburse Borrower Equity for the amount of a Cost Overrun required to complete the Project.

This is **Exhibit "B"** referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



---

A Commissioner for Affidavits in and for the Province of Quebec



COPY

CONSTRUCTION LOAN NOTE

**\$16,000,000.00**

For value received, the undersigned, **WEDGEMOUNT POWER LIMITED PARTNERSHIP**, a British Columbia limited partnership, by its general partner **WEDGEMOUNT POWER (GP) INC.** ("**Borrower**"), promises to pay to **INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.** ("**Lender**"), or its order, at its office located at 1080 Grande Allée West, P.O. Box 1907, Station Terminus, Québec City, Québec G1K 7M3 in lawful money of Canada and in immediately available funds, the principal amount of **SIXTEEN MILLION (\$16,000,000.00)**, or if less, the aggregate unpaid and outstanding principal amount of this Construction Loan Note advanced by Lender to Borrower pursuant to that certain Credit Agreement dated as of June 30, 2015 (as amended, modified and supplemented from time to time, the "**Credit Agreement**"), by and among Borrower, Lender and the other Lenders named therein and **TRAVELERS CAPITAL CORPORATION**, as Agent for the Lenders ("**Agent**"), and all other amounts owed by Borrower to Lender hereunder.

This is one of the Construction Loan Notes referred to in the Credit Agreement and is entitled to the benefits thereof and is subject to all terms, provisions and conditions thereof. Capitalized terms used and not defined herein shall have the meanings set forth in the Credit Agreement.

This Construction Loan Note is made in connection with and is secured by, among other instruments, the provisions of the Debenture, the Securities Pledge Agreements and the other Security Documents. Reference is hereby made to the Credit Agreement, the Debenture, the Securities Pledge Agreements and the other Security Documents for the provisions, among others, with respect to the custody and application of the Collateral, the nature and extent of the security provided thereunder, the rights, duties and obligations of Borrower and the rights of the holder of this Construction Loan Note.

The principal amount hereof is payable in accordance with the Credit Agreement, and such principal amount may be prepaid solely in accordance with the Credit Agreement.

Borrower authorizes the Lender to record on the schedule annexed to this Construction Loan Note, the date each payment or prepayment of principal thereunder and agrees that all such notations shall constitute prima facie evidence of the matters noted in the absence of demonstrable error. Borrower further authorizes the Lender to attach to and make a part of this Construction Loan Note continuations of the schedule attached thereto as necessary. No failure to make any such notations, nor any errors in making any such notations, shall affect the validity of Borrower's obligations to repay the full unpaid principal amount of the Construction Loan.

Borrower further agrees to pay, in lawful money of Canada and in immediately available funds, interest from the date hereof on the unpaid and outstanding principal amount hereof until such unpaid and outstanding principal amount shall become due and payable (whether at stated maturity, by acceleration or otherwise) at the rate of 5.39% and at the times set forth in the Credit Agreement, and Borrower agrees to pay other fees and costs as stated in the Credit Agreement.

COPY

If any payment on this Construction Loan Note becomes due and payable on a date which is not a Business Day, such payment shall be made on the next succeeding Business Day, in accordance with the terms of the Credit Agreement.

Upon the occurrence of any one or more Events of Default, amounts then remaining unpaid on this Construction Loan Note may become or be declared to be immediately due and payable as provided in the Credit Agreement, without further notice of default, presentment or demand for payment, protest or notice of non-payment or dishonour, or notices or demands of any kind, all of which are expressly waived by Borrower.

Borrower agrees to pay all costs and expenses, including without limitation Make Whole Amounts and reasonable attorneys' fees, if applicable, incurred in connection with the interpretation or enforcement of this Note.

Except as permitted by the Credit Agreement, this Construction Loan Note may not be assigned by the Lender to any other Person.

This Construction Loan Note has been executed and delivered in and shall be construed and interpreted in accordance with and governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.

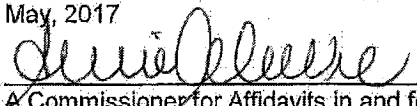
WEDGEMOUNT POWER LIMITED PARTNERSHIP, a British Columbia limited partnership, by its general partner WEDGEMOUNT POWER (GP) INC.

Per: \_\_\_\_\_  
Name: Brent Hardy  
Title: Director

Per: \_\_\_\_\_  
Name:  
Title:

<u>DATE</u>	<u>PREPAYMENT OR REPAYMENT</u>	<u>OUTSTANDING BALANCE</u>

This is **Exhibit "C"** referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

17

---

**WEDGEMOUNT POWER LIMITED PARTNERSHIP  
and WEDGEMOUNT POWER (GP) INC.**

- and -

**TRAVELERS CAPITAL CORPORATION**

---

**DEMAND DEBENTURE**

---

June 30, 2015

## TABLE OF CONTENTS

### ARTICLE 1

#### DEFINITIONS

1.1	Definitions .....	2
1.2	Sections and Headings .....	3
1.3	Extended Meanings .....	3
1.4	Time of Day .....	3
1.5	Inclusiveness .....	3
1.6	Currency .....	4
1.7	Time .....	4
1.8	Schedule .....	4

### ARTICLE 2

#### GRANT OF SECURITY

2.1	Mortgage and Charge .....	4
2.2	Distribution Account .....	9
2.3	Enlargement .....	9
2.4	Each Lot Charged .....	9
2.5	Confirming Effectiveness of Charges .....	9
2.6	Attachment .....	10
2.7	Floating Charge .....	10
2.8	Nature of Security Hereof .....	10
2.9	Grantor's Dealings with Charged Property .....	10
2.10	Right of Set Off .....	11

### ARTICLE 3

#### OBLIGATIONS

3.1	Promise to Pay .....	11
3.2	Obligations .....	11
3.3	<i>Interest Act</i> (Canada) .....	11

### ARTICLE 4

#### DEALING WITH CHARGED PROPERTY

4.1	Dealing With Charged Property .....	12
4.2	Agent's Dealing with the Charged Property .....	12
4.3	No Assumption of Liability .....	13
4.4	Notification of and Dealings with Third Parties .....	13
4.5	Negotiable Collateral .....	13

### ARTICLE 5

#### DEFAULT AND REMEDIES

5.1	Default and Enforcement .....	14
5.2	Demand and Acceleration .....	14
5.3	Remedies and Receivership .....	14

5.4 Additional Rights .....17  
 5.5 Agent and Receiver as Attorney.....18  
 5.6 Protection of Third Parties .....19  
 5.7 Surrender by Grantor.....19  
 5.8 Deficiency .....19  
 5.9 Statutory Waiver .....19

ARTICLE 6

PERFORMANCE OF GRANTOR'S COVENANTS BY AGENT  
AND REIMBURSEMENT OF AGENT'S COSTS

6.1 Payment of Costs.....19  
 6.2 Performance by Agent.....20  
 6.3 Reimbursement of Agent's Costs.....20

ARTICLE 7

MISCELLANEOUS

7.1 Other Security .....21  
 7.2 Amendments and Waivers .....21  
 7.3 Entire Agreement .....21  
 7.4 Notice .....22  
 7.5 Further Assurances.....22  
 7.6 Governing Law.....22  
 7.7 Successors and Permitted Assigns .....22  
 7.8 Counterparts .....22  
 7.9 Assignment.....22  
 7.10 Severability.....23  
 7.11 Approvals .....23  
 7.12 Joint and Several Liability.....23  
 7.13 Waiver of Insurance Statutes.....23  
 7.14 Receipt and Waiver .....23  
 7.15 Doctrine of Consolidation .....23

**DEMAND DEBENTURE**

**THIS DEBENTURE** dated as of June \_\_, 2015 (this "Debenture")

**BETWEEN:**

**WEDGEMOUNT POWER LIMITED PARTNERSHIP,**  
a limited partnership formed under the laws of the Province of British Columbia ("WPLP")

and

**WEDGEMOUNT POWER (GP) INC.,**  
a corporation incorporated under the laws of the Province of British Columbia (the "GP")

(together, the "Grantor")

**AND:**

**TRAVELERS CAPITAL CORPORATION,** as agent for and on behalf of the Lenders (as defined below)

(together with any successor thereto acting in such capacity, the "Agent")

**WHEREAS** WPLP, as borrower, the Agent and the Lenders have entered into or will enter into a credit agreement to be dated on or about June \_\_, 2015 (as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time, the "Credit Agreement") pursuant to which WPLP has been or will be provided certain credit facilities;

**AND WHEREAS** the GP is the general partner of WPLP and as such has agreed to grant, with WPLP, the Charges (as defined below) to the Agent pursuant to this Debenture;

**AND WHEREAS** the Charges are being granted to the Agent by the Grantor in order to secure the payment and performance of the Obligations (as defined below) in accordance with the terms and conditions of this Debenture.

**NOW THEREFORE,** in consideration of the agreements herein and in the Credit Agreement and in reliance upon the representations and warranties set forth herein and therein, the parties agree as follows:



- 2 -

**ARTICLE 1**  
**DEFINITIONS**

**1.1**            **Definitions**

In this Debenture, unless there is something in the subject matter or context inconsistent therewith, all capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement. In addition, the following terms shall have the following meanings:

- (a) "Agent" has the meaning set out in the recital of the parties on page 1;
- (b) "Charged Property" has the meaning given in Section 2.1;
- (c) "Charges" has the meaning given in Section 2.1;
- (d) "Credit Agreement" has the meaning set out in the recitals;
- (e) "Crown" has the meaning given in Section 2.1;
- (f) "Debenture" has the meaning set out in the recitals and includes the schedules hereto, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
- (g) "Enforcement Office" means, with respect to the Agent, its office at Suite 501 – 4180 Lougheed Hwy., Burnaby, British Columbia V5C 6A7, Attention: Mark Bohn, or such other office in Canada as the Agent may designate;
- (h) "Grantor" has the meaning set out in the recital of the parties on page 1;
- (i) "Improvements" means, collectively, all buildings and all other erections, structures, plants, improvements, equipment, machinery, apparatus, fittings, fixtures and other installations or accessories now or hereafter incorporated in or erected on any lands, premises or other real and immovable property, and including all replacements thereof, improvements and additions thereto from time to time (excluding the movable property related to the operation of any business carried out therein or thereon);
- (j) "Landlord Leases" has the meaning given in Section 2.1(b)(i);
- (k) "Lands" means the lands described in Schedule A, Part 1 hereto;
- (l) "Leasehold Property" has the meaning given in Section 2.1(a);
- (m) "Leases" has the meaning given in Section 2.1;
- (n) "Negotiable Collateral" has the meaning given in Section 4.5;

- (o) "Obligations" has the meaning given in the Credit Agreement;
- (p) "Other Property" has the meaning given in Section 2.1(c);
- (q) "Other Property Rights Agreements" has the meaning given in Section 2.1(c);
- (r) "PPSA" means the *Personal Property Security Act* (British Columbia), as amended from time to time;
- (s) "Principal Amount" has the meaning given in Section 3.1;
- (t) "Rents" has the meaning given in Section 2.1(b)(ii);
- (u) "Statutory Rights of Way" has the meaning given in Section 2.1; and
- (v) "Tenant Leases" has the meaning given in Section 2.1(a).

1.2 Sections and Headings

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Debenture. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Debenture in its entirety and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Debenture.

1.3 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

1.4 Time of Day

Unless otherwise specified, any reference to a time of day means local time in Vancouver, British Columbia.

1.5 Inclusiveness

The word "including", when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather such general statement, term or matter is to be

- 4 -

construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

**1.6**            Currency

Unless otherwise specified, all amounts are stated in Canadian Dollars.

**1.7**            Time

Time shall be of the essence in all provisions of this Debenture.

**1.8**            Schedule

Schedule A - "*Description of Lands, Tenant Leases and Other Property Rights Agreements*" is annexed to and forms part of this Debenture and this Debenture shall be read and interpreted accordingly.

**ARTICLE 2**  
**GRANT OF SECURITY**

**2.1**            Mortgage and Charge

As security for the due payment of the Principal Amount, interest and all other amounts from time to time payable hereunder and the payment and performance of any and all other Obligations and the due performance by the Grantor of all its covenants contained herein or in any other Finance Document to which the Grantor is party, the Grantor hereby conveys, mortgages, charges, assigns, pledges and transfers to and in favour of the Agent, and grants a security interest to and in favour of the Agent in, all of the Grantor's property, assets and undertakings, movable and immovable, real and personal, tangible and intangible, whether now owned or hereafter acquired, including, without limitation, all such present and after acquired property, assets and undertakings which now or hereafter constitute the interest of the Grantor in the Project, the Project Authorizations, the Rights of Access and Occupation, the Accounts (subject to Section 2.2), the Proceeds, the Project Revenues and the Project Documents, and, without limiting the generality of the foregoing, the Grantor hereby:

- (a) demises, sub-leases and mortgages as and by way of a fixed and specific mortgage and charge to and in favour of the Agent all of the present and future estate, right, title and interest of the Grantor in and to all leases, agreements to lease, offers to lease, letters of intent to lease, licences, rights of use or occupancy, tenancy agreements and other similar agreements (including any option to renew or purchase and option or right of first refusal to lease or purchase that may be contained therein) which the Grantor may be possessed of, entitled to, or acquire, now or hereafter (as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time, collectively, the "Tenant Leases")

with respect to lands, premises, seabeds, waterlots and other real and immovable property, including:

- (i) all Improvements thereto;
- (ii) the licence of occupation described in Schedule A, Part 2 with respect to the Lands described in Schedule A, Part 1 between Her Majesty the Queen in Right of the Province of British Columbia, as licensor, and the Grantor, as licensee;
- (iii) all present and future estate, right, title and interest of the Grantor in and to the Lands, premises and other real property interests which are the subject matter of such Tenant Leases; and
- (iv) all related and attendant benefits, easements, franchises, immunities, licenses, privileges, rights, rights-of-way, undersurface rights, servitudes and other interests appertaining thereto or connected therewith;

(collectively, the "Leasehold Property") to have and hold the same unto the Agent from the date hereof for and during the unexpired residue of the term granted by any such Tenant Lease (except the last day of the term thereof), yielding and paying therefor yearly on each and every anniversary of the date of this Debenture in each year of the term hereby sub-demised the sum of One Dollar (\$1.00) if demanded by the Grantor;

(b) assigns, grants, transfers and sets over to and in favour of the Agent, as and by way of a fixed and specific mortgage and charge, all the estate, right, title and interest of the Grantor in and to:

- (i) any and all existing or future leases, subleases, agreements to lease or sublease or other tenancy or occupancy agreements relating to the whole or any part or parts of the Lands and Improvements thereto and all existing or future licenses or concessions whereby any Person is given the right by the Grantor to use or occupy the whole or any part or parts of the Lands and Improvements thereto and all extensions, amendments, renewals or substitutions thereof or therefor which may hereafter be effected or entered into (collectively the "Landlord Leases"), and all benefits, powers and advantages of the Grantor to be derived therefrom and all covenants, obligations and agreements of the tenants thereunder;
- (ii) all rents and other moneys now due and payable or accruing due or hereafter to become due and payable to the Grantor (collectively, the "Rents") under the Landlord Leases, and each guarantee of or indemnity in respect of the obligations of the tenants thereunder, with full power to demand, sue for recovery, receive and give receipts for all such rents and

other moneys and otherwise to enforce the rights of the Grantor thereto in the name of the Grantor; and

(iii) all claims, book debts, accounts receivable and any other amounts or property, except for Rents, now due and payable or accruing due or hereafter to become due and payable to the Grantor in connection with the Project, including the Lands and Improvements thereto, and arising under, and the benefit, power and advantage of the Grantor to be derived from, and the estate, right, title and interest of the Grantor in and to, all performance bonds, labour and material bonds, agreements of purchase and sale, options to purchase and mortgage, loan or other financing commitments, contracts, licenses, permits, plans and specifications, letters of credit, letters of guarantee or other documents or instruments affecting or relating to the Project, including the Lands and Improvements thereto or any part or parts thereof and all extensions, amendments, renewals or substitutions thereof or therefor which may hereafter be effected or entered into;

(c) grants, mortgages and charges, as and by way of a fixed and specific mortgage, charge and assignment, to and in favour of the Agent all of the estate, right, title and interest of the Grantor in and to any agreements described in Schedule A, Part 3 (collectively, the "Other Property Rights Agreements") conferring rights with respect to the Project and the Lands (including any option to renew or purchase and option or right of first refusal to lease or purchase that may be contained therein), including, without limitation:

- (i) all Improvements thereto;
- (ii) all present and future estate, right, title and interest of the Grantor in and to the Project, the Lands, and any other premises and any other real and personal property interests which are the subject matter of such Other Property Rights Agreements; and
- (iii) all related and attendant benefits, easements, franchises, immunities, licenses, privileges, rights, rights-of-way, undersurface rights, servitudes and other interests appertaining thereto or connected therewith;

(collectively, the "Other Property.");

(d) assigns, transfers, sets over, and grants a security interest in, to and in favour of the Agent, all rights, claims and entitlements which the Grantor may have or acquire, now or hereafter, to the proceeds of any insurance relating to the Charged Property described in the other subsections of this Section 2.1 and to the compensation arising out of or relating to the expropriation, requisition of title, requisition of use, compulsory acquisition, or other seizure and sale of or

- 7 -


interference with, the Charged Property by any Person acting under colour of governmental authority;

- (e) grants to and in favour of the Agent, as and by way of a fixed and specific mortgage, transfer, grant, conveyance, security and charge, all presently owned and hereafter acquired personal property, assets and undertaking of the Grantor (including Accounts (subject to Section 2.2), Chattel Paper, Documents of Title, Goods, Instruments, Intangibles, Money and Investment Property, each as defined in the PPSA) of whatsoever nature and kind, and all proceeds thereof and therefrom, renewals thereof, accessions thereto and substitutions therefor; and
- (f) mortgages, pledges and charges as and by way of a floating charge to and in favour of the Agent all of its assets, effects, property and undertaking, real and personal, whether presently owned or held or hereafter acquired or held or to which it is now or hereafter becomes otherwise possessed of or entitled to, of whatsoever nature and kind and wheresoever situate, whether in fee or of a lesser estate and all benefits, easements, franchises, immunities, licenses, privileges, rights, rights of way and servitudes appertaining thereto or connected therewith, whether separately owned or held and all of its present and future apparatus, buildings, chattels, erections, fixtures, fixed equipment, improvements and plant and all of its present and future contracts, franchises, leases, mortgages, negotiable and non-negotiable instruments, patents, trademarks, choses in action, goodwill, judgments, bonds, securities, shares and stocks, other than any asset, effect, property or undertaking that is effectively and validly subject to any Charges granted to the Agent pursuant to subsections (a), (b), (c), (d) or (e) of this Section 2.1;

provided that the said grants, conveyances, mortgages, charges, pledges, assignments, transfers and security interests created pursuant to this Section 2.1 (collectively, the "Charges") shall not extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Grantor, as tenant or lessee, but should such Charges become enforceable the Grantor shall thereafter stand possessed of such last day and shall hold it in trust for the Agent for the purpose of this Debenture and assign and dispose thereof as the Agent shall, for such purpose, direct. Upon any sale or sales of such leasehold interest or any part thereof, the Agent, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Grantor and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation respecting the same.

If any agreement, document or other right, title and interest which is to be mortgaged, charged or assigned pursuant to this Section 2.1 is not assignable to the Agent because (i) the remedies for the enforcement of such agreement would not, as a matter of law, pass to the Agent as an incidence of the transfers and assignments made pursuant to this Debenture or (ii) the same is not

This is Exhibit "D" referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



---

A Commissioner for Affidavits in and for the Province of Quebec



December 6, 2016

Via Courier  
Copy via Email (dehrhardt@telus.net)

Colin D. Brousseau  
Direct 604-691-2286  
colin.brousseau@gowlingwlg.com  
File no. L67090009

Wedgemount Power Limited Partnership  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

Attention: Chief Operating Officer

Dear Sirs/Mesdames:

Re: Credit Agreement dated June 30, 2015 (the "Credit Agreement") between Wedgemount Power Limited Partnership (the "Borrower"), Industrial Alliance Insurance and Financial Services Inc. (the "Lender"), other persons listed in Exhibit E to the Credit Agreement or who later become a party thereto (the "Lenders") and Travelers Capital Corporation (the "Agent"); and Construction Loan Note dated June 30, 2015 (the "Note") between the Borrower and the Lender

We are the solicitors for the Lender and the Agent and we refer to the above referenced Credit Agreement. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Credit Agreement.

We confirm that the Borrower has committed Events of Default under the Credit Agreement as result of, among other things, the following:

- (a) the failure by the Borrower to reimburse funds for matters unrelated to the Project, to deliver monthly construction report, to settle accounts payable with respect to the Project, to transfer holdback to the relevant Accounts and to remedy the Funding Shortfall; and
- (b) the failure by the Borrower to make periodic interest payments to the Lender when due under Credit Agreement

(collectively, the "Specified Events of Default").

We confirm that on October 7, 2016 and November 2, 2016, the Agent issued letters of demand on the Borrower with respect to the Specified Events of Default. The deadline for payment under these demands has expired and we are advised that the Borrower remains in default under the terms of the Credit Agreement.

In accordance with the terms and conditions of the Credit Agreement, the whole of the principal balance together with interest and all amounts due under the Credit Agreement or any other Finance Document, including the Note, are payable in full upon the demands issued by the Agent. As of December 6, 2016, this amounts to \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (804) 683-6498  
F +1 (804) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [gowlingwlg.com/legal](http://gowlingwlg.com/legal).





On behalf of the Lender and the Agent we hereby make demand for the full sum of \$22,540,448.50 together with interest from December 6, 2016, to and including the date of payment plus costs (legal or otherwise) of enforcing the Credit Agreement. Please contact the writer prior to making payment to obtain an updated payout statement.

Please be advised that if the sum of \$22,540,448.50, together with interest to date of payment and costs (legal or otherwise), is not received in our office by 4:00 p.m. on or before Friday, December 16, 2016 by certified cheque or bank draft payable to Gowling WLG (Canada) LLP, in trust, we may seek instructions to commence legal proceedings without further notice to you.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Borrower pursuant to section 244 of the *Bankruptcy and Insolvency Act*. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce its Security prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that its Security is being jeopardized by the actions of the Borrower, or third parties.

Sincerely,

Gowling WLG (Canada) LLP

Colin D. Brousson

CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198221\2

**NOTICE OF INTENTION TO ENFORCE SECURITY****TO:**

Wedgemount Power Limited Partnership  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and Travelers Capital Corporation (the "Agent"), collectively, the "Secured Creditor", intends to enforce its security on the following property of Wedgemount Power Limited Partnership (the "Debtor"):

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreements:

the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Debtor, the Lender, the Agent and other persons listed in Exhibit E to the Credit Agreement or who later become a party thereto (the "Lenders"); and

the agreements listed in the attached Schedule "B"

(the "Security")

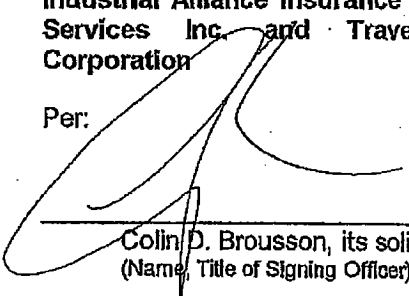
3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement, plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per:

  
\_\_\_\_\_  
Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

Wedgemount Power (GP) Inc.  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

Colin D. Brousson  
Direct 604-891-2286  
colin.brousson@gowlingwlg.com  
File no. L67090009

Dear Sirs/Mesdames:

**Re: Your Guarantee dated for reference June 30, 2015 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP

  
Colin D. Brousson

CDB/ds  
Encl.

cc: Client

VAN\_LAW\21982772

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [gowlingwlg.com/na/en](http://gowlingwlg.com/na/en).

**NOTICE OF INTENTION TO ENFORCE SECURITY**

**TO:**

Wedgemount Power (GP) Inc.  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and Travelers Capital Corporation (the "Agent"), collectively, the "Secured Creditor", intends to enforce its security on the following property of Wedgemount Power (GP) Inc. (the "Debtor"):

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreements:

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 683867; and

Demand Debenture from the Debtor to the Lender dated June 30, 2015, registered in New Westminster Land Title Office on July 9, 2015 under registration no. CA4522640 against the Statutory Right of Way registered under no. CA3110108 on the following lands and premises:

Parcel Identifier 027-752-330 Lot A District Lot 2247 Group 1 New Westminster District Plan BCP39086 Except Phase One Strata Plan BCS3916

Parcel Identifier 028-307-461 Strata Lot 12 District Lot 2247 Group 1 New Westminster District Strata Plan BCS3916

(the "Security")

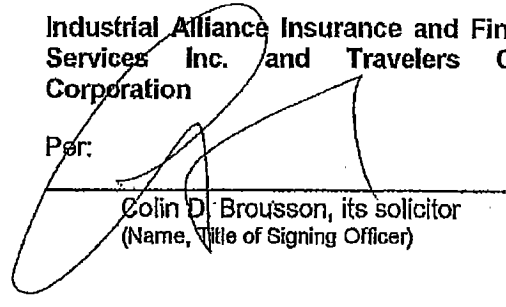
3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement, plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per:



Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

Wedgemount Power Inc.  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

Colin D. Brousson  
Direct 604-891-2286  
colin.brousson@gowlingwlg.com  
File no. L67090009

Dear Sirs/Mesdames:

**Re: Your Guarantee dated for reference June 30, 2015 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP

  
Colin D. Brousson

CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198272\2

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [www.gowling.com/global](http://www.gowling.com/global).

**NOTICE OF INTENTION TO ENFORCE SECURITY****TO:**

Wedgemount Power Inc.  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "**Lender**") and Travelers Capital Corporation (the "**Agent**"), collectively, the "**Secured Creditor**", intends to enforce its security on the following property of Wedgemount Power Inc. (the "**Debtor**");

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreement (the "**Agreement**");

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 6838671.

(the "**Security**")

3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement (as defined in the Securities Pledge Agreement), plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per: 

\_\_\_\_\_  
Colin D. Brousson, its solicitor  
(Name, Title of Signing-Officer)



December 6, 2016

Via Courier

David Ehrhardt, as trustee of the Ehrhardt 2011 Family Trust  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

Colin D. Brousson  
Direct 604-891-2286  
coln.brousson@gowlingwlg.com  
File no. L67090009

Dear Sirs/Mesdames:

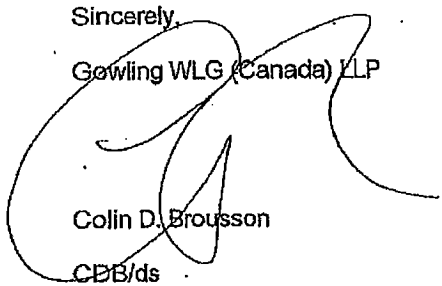
**Re: Your Guarantee dated for reference June 30, 2015 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP  


Colin D. Brousson  
CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198281\1

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 883-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [www.gowlingwlg.com/enant](http://www.gowlingwlg.com/enant).



**NOTICE OF INTENTION TO ENFORCE SECURITY****TO:**

David Ehrhardt, as trustee of  
the Ehrhardt 2011 Family Trust  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and Travelers Capital Corporation (the "Agent"), collectively, the "Secured Creditor", intends to enforce its security on the following property of David Ehrhardt, as trustee of the Ehrhardt 2011 Family Trust (the "Debtor"):

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreement (the "Agreement"):

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 6839071.

(the "Security")

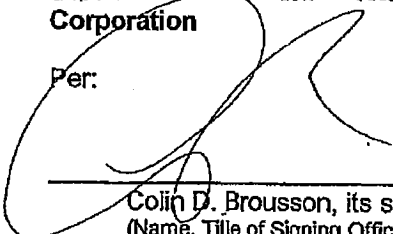
3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement (as defined in the Securities Pledge Agreement), plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per:

  
\_\_\_\_\_  
Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

Points West Hydro Power L.P.  
by its general partner Points West Hydro (GP) Inc.  
2400, 525 – 8 Ave SW  
Calgary, AB T2P 161

Colin D. Brousson  
Direct 604-691-2286  
colin.brousson@gowlingwlg.com  
File no. L67090009

Dear Sirs/Mesdames:

**Re: Your Guarantee dated for reference June 30, 2015 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP

Colin D. Brousson

CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198276\2

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [gowlingwlg.com/en/](http://gowlingwlg.com/en/).

**NOTICE OF INTENTION TO ENFORCE SECURITY**

**TO:**  
Points West Hydro Power L.P.  
by its general partner  
Points West Hydro (GP) Inc.  
2400, 525 – 8 Ave SW  
Calgary, AB T2P 1G1

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and Travelers Capital Corporation (the "Agent"), collectively, the "Secured Creditor", intends to enforce its security on the following property of Points West Hydro Power L.P. by its general partner Points West Hydro (GP) Inc. (the "Debtor"):

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreement (the "Agreement"):

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 6838671.

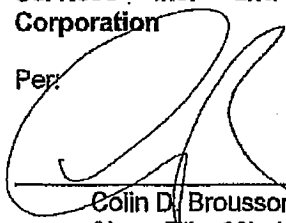
(the "Security")

3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement (as defined in the Securities Pledge Agreement), plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial Services Inc. and Travelers Capital Corporation**

Per: 

Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

Swahealy Holding Limited  
1266 Burns Road  
Gibsons, BC V0N 1V1

Colin D. Brousson  
Direct 604-891-2286  
colln.brousson@gowlingwlg.com  
File no. L67090009

Dear Sirs/Mesdames:

**Re: Your Guarantee dated for reference June 30, 2015 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP

Colin D. Brousson

CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198278\2

**GOWLING WLG (CANADA) LLP**  
Suite 2300, 550 Burrard Street, Pentail 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [gowlingwlg.com/legal](http://gowlingwlg.com/legal).

**NOTICE OF INTENTION TO ENFORCE SECURITY**

TO:

Swahealy Holding Limited  
1266 Burns Road  
Gibsons, BC V0N 1V1

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and Travelers Capital Corporation (the "Agent"), collectively, the "Secured Creditor", intends to enforce its security on the following property of Swahealy Holding Limited (the "Debtor"):

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreement (the "Agreement"):

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 6838671.

(the "Security")

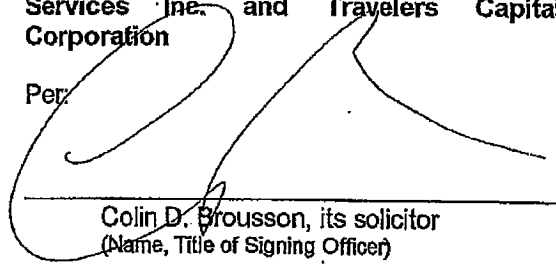
3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement (as defined in the Securities Pledge Agreement), plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per:



Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

Calavia Holdings Ltd.  
2511 Lawson Ave.  
West Vancouver, BC V7V 2G1

Colin D. Brousson  
Direct 604-891-2286  
coln.brousson@gowlingwlg.com  
File no. L67090009

Dear Sirs/Mesdames:

**Re: Your Guarantee dated for reference June 30, 2015 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$22,540,448.50 together with interest accruing as defined under the Credit Agreement from December 6, 2016, plus costs (legal or otherwise) of enforcing the Credit Agreement.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP

Colin D. Brousson

CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198279\2

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [gowlingwlg.com/legal](http://gowlingwlg.com/legal).

**NOTICE OF INTENTION TO ENFORCE SECURITY****TO:**

Calavia Holdings Ltd.  
2511 Lawson Ave.  
West Vancouver, BC V7V 2G1

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "**Lender**") and Travelers Capital Corporation (the "**Agent**"), collectively, the "**Secured Creditor**", intends to enforce its security on the following property of Calavia Holdings Ltd. (the "**Debtor**");

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreement (the "**Agreement**");

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 6838671.

(the "**Security**")

3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement (as defined in the Securities Pledge Agreement), plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per:

  
\_\_\_\_\_  
Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

Brent Allan Hardy  
c/o Wedgemount Power Limited Partnership  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

Colin D. Brousseau  
Direct 604-891-2286  
coln.brousseau@gowlingwlg.com  
File no. L67090009

Dear Sir:

**Re: Your Guarantee dated for reference August 4, 2016 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$500,000.00 together with interest accruing as defined under the Guarantee from December 6, 2016, plus costs (legal or otherwise) of enforcing the Guarantee.

Lastly, we enclose a Notice of Intention to Enforce Security for service upon the Guarantor pursuant to section 244 of the Bankruptcy and Insolvency Act. Notwithstanding the Notice of Intention to Enforce Security enclosed herein, we reserve the Lender's and the Agent's right to take steps to enforce the security described therein prior to the expiration of the 10-day period in the event it becomes apparent to the Lender or the Agent that such security is being jeopardized by the actions of the Guarantor, or third parties.

Sincerely,

Gowling WLG (Canada) LLP



Colin D. Brousseau

CDB/ds  
Encl.

cc: Client

VAN\_LAW\2198280\2

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3556  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [www.gowlingwlg.com/en](http://www.gowlingwlg.com/en).



**NOTICE OF INTENTION TO ENFORCE SECURITY**

**TO:**

Brent Allan Hardy  
c/o Wedgemount Power Limited  
Partnership  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

**TAKE NOTICE that:**

1. Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and Travelers Capital Corporation (the "Agent"), collectively, the "Secured Creditor", intends to enforce its security on the following property of Brent Allan Hardy (the "Debtor"):

See Schedule "A"

2. The security that is to be enforced is in the form of the following agreement (the "Agreement"):

Securities Pledge Agreement from the Debtor to the Lender dated June 30, 2015 and registered in the British Columbia Personal Property Registry under base registration no. 6839071.

(the "Security")

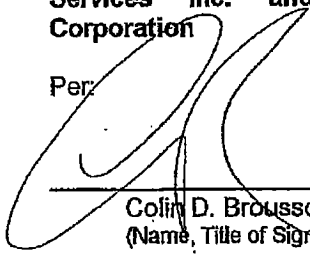
3. The total amount of indebtedness secured by the Security as of today's date, amounts to \$22,540,448.50 together with interest accruing from that date as defined under the Credit Agreement (as defined in the Securities Pledge Agreement), plus costs (legal or otherwise) of enforcing the Credit Agreement.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

**DATED** at Vancouver, British Columbia, this 6th day of December, 2016.

**Industrial Alliance Insurance and Financial  
Services Inc. and Travelers Capital  
Corporation**

Per:



Colin D. Brousson, its solicitor  
(Name, Title of Signing Officer)



December 6, 2016

Via Courier

David Ehrhardt  
c/o Wedgemount Power Limited Partnership  
5403 Buckingham Avenue  
Burnaby, BC V5E 1Z9

Colin D. Brousson  
Direct 604-891-2286  
colin.brousson@gowlingwlg.com  
File no. L67090009

Dear Sir:

**Re: Your Guarantee dated for reference August 4, 2016 of the indebtedness of Wedgemount Power Limited Partnership (the "Borrower") to Travelers Capital Corporation (the "Agent") on behalf of Industrial Alliance Insurance and Financial Services Inc. (the "Lender") and other Lenders as defined in the Credit Agreement dated June 30, 2015 (the "Credit Agreement") between the Borrower, the Lender and the Agent**

We are the solicitors for the Lender and the Agent and we refer to the above referenced Guarantee.

We enclose a copy of our recent correspondence to the Borrower demanding the balance due and owing under the Credit Agreement. On behalf of the Lender and the Agent, we hereby make formal demand upon you for payment pursuant to your Guarantee in the amount of \$500,000.00 together with interest accruing as defined under the Guarantee from December 6, 2016, plus costs (legal or otherwise) of enforcing the Guarantee.

Sincerely,

Gowling WLG (Canada) LLP

Colin D. Brousson

CDB/ds  
Encl.

cc: Client


VAN\_LAW\2198922\1

GOWLING WLG (CANADA) LLP  
Suite 2300, 550 Burrard Street, Bentall 5  
Vancouver, British Columbia V6C 2B5 Canada

T +1 (604) 683-6498  
F +1 (604) 683-3558  
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [gowlingwlg.com/legal](http://gowlingwlg.com/legal).

This is Exhibit "E" referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



---

A Commissioner for Affidavits in and for the Province of Quebec

### **FORBEARANCE AGREEMENT**

This **FORBEARANCE AGREEMENT**, dated as of February 10, 2017, (the "**Effective Date**") among **WEDGEMOUNT POWER LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of British Columbia, as borrower (the "**Borrower**"), **INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.**, Lender (the "**Lender**"), and **TRAVELERS CAPITAL CORPORATION**, as Agent for the Lender (the "**Agent**").

#### **RECITALS:**

A. The Borrower is indebted to the Lender as set out in Section 3 hereof pursuant to that certain credit agreement dated as of June 30, 2015 (as amended, restated, supplemented or modified from time to time, the "**Credit Agreement**").

B. The Ehrhardt 2011 Family Trust, Points West Hydro Power L.P., Calavia Holdings Ltd., Wedgemount Power (GP) Inc., Wedgemount Power Inc., and Swahealy Holding Limited (the "**Corporate Guarantors**") have each provided the Lender and the Agent with a limited recourse guarantee and an associated security pledge agreement, all dated June 30, 2015 (the "**Limited Recourse Guarantees**"). Brent Hardy and David Ehrhardt (the "**Personal Guarantors**") have provided the Lender and the Agent a personal guarantee, capped at a maximum amount of \$500,000.00, dated as of August 4, 2016 (the "**Personal Guarantees**"). The Borrower's liabilities and obligations to the Lender including the Obligations, as defined herein, interest, expenses and costs are guaranteed by the Corporate Guarantors under the Limited Recourse Guarantees and by the Personal Guarantors under the Personal Guarantees. The Corporate Guarantors and the Personal Guarantors shall be referred to together as the "**Guarantors**".

C. The Borrower has committed or will commit Events of Default under the Credit Agreement as a result of, among other things:

- (i) the failure by the Borrower to reimburse funds used for matters unrelated to the Project, to deliver monthly construction reports, to settle accounts payable with respect to the Project, to transfer holdback to the relevant Accounts and to remedy the Funding Shortfall, and
- (ii) the failure by the Borrower to make periodic interest payments, in whole or in part, owing on October 31 through April 30, 2017 to the Lender under the Credit Agreement each of them when due,
- (iii) the failure by the Borrower to procure the release and discharge of any current or future builder's liens registered, recorded or filed against the Project and the Site, prior to and including the Effective Date or during the pendency of the Forbearance Period, including, but not limited to, the lien in favour of Lethbridge Millwright & Welding Ltd. ("**Lethbridge**") or alternatively, the failure by the Borrower to post security, in amount and on terms satisfactory to the Lender, in lieu of procuring the release and discharge of any current or future builder's lien

registered, recorded or filed against the Project and the Site, prior to and including the Effective Date or during the pendency of the Forbearance Period, including, but not limited to, the lien in favour of Lethbridge; provided that if any action or realisation procedure is undertaken by the party having filed a lien against the Project and the Site, the preceding failures will not be waived Events of Default anymore unless the Borrower then procures a release and discharge of such lien or posts security, in amount and on terms satisfactory to the Lender, in lieu of procuring the release and discharge of any current or future builder's lien registered, recorded or filed against the Project and the Site,

- (iv) the failure by the Borrower to pay any Costs prior to and including the Effective Date or during the pendency of the Forbearance Period, and
- (v) any other Event of Default, not otherwise specifically listed above, that occurred prior to and continues uncured as of the Effective Date and continues into the Forbearance Period,

(the "Specified Events of Default") which Specified Events of Default are continuing as of the Effective Date.

D. On October 7, 2016 and on November 2, 2016, the Agent issued letters of demand on the Borrower with respect to the Specified Events of Default and on December 6, 2016, the Lender accelerated the loans under the Credit Agreement and issued demands for payment of all Obligations together with the issuance of Notices of Intention to Enforce Security pursuant to s. 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA") to the Borrower and the Guarantors (collectively, the "Demands").

E. The Agent is entitled, but not obligated, to exercise the enforcement remedies available to it under the Credit Documents (as defined below) and otherwise at law (collectively, the "Remedies") including, among other things, the seizure of the assets related to the Project, the appointment of a receiver over the Project and the commencement of legal proceedings to seek judgment against the Borrower and the Guarantors.

F. The Borrower has requested that the Agent and the Lender forbear from exercising the Remedies during the Forbearance Period (as defined below), against the Borrower and the Guarantors, so that the Borrower can execute its restructuring proposal which includes performing its Obligations (as defined below) or otherwise make arrangements satisfactory to the Lender.

G. The Agent and the Lender hereby agree to forbear from exercising the Remedies against the Borrower and the Guarantors, subject to and in accordance with the terms and conditions set out in this Agreement.

In consideration of the forbearance, the payments provided for hereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## 1. Defined Terms

In this Agreement, unless otherwise defined in the Recitals above, terms with initial capital or upper case letters shall have the meanings ascribed to them by the Credit Agreement and in addition unless the context otherwise requires, the following terms shall have the following meanings:

- (a) **"Agreement"** means this Forbearance Agreement, including the schedules, the Recitals to this Agreement, as it or they may be amended, restated, replaced or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement.
- (b) **"BC Hydro"** means the British Columbia Hydro and Power Authority.
- (c) **"COD"** has the meaning as defined in the EPA.
- (d) **"Colmac"** means Colmac Capital Corp.
- (e) **"Costs"** means all invoices for reasonable professional fees including, the fees, expenses or disbursements of the legal counsel to the Agent and the Lender, the Independent Engineer and the Monitor and all other costs and expenses including all applicable taxes of the Agent and the Lender relating to the Borrower and the Guarantors including, monitoring, advice and review of the Agent's and the Lender's security position, preparation and enforcement of this Agreement, the preparation of the Remedial Plan and all advice in connection therewith.
- (f) **"Credit Documents"** means, collectively, the Credit Agreement and any and all other documents, agreements, letters or understandings delivered by the Borrower and Guarantors, including the Finance Documents, pursuant to or in connection with the Credit Agreement.
- (g) **"EFE"** means Eco flow Energy Corporation, or its designate.
- (h) **"EPA"** means the Electricity Purchase Agreement dated March 6, 2015 between the Borrower and BC Hydro.
- (i) **"Event of Default"** means any default or event of default pursuant to the Credit Agreement.
- (j) **"Forbearance Condition"** means any of the covenants and conditions set forth in Section 4 of this Agreement.
- (k) **"Forbearance Period"** has the meaning set forth in Section 4 hereof.
- (l) **"Indebtedness"** has the meaning set forth in Section 3(a) hereof.

- (m) **"Monitor"** means, initially, EFE and Colmac, or such other Person designated by the Agent and the Lender,
- (n) **"Obligations"** means all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Borrower or Guarantors to the Agent or the Lender under the Credit Documents of every kind and description.
- (o) **"Party"** means the Agent, the Lender and the Borrower, and any reference to a Party includes its successors, heirs, estate trustees and permitted assigns.
- (p) **"Remedial Plan"** has the meaning ascribed in Section 5 of this Agreement.
- (q) **"Termination Event"** means any of the events set forth in Section 7 of this Agreement.

## 2. Extended Meanings

In this Agreement, words importing the singular number only include the plural and vice versa. The term "including" means "including without limiting the generality of the foregoing". All references to dollars or "\$" in this Agreement mean Canadian dollars unless otherwise specified.

## 3. Confirmations

The Borrower hereby confirms, acknowledges and agrees to the Lender as follows:

- (a) As at February 10, 2017, the Borrower is indebted to the Lender pursuant to the Credit Agreement in the amount of \$21,951,065.79, including all principal outstanding, accrued and unpaid interest (accruing at a per diem rate of \$2,443.84) plus \$5,608 representing default interest as of February 10 and is additionally indebted to the Lender for all fees, expenses and other amounts payable by the Borrower to the Agent or the Lender pursuant to the Credit Documents (collectively, the "Indebtedness"), and all such amounts are Obligations secured by the Security, and shall be paid by the Borrower to the Lender free and clear of any set-off, counterclaim, deduction or defence of any kind whatsoever. For greater certainty, total Obligations owing to the Lender and secured by the Security shall include any Obligations of the Borrower to the Lender incurred from and after February 10, 2017, including any and all costs, fees and expenses incurred after February 10, 2017, and interest shall continue to accrue on the Obligations at the applicable rate set out in the Credit Documents, as amended by this Agreement.
- (b) Each of the Credit Documents is legal, valid and binding against the Borrower and the Guarantors, as applicable, and is enforceable in accordance with its terms.
- (c) The Indebtedness, Obligations and liabilities owing by the Borrower under the Credit Agreement and the liabilities owing by the Borrower under this Agreement are secured by the Security.

- (d) Events of Default have occurred and are continuing pursuant to the Credit Documents as a result of, among other things, the Specified Events of Default. As a result, the Agent is entitled to exercise its Remedies.
- (e) The Borrower agrees and acknowledges that the Recitals to this Agreement are true and correct and shall form a part of this Agreement.
- (f) All terms and conditions of the Credit Documents shall continue in full force and effect, save and except as amended by this Agreement, and to the extent that any provision thereof is inconsistent with this Agreement, this Agreement shall prevail.
- (g) The Borrower agrees and acknowledges that, until paid, the Costs shall be added to the Obligations which shall be secured by the Security and shall bear interest at the same rate as the Obligations under the Credit Agreement.
- (h) The Agent and Lender confirm, acknowledge and agree that EFE, and its agents, representatives, employees, director, owners, contractors and subcontractors, is a contractor of the Borrower's that has been and will be assisting the Borrower complete the Remedial Plan as outlined in Section 5 below. The Agent and the Lender confirm that the current agreement between the Borrower, EFE and Colmac provides for: (i) EFE becoming an investor, owner or limited partner in the Borrower and (ii) EFE becoming the operator of the Project, if the Remedial Plan is successful.

4. Forbearance

The Agent and the Lender hereby agree to forbear from exercising the Remedies against the Borrower and the Guarantors until the earlier of: (i) April 30, 2017, or (ii) the occurrence of a Termination Event (the "Forbearance Period"), provided that the Borrower covenants and agrees to observe and be bound by the conditions set out below (collectively, the "Forbearance Conditions"):

- (a) The Agent and the Lender hereby agree to forbear from exercising the Remedies against the Borrower and the Guarantors from the Effective Date through to and including February 28, 2017 in exchange for a payment of \$50,000.00 Canadian dollars from the Borrower to the Agent and the Lender upon the execution of this Agreement. The Parties agree that this payment shall be categorized as a payment in satisfaction of a portion of the outstanding arrears of interest accrued and unpaid by the Borrower to the Agent and the Lender consistent with the terms and conditions of the Credit Agreement.
- (b) If the Borrower had made the payment consistent with 4(a) above, then the Agent and the Lender hereby agree to forbear from exercising the Remedies against the Borrower and the Guarantors from March 1, 2017 through to and including March 31, 2017 in exchange for a payment of \$100,000.00 Canadian dollars from the Borrower to the Agent and the Lender on March 1, 2017 prior to



5:00PM EST. The Parties agree that this payment shall be categorized as a payment in satisfaction of a portion of the outstanding arrears of interest accrued and unpaid by the Borrower to the Agent and the Lender consistent with the terms and conditions of the Credit Agreement. Notwithstanding any other provision in this Agreement, the Borrower shall not be obligated to make the March 1, 2017 payment, as outlined above; however, if the Borrower does not make such payment on March 1, 2017 then this Agreement shall terminate immediately and the Agent and the Lender shall not be obligated to forbear from exercising the Remedies against the Borrower and the Guarantors after March 1, 2017.

- (c) If the Borrower had made the payment consistent with 4(b) above, then the Agent and the Lender hereby agree to forbear from exercising the Remedies against the Borrower and the Guarantors from April 1, 2017 through to and including April 30, 2017 in exchange for a payment of \$150,000.00 Canadian dollars from the Borrower to the Agent on April 1, 2017 prior to 5:00PM EST. The Borrower, the Lender and the Agent agree that this payment shall be categorized as a payment in satisfaction of a portion of the outstanding arrears of interest accrued and unpaid by the Borrower to the Agent and the Lender consistent with the terms and conditions of the Credit Agreement. Notwithstanding any other provision in this Agreement, the Borrower shall not be obligated to make the April 1, 2017 payment, as outlined above; however, if the Borrower does not make such payment on April 1, 2017 then this Agreement shall terminate immediately and the Agent and the Lender shall not be obligated to forbear from exercising the Remedies against the Borrower and the Guarantors after April 1, 2017.
- (d) The Borrower shall provide to the Agent, the Lender, the Independent Engineer and the Monitor (if EFE and Colmac are no longer the Monitor) with a detailed weekly written report on or before each Wednesday of each calendar week for the prior calendar week, in form and content acceptable to the Agent and the Lender, acting reasonably, setting out the status of the matters in the Remedial Plan and the tracking of accounts payable. Once the New Financial Model is completed consistent with Section 5(d) below, then this weekly report shall include reporting on the other matters set out in section 8.7(a) of the Credit Agreement. Prior to the delivery of the first report but in no event later than five business days after the Effective Date of this Agreement, the Parties and the Independent Engineer shall agree on a template for this weekly report. The Borrower agrees and acknowledges that the information required to be provided in this subsection is material to the Agent and the Lender. If the Borrower is tardy in the provision of such information, for two consecutive weeks, then the Borrower agrees that such tardiness shall be a breach of this Forbearance Condition.
- (e) The Borrower shall comply in all respects with the Remedial Plan.
- (f) The Borrower shall provide the Independent Engineer and the Monitor with complete and unfettered access to the Project and the Borrower's books and records, all in accordance with section 8.14 of the Credit Agreement.

- (g) The Borrower shall provide reasonable prior notice of all formal meetings with BC Hydro with a detailed agenda of the matters and documents to be discussed and permit the Independent Engineer, the Agent and the Lender and the Monitor (if EFE and Colmac are not the Monitor) to attend such meetings with BC Hydro. Notwithstanding this provision, if Borrower's contractor, EFE, who will be managing the BC Hydro negotiations, determines, in their sole discretion, that the provisions above are not feasible or will reduce the effectiveness of its interactions with BC Hydro necessary to successfully implement the Remedial Plan, then the provisions above, in those cases, shall be suspended. However, for all such meetings with BC Hydro, EFE will consult with the Lender prior to the meeting and then provide full and satisfactory disclosure of the agenda and, if applicable, of the reasons for the Lender, the Independent Engineer and the Agent not being invited to attend. Also, the Borrower will direct EFE to document, and such will be reported within 24 hours, consistent with Section 4(d) above, the date of each such meetings with BC Hydro and the topics, matters and documents that were discussed at those meetings between EFE and BC Hydro. On or before the last day of each month beginning with December 2016 until and including the last day of the Forbearance Period, the Borrower shall deliver to the Lender evidence satisfactory to the Lender that the Borrower's obligations:
- (i) to Canada Revenue Agency for Goods and Services Tax, and
  - (ii) to the Ministry of Finance of British Columbia for Provincial Sales Tax;
- are current and not in arrears.
- (h) The Borrower acknowledges receipt of the Demands.
- (i) From and after the Effective Date, the Borrower shall immediately notify the Agent and the Lender in writing of any material adverse change in the business, financial condition of the Borrower or Guarantors, in the case of the Borrower, as such material adverse change relates or is compared against the business, financial condition of the Borrower as of the Effective Date, or the occurrence of any Event of Default or Termination Event, or any event which with notice or lapse of time or both would constitute an Event of Default or Termination Event.

5. **Remedial Plan**

The Parties agree to the following remedial plan (the "Remedial Plan") for the Project:

- (a) in cooperation with the Borrower's contractor EFE and the Independent Engineer, the Borrower will work towards procuring a fully executed final interconnection and transmission agreement (which provides for the construction of the electrical connection between the Project and BC Hydro's electrical network thus allowing the Project to fulfill its obligations under the EPA) (the "Final BC Hydro Interconnection Agreement"), with BC Hydro and such agreement provides for a reduction in costs, from those outlined in the draft BC Hydro Interconnection

Facilities Study and Project Plan dated August 16, 2016, necessary to make the Project economically viable in the Borrower's opinion;

- (b) the Final BC Hydro Interconnection Agreement provides for a COD on or prior to September 1, 2017;
- (c) with the receipt of the Final BC Hydro Interconnection Agreement with terms and conditions acceptable to the Parties, the Borrower will immediately procure and fund all necessary new capital as determined by the Lender that provides sufficient new capital to cure the Specified Events of Default and any other Event of Default under the Credit Agreement, pay all current and accrued interest and all other amounts then due and payable under the Credit Documents, complete construction of the Project and reach COD for the Project prior to September 1, 2017 (the "Recapitalization"). It is understood by the Parties that all such new capital shall be used before any undrawn amount under the Loan is used;
- (d) after the Effective Date but in no event later than February 21, 2017, the Parties and the Independent Engineer shall agree on a new Financial Model, acceptable to all Parties, for the express purpose of (i) defining the amount of new equity capitalization required for the Project to reach the goals outlined in Section 5(a), (b) and (c) above and (ii) to facilitate the weekly reporting required under Section 4(d) above and the milestones of remaining work to be completed and materials to be supplied identifying who will complete such work and supply such materials (the "New Financial Model"). The Parties agree that the latest version of the Financial Model, attached to the Credit Documents, and as utilized by the Agent and the Borrower on an ongoing basis to date, shall be the basis of the New Financial Model. The Parties agree that the key deliverables of that exercise are to: (i) determine the Cost to Complete for the Project assuming an September 1, 2017 COD; factoring in any amounts owing, accrued and unpaid to the Lender under the Credit Documents and the anticipated costs associated and expected under the Final BC Hydro Interconnection Agreement; (ii) determine the amount of accrued, owed and un-paid amounts owing to all vendors and suppliers to the Project by the Borrower, other than the Agent and the Lender, (the "Outstanding Payables"); and (iii) the amount of un-advanced funds available to the Borrower from the Agent and the Lender under the Credit Documents assuming that the Borrower cures the Specified Events of Default and makes the payments to the Lender outlined in the Cost to Complete (the "Un-advanced Loan Amount" (but ensuring there is no duplication of cost between the Cost to Complete and the Un-advanced Loan Amount). The Parties agree that the incremental equity capitalization required by the Borrower to meet the goals in Section 5(a), (b) and (c) above, shall be approximately equal to the Cost to Complete plus the Outstanding Payables less the Un-advanced Loan Amount. In the event of a disagreement on any amounts, either in the Cost to Complete or the Outstanding Payables, but not associated with any amounts owed by the Borrower to the Agent and the Lender, consistent with the Obligations, either in arrears to the date of the New Financial Model or on a pro forma basis going forward assuming a COD for the Project of September 1, 2017 (in those cases the provisions of the Credit

Documents shall define such amounts), the Parties agree to defer to the Independent Engineer to determine the correct or most reasonable amount or estimate for that disputed amount in the New Financial Model. The Borrower, the Agent and the Lender agree to work cooperatively and in good faith in the process of building the New Financial Model;

- (e) The Borrower will provide the Lender, the Agent and the Independent Engineer with all information, documents, reports, etc., reasonably requested by them to help them in their work during the Forbearance Period.

#### 6. Representations and Warranties

The Borrower represents and warrants to the Lender which representations and warranties shall survive the execution and delivery of this Agreement until the Obligations have been paid in full as follows:

- (a) The Borrower is a limited partnership duly organized and validly existing under the laws of the jurisdiction of its formation and has the power and authority and all government licenses, authorizations, consents, registrations and approvals required to own its assets, to conduct the business in which it is engaged and to enter into and perform its obligations under the Credit Documents; and
- (b) This Agreement has been duly authorized, executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

#### 7. Termination of Forbearance

Other than as may be consented to in writing by the Agent and the Lender, in their sole discretion, the Forbearance Period shall terminate immediately upon the occurrence of any of the following "Termination Events":

- (a) the occurrence of any Event of Default other than a Specified Event of Default;
- (b) failure of the Borrower to comply with any Forbearance Condition or any other term or condition set out in this Agreement;
- (c) if the Borrower interferes with or fails to permit, cooperate or assist the Lender, or third parties engaged by the Agent or the Lender, in conducting appraisals, valuations or assessments on any of the Borrower's real or personal property that forms collateral subject to the Security;
- (d) if any confirmation, representation or warranty given by the Borrower herein or in any Credit Document is or becomes untrue; unless such confirmation, representation or warranty in any Credit Document is untrue as of the Effective Date and continues into the Forbearance Period; if the Borrower or Guarantors challenges in any manner the legality, validity, or enforceability of any Credit Document or this Agreement or any security interest granted thereunder,

including the Security, or challenges any of the liabilities or Obligations owing to the Lender (including the Indebtedness and/or the Obligations);

- (e) if the Borrower ceases or threatens to cease to carry on the business, or a substantial part thereof, in the ordinary course; or
- (f) if the Lender is not satisfied by March 15, 2017, that an acceptable arrangement in principle has been reached with respect to the interconnection of the Project with BC Hydro.

Each Termination Event shall be deemed an Event of Default pursuant to the Credit Documents. Upon the occurrence of a Termination Event, the Lender may declare the Forbearance Period to be terminated and the Lender shall be entitled immediately to exercise all rights and remedies (including the Remedies) under the Credit Documents, this Agreement or otherwise arising upon an Event of Default without further notice or delay, and the Borrower and the Guarantors acknowledge that, to the extent permitted by law, all Obligations owing to the Lender shall be immediately due and payable without further notice or demand by the Lender.

#### 8. Monitor

The Borrower covenants and agrees to the immediate appointment of the Monitor of the Borrower to the end of the Forbearance Period.

The Borrower covenants and agrees in furtherance of the Monitor's duties set out herein:

- (a) to permit complete and unrestricted access to their properties and personnel during normal business hours and to provide the Monitor with any information which it may request pursuant to its appointment provided that the Monitor will not interfere with normal business operations;
- (b) to direct any employees to cooperate fully with the appointment herein and in making disclosure to the Monitor;
- (c) to direct their external auditors to cooperate fully with the appointment herein in making disclosure to the Monitor including providing any information and documents reasonably requested by the Monitor;
- (d) that the Monitor may make copies of any reports, documents or records as it deems necessary and the Monitor shall be entitled to provide the Lender and its solicitors with copies of all reports and information arising out of or obtained pursuant to its appointment;
- (e) that the Monitor will not have any control over any of the operations or affairs of the Borrower, will assume no decision making responsibility or have any management capacity, nor will it be conducting an audit;
- (f) that the Monitor will not be entitled to approve or execute agreements for or on behalf of the Borrower; and

- 11 -

- (g) that the Monitor will not be held responsible for any decisions or activities of the Borrower.

The Lender and the Agent, acting reasonably, may remove from time to time, EFE and Colmac as Monitor, and may appoint replacements, if the reporting provided by EFE and Colmac, as outlined in Section 4 above, is not providing the necessary information about the Project or the Remedial Plan to the Agent, the Lender and the Independent Engineer, in substance and timing, consistent with this Agreement and the Credit Documents. At least five (5) days prior notice of any replacement Monitor shall be given by Agent to the Borrower, the Lender and to the Monitor being replaced. All reasonable fees and expenses of the Monitor (whether the original Monitor or replacements) shall be paid by Borrower; provided, however, that unless an Event of Default shall have occurred and be continuing, Agent shall request that each such new Monitor provide Borrower with its proposed scope of work and proposed budget therefor and Agent shall consult with Borrower with regard to the matters contained therein.

In the event that the Lender should deem it necessary or advisable to exercise any or all of the remedies available to it under the Security and the Monitor is neither EFE nor Colmac, the Borrower, the Agent and the Lender acknowledge and agree that the appointment of the Monitor pursuant to this Agreement shall not be grounds for any party objecting to the appointment of the Monitor as agent for the Agent and the Lender, or receiver, receiver-manager, interim receiver or trustee of the Borrower.

The Borrower will not at any time have or prosecute any claim or commence any action against the Monitor, the Agent or the Lender, arising from or based, directly or indirectly, upon the Monitor's review of the affairs of the Borrower and its recommendations thereon provided that the Monitor is not grossly negligent in connection therewith.

The Borrower hereby agree to indemnify and save harmless the Monitor from any liability which the Monitor may incur in the course of acting as Monitor under the terms of this Agreement, provided that such liability does not arise from any act or acts of the Monitor which may constitute wilful misconduct or gross negligence.

#### 9. Independent Legal Advice

The Borrower acknowledges that, in executing and delivering this Agreement, it has acted and continue to act freely and without duress. The Borrower acknowledges that the actions of the Agent or the Lender in entering into this Agreement have been fair and reasonable and that the Lender (i) has not acted in a managerial capacity with respect to the Borrower or Guarantors, and (ii) has no fiduciary duty to the Borrower or Guarantors in connection with this Agreement or any of the Credit Documents. The Borrower confirms that it has had the benefit of independent legal advice in connection with the preparation and negotiation of this Agreement. The Borrower hereby waives and agrees not to assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Section, and the Borrower hereby releases the Agent and the Lender from any and all claims it may have with respect thereto arising on or before the date of this Agreement.

**10. Release and Indemnity and Covenant not to Sue**

The Borrower on its own behalf and on behalf of each of their agents, representatives, officers, directors, advisors, employees, subsidiaries, affiliates, successors, heirs and assigns (collectively, the "Releasers"), hereby absolutely and irrevocably releases, remises, acquits and forever discharges the Agent and the Lender, its respective employees, agents, representatives, consultants, counsels, fiduciaries, servants, officers, directors, partners, predecessors, successors and assigns, subsidiary corporations, parent corporations, shareholders, and related corporate divisions and the successors and assigns of each of the foregoing (all of the foregoing hereinafter called the "Released Parties"), from any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any manner or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of execution hereof, or in any way directly or indirectly arising out of or in any way connected to this Agreement, the Credit Agreement, and the other Credit Documents (the "Released Matters"). The foregoing release shall survive the termination of this Agreement, the Credit Agreement, and the other Credit Documents and the payment in full and in cash of the Obligations.

The Borrower hereby agrees that it shall be jointly and severally obligated to indemnify and hold the Released Parties harmless with respect to any and all liabilities, obligations, losses, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever incurred by the Released Parties, or any of them, whether direct, indirect or consequential, as a result of or arising from or relating to any proceeding by, or on behalf of any person, including the respective officers, directors, agents, trustees, creditors, partners or shareholders of the Borrower, or any of their respective affiliates, whether threatened or initiated, in respect of any claim for legal or equitable remedy under any statute, regulation or common law principle arising from or in connection with the negotiation, preparation, execution, delivery, performance, administration and enforcement of the Credit Agreement, the other Credit Documents, this Agreement or any other document executed and/or delivered in connection herewith; provided, that the Borrower shall not have any obligation to indemnify or hold harmless any Released Party hereunder with respect to liabilities to the extent they result from the gross negligence or wilful misconduct of that Released Party as finally determined by a non-appealable decision of a court of competent jurisdiction. If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower agrees to make the maximum contribution to the payment and satisfaction thereof which is permissible under applicable law. The foregoing indemnity shall survive the termination of this Agreement, the Credit Agreement, the other Credit Documents and the payment in full and in cash of the Obligations.

Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favour of each Released Party and it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Released Party on the basis of any Released Matter. If Borrower, or any of its successors, assigns or other legal representatives violates the foregoing covenant, the Borrower, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such

other damages as any Released Party may sustain as a result of such violation, all reasonable solicitors costs on a full indemnity basis and costs incurred by any Released Party as a result of such violation. The foregoing covenant shall survive the termination of this Agreement, the Credit Agreement, and the other Credit Documents and the payment in full and in cash of the Obligations.

The Borrower covenants and agrees that it will not, nor shall anyone on its behalf, without consent of the Lender, seek any relief under the *Bankruptcy & Insolvency Act*, *Companies Creditors' Arrangement Act*, *Winding-up Act*, the *British Columbia Personal Property Security Act*, or the *British Columbia Law and Equity Act*.

**11. Acknowledgement**

The Borrower acknowledges and agrees that any additional sources of equity or financing required to satisfy the Obligations and complete the Remedial Plan, or payment to be made to the Agent or the Lender in satisfaction of the Obligations must be approved by the Lender in accordance with the Lender's internal processes and procedures and will be conditional on, *inter alia*, the written consent of the Lender, which consent may be withheld by the Lender in its sole and absolute discretion. The Borrower acknowledges and agrees that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Lender may be required to obtain, verify and record information regarding the Borrower, or any one of them, its respective directors, authorized signing officers, direct or indirect shareholders or other persons, and the transaction contemplated hereby. The Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

**12. Amendments to Credit Agreement**

The Parties agree that the following amendments shall be made to the Credit Agreement, prior to the Recapitalization, provided EFE is a Limited Partner in the Borrower post the Recapitalization, the final language to be negotiated in good faith between the Lender, the Borrower and EFE:

- (a) part (iv) of the "Equity Lock-Up Tests" in Exhibit A-1 of the Credit Agreement shall be amended such that equity distributions shall not be permitted if the DSCR is below 1.20:1 for two consecutive Calculation Dates. If the DSCR is below 1.20:1 for one Calculation Date, equity distributions shall still be permitted. If the DSCR is below 1.20:1 for those two Calculation Dates, no distribution shall be permitted until the DSCR is greater than 1.30:1 calculated on eighteen (18) consecutive months from the then latest elapsed Calculations Date which saw the DSCR fall below 1.20:1; and
- (b) the return of any excess equity capitalization to the Limited Partners if the necessary equity capitalization injected at the Recapitalization ends up in excess



than what was required at COD assuming all the Obligations in the Credit Agreement are satisfied and that there are no other Events of Default.

13. **No Waiver**

For greater certainty, neither the Agent nor the Lender has waived the Specified Events of Default or any other existing or future Event of Default, and nothing in this Agreement, and no delay on the Agent's or the Lender's part in exercising or enforcing any of its rights or remedies (including the Remedies) shall constitute or be deemed to constitute a waiver of the Specified Events of Default or any other existing or future Event of Default.

A waiver by the Agent or the Lender of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Agent or the Lender. No waiver will be inferred from or implied by any failure to act or delay in acting by the Lender in respect of any default, breach or non-observance or by anything done or omitted to be done by the Borrower. The waiver by the Agent or the Lender of any default, breach or non-compliance under this Agreement will not operate as a waiver of the Agents' or the Lender's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

14. **No Third Party Beneficiaries**

Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third party beneficiary hereof.

15. **Time of Essence**

Time shall be of the essence of this Agreement in all respects.

16. **Further Assurances**

Each Party shall from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

17. **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes any and all prior agreements, understanding, negotiations and discussions, whether oral or written. There are no conditions, warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement. No term of this Agreement may be modified or amended, nor may any rights thereunder be waived, except in a writing signed by the party against whom enforcement of the modification, amendment, or waiver is sought. Any waiver of any condition in, or breach of, any of the foregoing in a particular instance shall not operate as a waiver of

other or subsequent conditions or breaches of the same or a different kind. Any Agent's or Lender's exercise or failure to exercise any rights or remedies under any of the foregoing in a particular instance shall not operate as a waiver of its right to exercise the same or different rights and remedies in any other instances. There are no oral agreements among the parties hereto that are inconsistent with the terms of this Agreement.

**18. Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

**19. Notice**

Any notice, demand, approval, consent, waiver or other communication ("Notice") to be given by one party to another under this Agreement, shall be in writing and shall be sufficiently given if delivered in accordance with section 14.1 of the Credit Agreement.

**20. Governing Law**

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors, heirs, estate trustees and assigns, and will be governed by and construed in accordance with the laws of the Province of British Columbia.

**21. Construction.**

This Agreement and all other agreements and documents executed or delivered in connection herewith have been prepared through the joint efforts of all of the parties hereto. Neither the provisions of this Agreement or any such other agreements and documents nor any alleged ambiguity therein shall be interpreted or resolved against any party on the ground that such party or its counsel drafted this Agreement or such other agreements and documents, or based on any other rule of strict construction. Each of the parties hereto represents and declares that such party has carefully read this Agreement and all other agreements and documents executed in connection therewith, and that such party knows the contents thereof and signs the same freely and voluntarily. If any matter is left to the decision, right, requirement, request, determination, judgment, opinion, approval, consent, waiver, satisfaction, acceptance, agreement, option or discretion of the Agent or the Lender or their respective employees, counsel, or agents in the Credit Documents, such action shall be deemed to be exercisable by the Agent or the Lender, as the case may be, or such other person in its sole and absolute discretion and according to standards established in its sole and absolute discretion. Without limiting the generality of the foregoing, "option" and "discretion" shall be implied by the use of the words "if" and "may."

**22. Counterparts**

This Agreement may be executed in any number of counterparts and by the undersigned in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any of the undersigned by facsimile or "pdf" e-mail transmission shall be effective as delivery of a manually executed copy of this Agreement by such undersigned.

**23. No Novation**

This Agreement shall not constitute and shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Credit Agreement or any other Credit Documents.

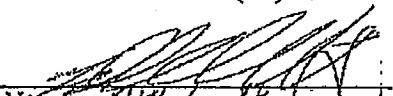
**24. Immediately Payable Funds**

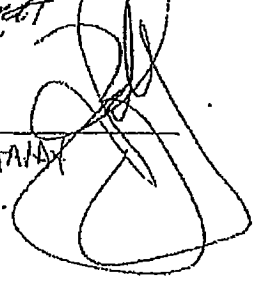
All amounts payable to the Lender, provided for herein, shall be paid by certified cheque, bank draft, wire transfer or other immediately available funds.

*[SIGNATURES TO FOLLOW]*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

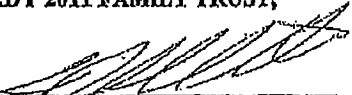
**WEDGEMOUNT POWER LIMITED PARTNERSHIP**, a British Columbia limited partnership, by its general partner, **WEDGEMOUNT POWER (GP) INC.**

By:   
Name: *DEBORAH*  
Title: *Director*

By:   
Name: *BRENT HANAY*  
Title: *Director*

The undersigned Guarantors hereby acknowledge and confirm that their guarantee of the Obligations, including the Indebtedness, under the terms of the Limited Recourse Guarantees and the Personal Guarantees, are acknowledged, continuing and unaffected by the provisions of this Agreement.

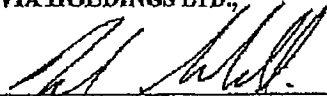
**EHRHARDT 2011 FAMILY TRUST,**

By:   
Name: D Ehrhardt  
Title:

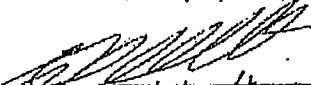
**POINT'S WEST HYDRO POWER L.P.,**

By: \_\_\_\_\_  
Name:  
Title:

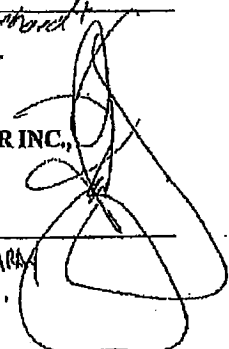
**CALAVIA HOLDINGS LTD.,**

By:   
Name:  
Title:

**WEDGEMOUNT POWER (GP) INC.,**

By:   
Name: D Ehrhardt  
Title: Director

**WEDGEMOUNT POWER INC.,**

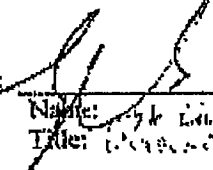
By:   
Name: Braden  
Title: Director

The undersigned Guarantors hereby acknowledge and confirm that their guarantee of the Obligations, including the indebtedness, under the terms of the Limited Recourse Guarantees and the Personal Guarantees, are acknowledged, continuing and unaffected by the provisions of this Agreement.

**KHRIHARDT 2011 FAMILY TRUST,**

By: \_\_\_\_\_  
Name:  
Title:

**POINTS WEST HYDRO POWER L.P.,**

By:  \_\_\_\_\_  
Name: *(Handwritten)*  
Title: *(Handwritten)*

**CALAVIA HOLDINGS LTD.,**

By: \_\_\_\_\_  
Name:  
Title:

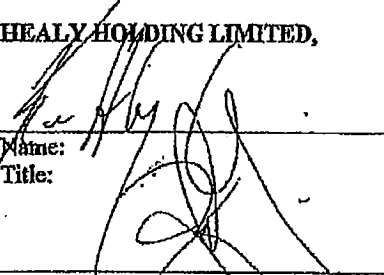
**WEDGEMOUNT POWER (GP) INC.,**

By: \_\_\_\_\_  
Name:  
Title:

**WEDGEMOUNT POWER INC.,**

By: \_\_\_\_\_  
Name:  
Title:

**SWAHEALY HOLDING LIMITED,**

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BRENT HARRY**

  
\_\_\_\_\_  
**DAVID EHRHARDT**

**TRAVELERS CAPITAL  
CORPORATION, as Agent for the Lenders**

By:   
Name: Mark Bohn  
Title: Managing Partner



**INDUSTRIAL ALLIANCE INSURANCE  
AND FINANCIAL SERVICES INC.,  
as Lender**

By: Max By  
Name: Maxime Duriyage, MBA, CFA  
Title: Director  
Private Placements

By: [Signature]  
Name: Frank LaRocca, CFA, CPA, CCA  
Title: Vice-President  
Portfolio Management  
General Funds

SCHEDULE "A"

- DEMANDS -

[ATTACHED COPIES OF LETTERS OF DEMAND AND SECTION 244 BIA NOTICE]

This is Exhibit "F" referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

**LIMITED RECOURSE GUARANTEE**

THIS GUARANTEE is dated as of June 20, 2015 (this "Guarantee").

WHEREAS the undersigned (the "Guarantor") has agreed to provide Travelers Capital Corporation, as agent for and on behalf of itself and certain lenders (together with any successor thereto acting in such capacity, the "Agent"), pursuant to a credit agreement dated as of the date hereof between, *inter alia*, the Agent and the lenders thereunder (the "Lenders"), and Wedgemount Power Limited Partnership (the "Borrower"), as borrower (the Borrower and the Guarantor are each individually an "Obligor" and collectively the "Obligors") together with all amendments, modifications, supplements, restatements, if any, from time to time thereafter made thereto (the "Credit Agreement"), with a guarantee of the Obligations (as such term is defined in the Credit Agreement) thereunder;

NOW THEREFORE, in consideration of the sum of \$1.00 now paid by the Agent to the Guarantor, other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Agent and Lenders to enter into the Credit Agreement, the Guarantor agrees as follows:

**ARTICLE 1**  
**GUARANTEE**

**1.1 Interpretation**

Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined herein shall have the meanings provided in the Credit Agreement. In this Guarantee words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

**1.2 Guarantee of Obligations under the Credit Agreement**

Subject to Section 1.6, the Guarantor hereby unconditionally and irrevocably guarantees in favour of the Agent and the Lenders the due and punctual payment and performance in full of all the obligations of the Borrower towards the Agent and the Lenders, present and future, pursuant to the Credit Agreement and the other Finance Documents including, without limitation, the Obligations, together with any and all costs and expenses incurred by the Agent or any Lender in enforcing its rights.

**1.3 Indemnity**

Subject only to the limitation in Section 1.6: (a) it is the intent of this Guarantee that the Agent and the Lenders be fully indemnified for the complete payment and performance of all of the Obligations; and (b) if any or all of the Obligations are not recoverable under

Section 1.2 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Agent and any Lender from and against all losses resulting therefrom.

**1.4 Primary Obligation**

Subject to the limitation in Section 1.6, if any or all of the Obligations are not recoverable under Section 1.2 or the Agent is not indemnified under Section 1.3, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be recoverable from the Guarantor as primary obligor.

**1.5 Obligations Absolute**

The liability of the Guarantor hereunder will be absolute and unconditional and will not be affected by:

- (a) any lack of validity, legality or enforceability of any agreement between any Obligor, the Agent or any Lender;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of any Obligor or any other person or the amalgamation of or any change in the name, constitution, status, function, control or ownership of any Obligor, the Agent or any Lender or any other person;
- (d) any lack or limitation of power, incapacity or disability on the part of an Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of an Obligor in its obligations to the Agent or any Lender;
- (e) any law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, an Obligor in respect of any or all of the Obligations;
- (f) any modification or amendment of or supplement to the obligations of the Borrower under the Obligations, including any increase or decrease in the obligations to be performed or in any principal, rates of interest, other amounts payable under the Credit Agreement or the Finance Documents, or any change in the nature or form of any credit provided and any amendment to the covenants or other provisions contained therein;
- (g) any failure by the Agent to abide by any of the terms and conditions of the Credit Agreement or the other Finance Documents with, or to meet any of its obligations or duties owed to, the Guarantor, the Borrower or any person, or any breach of any duty, whether as a fiduciary or otherwise, that exists or is alleged to exist between the Agent and the Guarantor, the Borrower or any other person;

- 3 -

- (h) the benefit of any law which provides that the obligation of a guarantor must not be greater or more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation; or
- (i) any other act or omission to act or delay of any kind by the Borrower, the Agent, the Lenders or any other person which might, but for the provisions of this Section 1.5 constitute a legal or equitable discharge, limitation or reduction of the Guarantor's obligations under this Guarantee other than the payment or extinguishment in full of all of the Obligations and the termination of all credit facilities and any lending commitments under the Credit Agreement,

it being the intent of the Guarantor that liability to the Agent and the Lenders under this Guarantee shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment in full of the Obligations. The Guarantor irrevocably waives any defence, set-off or counterclaim in respect of such liability that might otherwise arise for any reason.

#### 1.6 Limited Recourse

Notwithstanding any provision of this Guarantee to the contrary, the recourse of the Agent and the Lenders hereunder will be limited to the Agent and the Lenders enforcing their rights and remedies against all present and future rights and interests of the Guarantor in the Borrower (including any limited partnership interest or other equity interests or units), in each case pledged by the Guarantor pursuant to a Securities Pledge Agreement dated as of the date hereof, and neither the Agent nor the Lenders will have any other rights or recourse against the Guarantor or any other assets of the Guarantor.

### ARTICLE 2 DEALINGS WITH OBLIGORS AND OTHERS

#### 2.1 No Release

The liability of the Guarantor hereunder will not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Agent in connection with any duties or liabilities of an Obligor to the Agent or any Lender or any security therefor including any loss of, or in respect of, any security received by the Agent from an Obligor or others. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Agent may:

- (a) discontinue, reduce, increase or otherwise vary the credit of any Obligor in any manner whatsoever;
- (b) make any change in the time, manner or place of payment under, or in any other term of, any agreement between any Obligor, the Agent and/or the Lenders or the failure on the part of an Obligor to carry out any of its obligations under any such agreement;

- 4 -

- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Obligors;
- (d) take or abstain from taking or enforcing securities or collateral from the Obligors or from perfecting securities or collateral of the Obligors;
- (e) accept compromises from the Obligors;
- (f) apply all money at any time received from an Obligor or from securities upon such part of the Obligations as the Agent may see fit in accordance with the terms of the Credit Agreement or change any such application in whole or in part from time to time as the Agent may see fit in accordance with the terms of the Credit Agreement; and
- (g) otherwise deal with the Obligors and all other persons and securities as the Agent may see fit.

**2.2 No Exhaustion of Remedies**

The Agent will not be bound or obligated to exhaust its recourse against the Borrower or other persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder.

**2.3 Prima Facie Evidence**

Any account settled or stated in writing by or between the Agent and the Obligors will be *prima facie* evidence that the balance or amount thereof appearing due to the Agent or any Lender, is so due.

**2.4 No Set-off**

In any claim by the Agent against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or any other Obligor may have against the Agent or any Lender.

**2.5 Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance of the Obligations due or remaining due to the Agent or the Lenders from time to time under the Credit Agreement and the other Finance Documents and will not be considered satisfied by any intermediate payment at any time of any part of the Obligations for the time being due or remaining unpaid to the Agent or the Lenders. Until payment in full of the Obligations, this Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Agent or the Lenders upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of any Obligor or otherwise, all as though such payment had not been made.

## 2.6 Liquidation/Insolvency

In case of liquidation, winding up or bankruptcy of the Borrower, whether voluntary or involuntary, or if the Borrower makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any arrangement with creditors, whether voluntary or involuntary, the Agent and the Lenders have the right to rank for their full claims and receive all dividends or other payments in respect of their claims in priority to the Guarantor until their claims have been paid in full, and the Guarantor will continue to be liable under this Guarantee up to the amount guaranteed, less any payments made by the Obligors, for any balance of the Obligations which may be owing to the Lenders. In the event of the valuation by the Lenders of their security, that valuation will not, as between the Agent and the Lenders and the Guarantor, be considered as a purchase of their security, or as payment or satisfaction or reduction of the Obligations or any part thereof. The provisions of this Section will not in any way limit or lessen the liability of the Guarantor under any other Section of this Guarantee.

## ARTICLE 3 DEMAND

### 3.1 Demand

Upon the occurrence of an Event of Default that is continuing, the Agent will be entitled to make demand upon the Guarantor for payment of all Obligations. Upon receipt of such written demand, the Guarantor shall immediately pay the Obligations free and clear and without deduction for any present or future taxes, charges or withholdings of any kind.

### 3.2 Interest

The Guarantor will pay interest to the Agent on the unpaid portion of all amounts payable by the Guarantor under this Guarantee at the rate of interest accruing on the corresponding portion of the Obligations pursuant to the Credit Agreement, such interest to accrue from and including the date of demand by the Agent on the Guarantor.

## ARTICLE 4 SUBROGATION

### 4.1 Subrogation

The Guarantor shall have no right of subrogation in respect of payments made to the Agent hereunder until such time as all Obligations to the Agent or the Lenders shall have been fully satisfied. In the case of the receivership, interim receivership, sequestration, administration, liquidation, winding-up, dissolution or bankruptcy of any Obligor (whether voluntary or involuntary) or any similar proceeding in respect of such Obligor for the relief from or otherwise affecting creditors of the Obligor, or in the event that any Obligor shall make any assignment for the general benefit of creditors, an arrangement, a compromise, or composition with its creditors (each an "Insolvency Proceeding"), the Agent shall have the right to rank for its full claim and to receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable to the Agent for any balance which may be owing to the Agent or the Lenders by the Obligor. If any amount shall be paid to the



- 6 -

Guarantor in connection with an Insolvency Proceeding at any time when all Obligations shall not have been fully satisfied, such amount shall be held in trust for the benefit of the Agent and shall forthwith be paid to the Agent to be credited and applied against the Obligations, whether matured or unmatured. If (a) the Guarantor shall make payment to the Agent or the Lenders of all or any part of the Obligations and (b) all the Obligations shall be paid in full, the Agent will, at the Guarantor's request, forthwith, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of its interest in the Obligations resulting from such payment by the Guarantor.

**ARTICLE 5**  
**GENERAL**

**5.1        Representations of the Guarantor**

The Guarantor acknowledges having received a copy of and having reviewed the Credit Agreement and each of the other Finance Documents. The Guarantor makes, affirms and acknowledges all of the representations and warranties made regarding and relating to the Guarantor in the Credit Agreement to and in favour of Agent and the Lenders as of the date hereof and, except as otherwise provided, as of such date as such representations and warranties are repeated in accordance with Section 6.4 of the Credit Agreement. All of such representations and warranties will survive the Financial Close and persist as long as this Guarantee is outstanding.

**5.2        Binding Effect of the Guarantee**

This Guarantee will be binding upon the heirs, executors, administrators and successors of the Guarantor and will enure to the benefit of the Agent, the Lenders and their respective successors and assigns.

**5.3        Entire Agreement**

This Guarantee has been entered into pursuant to the provisions of the Credit Agreement and is subject to all the terms and conditions thereof and, if there is any conflict between the terms, conditions and provisions of this Guarantee and the Credit Agreement, the terms, conditions and provisions of the Credit Agreement will prevail. In the event of any conflict between the terms, conditions and provisions of this Guarantee and any other Finance Document, those terms, conditions and provisions giving the greatest rights or benefit to the Agent and the Lenders shall prevail. Other than the Finance Documents, this Guarantee cancels and supersedes any prior understandings and agreements between the Guarantor and the beneficiaries hereof with respect to the subject matter contained herein. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Agent, the Lenders and the Guarantor with respect to the subject matter hereof except as expressly set forth herein or in the Credit Agreement and the other Finance Documents.

5.4 Amendments and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Agent on behalf of the Lenders. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Agent on behalf of the Lenders and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

5.5 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

5.6 Notices

Any demand, notice or other communication to be given in connection with this Guarantee must be given in accordance with the notice provisions in the Credit Agreement. Notice to the Guarantor shall be provided to the following address and facsimile number:

5403 Buckingham Avenue  
Burnaby, B.C. V5E 1Z9

Facsimile: \_\_\_\_\_  
E-mail: \_\_\_\_\_

5.7 Discharge

The Guarantor will not be discharged from any of its obligations hereunder except by a release or discharge signed in writing by the Agent.

5.8 Governing Law

This Guarantee will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

5.9 Headings

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Guarantee. The terms "hereof", "hereunder" and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

5.10 Further Assurances

The Guarantor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments and assurances as the Agent may reasonably require in order to give effect to the provisions of this Guarantee.

5.11 Counterparts

This Guarantee and all documents contemplated by or delivered under or in connection with this Guarantee may be executed and delivered in any number of counterparts with the same effect as if all signatories had signed and delivered the same document and all counterparts will be construed together to be an original and will constitute one and the same agreement.

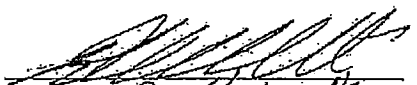
5.12 Executed Copy

The Guarantor acknowledges receipt of a fully executed copy of this Guarantee.


*[The remainder of this page has intentionally been left blank.]*

IN WITNESS WHEREOF the Guarantor has signed, sealed and delivered this  
Guarantee.

WEDGEMOUNT POWER (GP) INC.

Per:   
Name: *D. Empardt*  
Title: *Director*

This is **Exhibit "G"** referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

**SECURITIES PLEDGE AGREEMENT**

THIS AGREEMENT dated as of June 30, 2015 (this "Agreement")

BETWEEN:

WEDGEMOUNT POWER (GP) INC., a company incorporated under the *Business Corporations Act* (British Columbia)

("Pledgor")

- and -

TRAVELERS CAPITAL CORPORATION, as agent for and on behalf of the Lenders under the Credit Agreement (each as defined below)

(together with any successor thereto acting in such capacity, the "Agent").

WHEREAS:

- A. Pledgor holds 1 Class B Unit in the capital of WEDGEMOUNT POWER LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of British Columbia (the "Borrower"), representing 100% of the issued and outstanding Class B Units of the Borrower;
- B. Pursuant to the terms of the Credit Agreement and certain other documents required to be delivered pursuant thereto, the Borrower owes, and in the future may owe, Obligations (as defined in the Credit Agreement) to the Agent and the Lenders from time to time under the Credit Agreement; and
- C. Pledgor has, pursuant to a limited recourse guarantee (the "Limited Recourse Guarantee") made in favour of the Agent as of the date hereof (as amended, modified, renewed, restated and/or supplemented from time to time), guaranteed in favour of the Agent the payment and performance of the Obligations and is executing this Agreement to secure the payment and performance of its obligations under the Limited Recourse Guarantee (the "Guaranteed Obligations") by the pledge of Pledgor in favour of the Agent of all of Pledgor's right, title and interest in and to any and all partnership interests in the Borrower at any time held by Pledgor.

NOW THEREFORE, in consideration of the respective covenants, agreements, representations and warranties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties agree as follows:

ARTICLE 1  
DEFINITIONS

1.01 Definitions

All capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement. Additionally, in this Agreement:

- (a) "Credit Agreement" means the credit agreement dated as of the date hereof entered into between the Borrower, as borrower, the Agent as agent, and the Lenders thereunder, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
- (b) "Delivery" and the corresponding terms "Delivered" and "Deliver" when used with respect to all or any part of the Collateral means:
  - (i) in the case of such part of the Collateral constituting certificated units in the Borrower, transfer thereof to the Agent or its nominee by physical delivery of the unit certificates to the Agent or its nominee, such Collateral to be endorsed for transfer or accompanied by stock powers of attorney duly executed in blank, all in form and content satisfactory to the Agent;
  - (ii) in the case of such part of the Collateral constituting uncertificated partnership units in the Borrower the execution and delivery by the Borrower of a control agreement (in form and substance satisfactory to the Agent) pursuant to which the Borrower agrees that it will comply with instructions originated by the Agent or its nominee without further consent of Pledgor or any other person upon an Event of Default, and if such uncertificated securities are registered or recorded in records maintained by or on behalf of the Pledgor in the name of a clearing agency, cause, at the request of the Agent, the security interest granted in the uncertificated securities under this Agreement to be entered into the records of such clearing agency; and
  - (iii) in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, any Collateral in favour of the Agent.

ARTICLE 2  
PLEDGE

2.01 Collateral

Pledgor hereby mortgages, charges, hypothecates and pledges to and in favour of the Agent, and grants to the Agent a security interest in, all of Pledgor's present and future rights and interests (i) in the Borrower (including any Class B Units of the Borrower issued to Pledgor) and in, to and under the amended and restated limited partnership agreement (the "Partnership Agreement") dated as of the date hereof between *inter alia*, the Pledgor and WEDGEMOUNT

POWER INC., as the same may be further amended, varied, supplemented, restated or replaced, in effect, from time to time, with respect to the Borrower (collectively, the "Partnership Units"), and:

- (a) all rights of Pledgor to receive moneys and other property due and to become due under or pursuant to the Partnership Units and the Partnership Agreement (including the right to receive distributions thereunder);
- (b) all rights of Pledgor to receive property or assets of the Borrower upon liquidation or dissolution of the Borrower;
- (c) subject to Section 2.06, all cash, securities, distributions and other property at any time in the future and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the rights and interests of Pledgor in the Partnership Unit and in, to and under the Borrower;
- (d) all rights of Pledgor to receive payment and/or performance bond, indemnity, warranty, or guarantee with respect to the Partnership Agreement and all agreements, documents, and instruments relating thereto;
- (e) all claims of Pledgor for damages arising out of or for breach of or default under the Partnership Agreement;
- (f) all rights of Pledgor to terminate, amend, supplement, modify, or waive performance under the Partnership Agreement, to perform thereunder, and to compel performance and otherwise to exercise any and all rights and remedies thereunder;
- (g) all certificates and instruments, if any, representing the Partnership Unit or a distribution or return of capital upon or with respect to such securities or interest or resulting from a reclassification or other change in the units or interests of the Borrower or otherwise received in exchange therefor, and any subscription options, warrants, or other rights issued to Pledgor in respect of the Borrower;
- (h) all other rights or claims of Pledgor in respect of the Partnership Unit or any other interest of Pledgor in the Borrower or under the Partnership Agreement;
- (i) all present and future indebtedness and liability of the Borrower to the Pledgor, all liens for that present and future indebtedness and liability and all instruments, notes, bonds and other documents evidencing such indebtedness and liability; and
- (j) any substitutions, additions or proceeds arising out of any consolidation, subdivision, reclassification or similar increase or decrease therein, or alteration thereto;

(the Partnership Unit together with all such rights, claims, money, income, proceeds, additions, substitutions, benefits, certificates and instruments, collectively hereinafter referred to as the "Collateral").



2.02 **Indebtedness Secured**

The Collateral will be held by the Agent as general and continuing security in favour of the Agent to secure the due payment and performance of any and all Guaranteed Obligations.

2.03 **Additional Security**

If Pledgor becomes entitled to receive or receives any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital), bond, note or other instrument, or any option or right, whether as an addition to or in substitution or exchange for, any of the Collateral, Pledgor will accept such certificate, bond, note, instrument, option or right in trust for the Agent and will deliver such certificate, bond, note, instrument, option or right forthwith to the Agent in the exact form received by Pledgor with Pledgor's endorsement when necessary, to be held by the Agent, subject to the terms hereof, as general and continuing security and as a pledge unto the Agent to secure payment and performance of the Guaranteed Obligations.

2.04 **Amounts Held in Trust**

Subject to Section 2.06 of this Article 2, if any money, income, proceeds or other benefit, of any nature or kind whatsoever, is received by Pledgor in respect of any of the Collateral, Pledgor will receive such money, income, proceed or other benefit in trust for the Agent, will segregate such money, income, proceed or other benefit from Pledgor's other property or funds and will forthwith upon receipt thereof assign, transfer, set over and deliver the same to the Agent to be held by the Agent hereunder as general and continuing security to secure payment and performance of the Guaranteed Obligations and, subject to the provisions of the Credit Agreement, the Agent may deal with such amounts or benefits in accordance with the provisions hereof.

2.05 **Responsibility of the Agent**

The Agent need not see to the collection of distributions in respect of, or exercise any option or right in connection with, the Collateral and need not protect or preserve the Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value.

2.06 **Voting Rights and Entitlement to Certain Dividends Prior to Default**

So long as no Event of Default has occurred and is continuing, and except as provided in the Credit Agreement:

- (a) Pledgor will be entitled to vote or refrain from voting the Partnership Unit at any meeting, whether special or general, at which the holder of the Partnership Unit is entitled to vote and will be entitled to take part in or consent to or refrain from taking part in or consenting to any corporate or members' action which the holder of the Partnership Unit is entitled to take part in or consent to;

- (b) Pledgor will be entitled to receive and retain any and all dividends and distributions paid in cash in respect of the Collateral other than:
  - (i) unless permitted by the Credit Agreement, dividends or distributions paid in cash in connection with a partial or total liquidation, winding-up or dissolution or in connection with a reduction of capital; and
  - (ii) unless permitted by the Credit Agreement, cash paid in connection with a redemption, retirement or other acquisition of, or conversion of or exchange for, any Collateral.

**2.07 Voting Rights and Entitlement to Dividends After Default**

Upon the occurrence of any Event of Default that is continuing:

- (a) all rights of Pledgor pursuant to Section 2.06(a) of this Article 2 shall cease and the Agent will be entitled (whether or not the Partnership Unit is registered in the name of the Agent or its nominee) to vote or refrain from voting or direct Pledgor or any other person as the Agent may appoint to vote or refrain from voting the Partnership Unit at any meeting, whether special or general, at which the holder of the Partnership Unit is entitled to vote and will be entitled to take part in or consent to or refrain from taking part in or consenting to or direct Pledgor or any other person as the Agent may appoint to take part in or consent to or refrain from taking part in or consenting to any corporate or members' action which the holder of the Partnership Unit is entitled to take part in or consent to and Pledgor hereby irrevocably constitutes and appoints the Agent and any other person appointed by the Agent as its true and lawful attorney in fact and agent for, in the name of and on behalf of Pledgor, to vote the Partnership Unit or to take part in or consent to any such corporate or members' action, and when so acting or refraining from acting, neither the Agent nor any person appointed by the Agent will incur any liability or responsibility of any kind whatsoever to Pledgor; and
- (b) all rights of Pledgor pursuant to Section 2.06(b) of this Article 2 shall cease and all dividends and distributions paid in cash in respect of the Collateral will be received, held and assigned, transferred, set over and delivered to the Agent in accordance with the provisions of Section 2.04 of this Article 2.

**2.08 Attachment**

Pledgor acknowledges that the security interest hereby created attaches upon the execution of this Agreement (or in the case of any after-acquired property, upon the date of acquisition by Pledgor of any rights therein), that value has been given by the Agent and that Pledgor has, or in the case of after-acquired property will have, rights in the Collateral.

**ARTICLE 3**  
**WARRANTIES AND COVENANTS**

3.01 **Warranties and Covenants of Pledgor**

Pledgor hereby warrants, covenants and agrees with the Agent that:

- (a) Pledgor is a company incorporated under the *Business Corporations Act* (British Columbia);
- (b) no authorization, consent, approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution and delivery by Pledgor of this Agreement;
- (c) the execution and delivery by Pledgor of this Agreement, the consummation by Pledgor of the transactions herein contemplated and the performance by Pledgor of its obligations hereunder have been authorized by all requisite corporate action of Pledgor and do not and will not (i) contravene any contractual restriction to which Pledgor is a party or by which Pledgor is bound; (ii) violate any law, rule or regulation having the force of law or any writ, judgment, injunction, determination or award which is binding on it; or (iii) result in or require the creation or imposition of any lien upon or security interest in or with respect to the Collateral, except in favour of the Agent;
- (d) all Collateral consisting of the Class B Unit of the general partner's interest in the Borrower have been duly authorized and validly issued, are outstanding as fully paid units in the Borrower in compliance with all applicable laws and the Partnership Agreement, and constitute 100% of the issued and outstanding Class B Unit of general partner's interest in the Borrower;
- (e) Pledgor is the registered and beneficial owner of 1 Class B Unit of the Borrower and such interests are free of any adverse claim, assignment, pledge, mortgage, hypothecation, lien, charge or other encumbrance or security interest which is not permitted by the Credit Agreement;
- (f) there is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which Pledgor could be required to sell or otherwise dispose of the Partnership Unit or any part thereof, or, to the knowledge of Pledgor, for the purchase, subscription and issue of any interest in the unissued partnership units or other partnership interests in the Borrower;
- (g) except as permitted by the Credit Agreement, Pledgor will not sell, assign, transfer or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Agent;
- (h) except as permitted by the Credit Agreement, Pledgor will not create, incur or permit to exist any adverse claim, assignment, pledge, mortgage, hypothecation,

lien, charge or other encumbrance or security interest whatsoever with respect to any of the Collateral;

- (i) Pledgor will pay to the Agent on demand all reasonable expenses and expenditures, including, without limitation, reasonable legal fees and disbursements, incurred or paid by the Agent in connection with this Agreement and the Collateral including, without limitation, protecting the Agent against the claims or interests of any third person against the Collateral and in connection with the exercise by the Agent of any right, power or remedy conferred by this Agreement or by law, which shall be added to and form a part of the Guaranteed Obligations;
- (j) except as otherwise permitted by the Credit Agreement, Brent Allan Hardy, The Ehrhardt 2011 Family Trust, Wedgemount Power Inc., Points West Hydro Power Limited Partnership, Swahealy Holding Limited and Calavia Holdings Ltd. shall at all times, be the sole limited partners of the Borrower;
- (k) the Pledgor is not in breach or default under the Partnership Agreement;
- (l) the Partnership Agreement is a valid, subsisting and legally binding agreement in accordance with its terms, is in full force and effect, in good standing and unmodified. Pledgor shall not alter, modify or waive any of its rights under the Partnership Agreement or enter into any other limited partnership agreement or any voting agreement with respect to the Borrower without, in each case, the prior written consent of the Agent;
- (m) Pledgor is not a party to any limited partnership agreement or any voting agreement relating to any of the limited partner's interest in the Borrower including, without limitation, under the Class B Unit of the Borrower, except for the Partnership Agreement;
- (n) Pledgor is the sole general partner of the Borrower and owns the sole Class B Unit of the Borrower;
- (o) in no event shall Pledgor, in the absence of the Agent's prior written consent, exercise any voting rights or other rights relating to the Partnership Unit or under the Partnership Agreement generally in any manner which is prohibited by this Agreement; and
- (p) upon the written request of the Agent, Pledgor shall deliver to the Agent copies of all material received by Pledgor from the Borrower, including, without limitation, copies of all notices of meetings of partners of the Borrower forthwith following receipt of same;
- (q) Pledgor declares and agrees that all indebtedness and obligations of the Borrower to it, howsoever arising (all of which indebtedness and obligations are herein collectively referred to as the "Subordinated Indebtedness") are junior and subordinate, and the payment thereof, whether in whole or in part, and whether as

to principal, interest, fees or otherwise; and whether at or prior to maturity or upon acceleration of any maturity, is postponed to the prior payment in full of all indebtedness and obligations of the Borrower to the Agent under or pursuant to the Credit Agreement and Loan Documents (all of which indebtedness and obligations are herein collectively referred to as the "Senior Indebtedness"); and

- (r) Pledgor hereby acknowledges, declares and agrees that no lien exists or will be granted in its favour in connection with the Subordinated Indebtedness.

**ARTICLE 4**  
**GENERAL COVENANTS**

**4.01 Continuing Security**

This shall be a continuing agreement and the Collateral is in addition to and not in substitution for any other security held by the Agent in respect of the Obligations and shall not operate as a merger of any simple contract debt or suspend the fulfilment of, or affect the rights, remedies and powers of the Agent or any other person in respect of the Guaranteed Obligations, Obligations or the Collateral and this Agreement and the assignment, pledge, hypothecation and security interest constituted hereby shall continue in full force and effect in accordance with the terms hereof until all of the Obligations have been fully paid and satisfied.

**4.02 Delivery of Collateral**

- (a) Pledgor shall forthwith Deliver all Collateral to the Agent, to be held by the Agent hereunder, and Pledgor shall deliver to the Agent any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Agent. Pledgor agrees to denote the Agent's security interest on any certificates representing the Partnership Unit in the possession or control of Pledgor.
- (b) If Pledgor acquires any Collateral after the date hereof, Pledgor will immediately notify the Agent in writing and will promptly Deliver to and deposit with the Agent any such Collateral.

**4.03 Appointment as Attorney**

Pledgor hereby irrevocably constitutes and appoints the Agent and any other person appointed by the Agent as its true and lawful attorney in fact and agent for, in the name of and on behalf of Pledgor upon the occurrence and during the continuance of an Event of Default, with full power of substitution, to do, make, execute and deliver, and to receive delivery of, all such assignments, transfers, deeds, assurances, instruments, acts, documents, matters and things as may be necessary to transfer all or any of the Collateral (including, without limitation, to fill in all blanks in any transfers of stocks or any powers of attorney or other documents delivered to the Agent) and when so acting neither the Agent nor any person appointed by the Agent will incur any liability or responsibility of any kind whatsoever to Pledgor.

4.04 No Obligation to Collect

The Agent will not be bound or obliged, at any time or under any circumstances, to collect or see to the payment of any interest, dividends, distributions or other income of, on or from any of the Collateral, or to sell, transfer or otherwise realize upon any of the Collateral or to preserve the rights of any person therein, and the Agent will not be responsible for any loss occasioned by any sale of any of the Collateral or by the retention of or refusal to sell the same. The Agent shall not be obliged to exhaust its recourse against Pledgor or any other person or against any other security the Agent may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Agent may consider advisable.

4.05 No Deemed Control

Nothing herein shall, prior to the occurrence of an Event of Default and the commencement of enforcement proceedings by the Agent, be construed, interpreted or deemed to constitute the Agent, or the Agent's nominee as owner, whether beneficial or otherwise, of any of the Collateral. The Agent or the Agent's nominee shall not be deemed to be in control of the Borrower by virtue of any registration of any of the Collateral in its name or otherwise prior to such events.

ARTICLE 5  
EVENTS OF DEFAULT

5.01 Events of Default

Notwithstanding any other provision of this Agreement, the security hereby constituted shall only become enforceable upon the occurrence and during the continuance of an Event of Default.

ARTICLE 6  
REMEDIES AND REALIZATION

6.01 Powers and Remedies

Upon the occurrence and at any time thereafter during the continuance of an Event of Default, the Agent shall have and may exercise with reference to the Collateral and the Guaranteed Obligations any and all of the rights and remedies of the Agent under this Agreement and such other rights and remedies as are provided by law or by equity or by statute or by agreement (including the right to give instructions to the Borrower to the extent it is subject to a control agreement), and, without limitation, shall have the power to:

- (a) transfer any part of the Collateral into the name of the Agent or its nominee;
- (b) take such steps as it considers desirable to maintain, preserve or protect the Collateral;

- (c) exercise any and all rights and remedies of Pledgor under or in connection with the Collateral, including exercise voting rights in accordance with Section 2.07 of Article 2 and give or withhold all consents and waivers in respect thereof;
- (d) exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Collateral;
- (e) from time to time realize upon, collect, sell, transfer, assign, give options to purchase or otherwise dispose of and Deliver any Collateral in such manner and upon such terms and conditions as may seem advisable to the Agent; for such purposes, each requirement relating thereto and prescribed by law or otherwise is hereby waived by Pledgor to the extent permitted by law, and in any offer or sale of any of the Collateral the Agent is authorized to comply with any limitation or restriction in connection with such offer or sale as is necessary in order to avoid any violation of applicable law, or in order to obtain any required approval of the sale or of the purchase by any Governmental Authority; such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Agent be liable or accountable to Pledgor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;
- (f) purchase or designate a nominee to purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise;
- (g) subject to the requirements of applicable law, accept the Collateral in satisfaction or partial satisfaction of the Guaranteed Obligations upon notice to Pledgor of its intention to do so in the manner required by law;
- (h) charge on its own behalf and pay to others all amounts for costs, charges and expenses (including, without limitation, legal fees on a solicitor and own client basis) incurred by the Agent or its agents in connection with the exercise of the rights and remedies and the taking possession, protecting, preserving, collecting or realizing upon any part of the Collateral together with interest thereon at the highest rate provided in the Credit Agreement from the date of incurring such costs, charges and expenses, with all such sums, together with interest thereon at the rate herein provided, being added to the Obligations and secured hereby; and
- (i) discharge any claim, lien, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all reasonable costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.

6.02 Compromises

The Agent may:

- (a) grant extensions of time;

- (b) take and perfect or abstain from taking and perfecting security;
- (c) give up securities;
- (d) accept compositions or compromises,
- (e) grant releases and discharges, and
- (f) release any part of the Collateral or otherwise deal with Pledgor, debtors and creditors of Pledgor, sureties and others and with the Collateral and other security as the Agent sees fit, without prejudice to the liability of Pledgor to the Agent or its rights hereunder.

6.03 Cooperation with Agent

Pledgor hereby agrees to cooperate fully with the Agent in order to permit the Agent to sell, transfer or otherwise realize on the Collateral in accordance with the terms hereof. Specifically, Pledgor agrees to fully comply with the securities laws of Canada and of the Province of British Columbia and to take such action as may be necessary to permit the Agent to sell, transfer or otherwise realize on the Partnership Unit in compliance with such laws.

6.04 Application of Collateral

The Agent shall apply any proceeds of realization of the Collateral in accordance with the provisions of the Credit Agreement.

ARTICLE 7  
MISCELLANEOUS

7.01 Further Assurances

At the request of the Agent, Pledgor will, at the expense of Pledgor, execute all such transfers, stock powers, proxies and other documents as may be required by the Agent, with all such powers of sale and other necessary powers as may be expedient for vesting in the Agent or such person or persons as the Agent may appoint, the Partnership Unit and to otherwise carry into effect the intent and purposes of this Agreement.

7.02 No Revocation

The appointment and power of attorney contained in Section 2.07 of Article 2 and Section 4.03 of Article 4, respectively, will be deemed to be coupled with an interest and will not be revoked by the bankruptcy, insolvency, incapacity or death of Pledgor and Pledgor hereby ratifies and confirms and agrees to ratify and confirm all that the Agent or any person appointed by the Agent, as attorney in fact and agent for, in the name of and on behalf of Pledgor, may lawfully do or cause to be done by virtue of Section 2.07 of Article 2 and Section 4.03 of Article 4, respectively.



7.03 Waiver

No delay or omission on the part of the Agent in exercising any rights hereunder shall operate as a waiver of any such right or any other right. A waiver on any one or more occasions shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

7.04 Seizure of Collateral

Upon the occurrence and during the continuance of an Event of Default the Agent shall have the absolute and unconditional right, without prior notice or any prior hearing of any kind whatsoever, to seize and take possession of the Collateral, and Pledgor does hereby expressly waive any right to any prior notice or any prior hearing prior to seizure and taking possession of the Collateral by the Agent.

7.05 Assignment

The rights of the Agent under this Agreement may be assigned by the Agent in conjunction with assignments permitted by the Credit Agreement. Pledgor may not assign its obligations under this Agreement, except in accordance with the provisions of the Credit Agreement.

7.06 Conflict

If there is a conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement (such that the provisions of this Agreement and the provisions of the Credit Agreement cannot co-exist), the provisions of the Credit Agreement shall prevail.

7.07 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

7.08 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and given in the manner required by the Credit Agreement. Notice to Pledgor shall be provided to the following address and facsimile number:

5403 Buckingham Avenue  
Burnaby, B.C. V5B 1Z9

Facsimile: \_\_\_\_\_

E-mail: \_\_\_\_\_

7.09 Rights Cumulative

The rights and remedies of the Agent hereunder are cumulative and the exercise of any one or more of the remedies provided herein shall not be construed as a waiver of any of the other remedies of the Agent.

7.10 Severability

If any provision of this Agreement shall be found or determined to be invalid, illegal or unenforceable it shall be severable from this Agreement and the remainder of this Agreement shall be read and construed as if such invalid, illegal or unenforceable provision or part had been deleted herefrom.

7.11 Applicable Law

This Agreement and the rights and obligations of the parties hereunder shall be governed and construed according to the laws of the Province of British Columbia and the laws of Canada applicable therein.

7.12 Acknowledgement and Waiver

Pledgor hereby acknowledges receipt of a copy of this Agreement and the Credit Agreement and waives the right to receive from the Agent any financing statement registered at any time in respect of this Agreement or any verification statement issued in respect of this Agreement.


7.13 Counterparts

This Assignment may be executed in any number of counterparts and may be delivered by electronic means, each of which shall be deemed to be an original and all counterparts taken together shall constitute one and the same Assignment, and it shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the day and year first above written.

**WEDGEMOUNT POWER (GP) INC.**

Per:   
Name: *D. Emhardt*  
Title: *Director*

**TRAVELERS CAPITAL CORPORATION**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

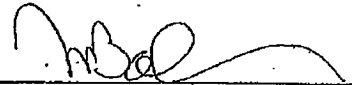
Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the day and year first above written.

**WEDGEMOUNT POWER (GP) INC.**

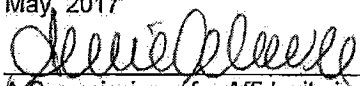
Per: \_\_\_\_\_  
Name:  
Title:

**TRAVELERS CAPITAL CORPORATION**

Per:   
Name:  
Title: **Mark Bohn**  
**Managing Partner**

Per: \_\_\_\_\_  
Name:  
Title:

This is **Exhibit "H"** referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

**GUARANTEE**

THIS GUARANTEE is dated as of August 4<sup>th</sup>, 2016.

**BETWEEN:**

**BRENT HARDY and DAVID EHRHARDT;**

(collectively the "Guarantor")

- and -

**TRAVELERS CAPITAL CORPORATION**, as agent under the Credit Agreement (as defined below) for and on behalf of the Senior Creditors (as defined below);

(the "Agent")

**CONTEXT:**

- A. WEDGEMOUNT POWER LIMITED PARTNERSHIP (the "Borrower") is developing an approximately 5.4 MW run-of-river hydro power facility located on Wedgemount Creek, near Whistler, in British Columbia, Canada (the "Facilities"), for the purposes of selling the power generated by the Facilities to BC Hydro (the "Project").
- B. The Agent, as agent for and on behalf of the lenders from time to time party to the Credit Agreement (as hereinafter defined) (collectively, the "Secured Creditors"), and the Borrower have entered into a credit agreement dated as of June 30, 2015 (as such may be supplemented, amended, modified, varied, restated or replaced from time to time, the "Credit Agreement"), pursuant to which the Borrower will be obtaining certain credit facilities from the Secured Creditors for the purposes of financing the design, construction, operation and maintenance of the Facilities.
- C. The Secured Creditors require that the Guarantor execute and deliver to the Agent a guarantee of the indebtedness, liabilities and obligations of the Borrower under the Credit Agreement and a postponement of claim with respect to the indebtedness, liabilities and obligations owed by the Borrower to the Guarantor from time to time.
- D. The Guarantor will receive economic and other benefits from the continuing extension of credit by the Secured Creditors, and therefore the Guarantor is willing to execute and deliver this Guarantee to and in favour of the Agent and the Secured Creditors.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the foregoing premises, the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

**1. Interpretation**

**1.1 Definitions.** In this Guarantee the following terms have the following meanings:

- 1.1.1 "Agent" means TRAVELERS CAPITAL CORPORATION.
- 1.1.2 "Applicable Law" means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, order and policies of any governmental or regulatory body or Persons having authority over that Person, property, transaction or event.
- 1.1.3 "BC Hydro" means BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a British Columbia Crown corporation.
- 1.1.4 "Borrower" is defined under "Context", above and includes their respective successors and permitted assigns.
- 1.1.5 "Business Day" means any day other than a Saturday, Sunday or other day on which banks are authorized to be closed in the provinces of British Columbia or Quebec.
- 1.1.6 "Credit Agreement" is defined under "Context" above.
- 1.1.7 "Documents" means the Credit Agreement, the Security Documents, this Guarantee and any other document, instrument, agreement or certificate in favour of the Secured Creditors executed in connection with the Credit Agreement, or contemplated by the Credit Agreement, and when used concerning any Person, "Documents" means and refers to those Documents executed and delivered, or to be executed and delivered, by that Person.
- 1.1.8 "Event of Default" has the meaning given to such term in the Credit Agreement.
- 1.1.9 "Governmental Authority" means:
  - 1.1.9.1 any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or

- 1.1.9.2 any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
- 1.1.10 "Guarantee" means this guarantee, as amended, modified, supplemented and restated from time to time by written agreement of the Parties.
- 1.1.11 "Guaranteed Indebtedness" means the aggregate of:
- 1.1.11.1 all indebtedness, liabilities and obligations of the Borrower to the Secured Creditors, present or future, direct or indirect, absolute or contingent, matured or not, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Secured Creditors in any currency, including pursuant to the Credit Agreement and the Documents to which the Borrower is a party, or arising from any other related dealings or proceedings between the Borrower and the Secured Creditors, including all principal, interest, commissions, fees, including receiver's fees and expenses, legal costs (on a solicitor and his own client basis) and other costs, charges and expenses;
  - 1.1.11.2 interest (including interest on overdue interest, compounded monthly) on unpaid amounts due under this Guarantee calculated from the date on which those amounts were originally demanded until payment in full, both before and after judgment, at the rates and in the currency applicable to the Guaranteed Indebtedness; and
  - 1.1.11.3 all costs and expenses incurred by the Secured Creditors in enforcing any rights under this Guarantee.
- 1.1.12 "Guarantor" means BRENT HARDY and DAVID EHRHARDT.
- 1.1.13 "Notice" means any notice, demand, request, consent, approval or other communication that is required or permitted by this Guarantee to be given or made by a Party.
- 1.1.14 "Parties" means the Secured Creditors and the Guarantor, collectively, and "Party" means any one of them.
- 1.1.15 "Person" means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority.
- 1.1.16 "Postponed Debt" is defined Section 15.
- 1.1.17 "Post-Termination Indemnity" is defined in Section 14.
- 1.1.18 "Project" is defined in the context above.



- 1.1.19 "Secured Creditors" is defined in the context above.
- 1.1.20 "Security Documents" means those security documents, instruments and agreements, including guarantees, delivered pursuant to the Credit Agreement to secure the indebtedness, liabilities and obligations of the Borrower under the Credit Agreement.
- 1.2 **Entire Agreement.** This Guarantee, together with the other Documents, constitutes the entire agreement between the Parties pertaining to the subject matter of this Guarantee and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Guarantee except as specifically set out in this Guarantee or the other Documents. No Party has been induced to enter into this Guarantee in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Guarantee or in one of the other Documents.
- 1.3 **Time of Day.** Unless otherwise specified, references to time of day or date mean the local time or date in Vancouver, British Columbia.
- 1.4 **Business Day.** Whenever any payment to be made or action to be taken under this Guarantee is required to be made or taken on a day other than a Business Day, the payment is to be made or action taken on the next Business Day following.
- 1.5 **Governing Law.** This Guarantee is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province.
- 1.6 **Certain Rules of Interpretation.**
- 1.6.1 In this Guarantee, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Guarantee is to be construed as meaning "including, without limitation".
- 1.6.2 Unless otherwise specified in this Guarantee, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- 1.6.3 Unless otherwise specified, any reference in this Guarantee to any statute includes all regulations made under or in connection with that statute from time to time, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time.

## 2. Guarantee

The Guarantor unconditionally and irrevocably guarantees to the Secured Creditors full and prompt payment and satisfaction when due, whether at stated maturity, by required payment, by acceleration, declaration, demand or otherwise, and at all times following when due, of all Guaranteed Indebtedness.

Notwithstanding the foregoing, (A) the maximum liability of the Guarantor pursuant to this Guarantee shall be limited to \$500,000 plus interest thereon and expenses pursuant to Section 20 of this Guarantee and (B) this Guarantee shall terminate on earliest of (1) the Lenders being satisfied with the status of the interconnection arrangements of the Project with the transmission and distribution of electricity facilities of BC Hydro (which for clarity will need to be a written agreement between the Borrower and BC Hydro on the construction process (costs and schedule) for the interconnection of the Project, in form and content satisfactory to the Lenders) and (2) the Interconnection Agreement (as defined in the Credit Agreement) and related Lender Direct Agreement (as defined in the credit Agreement) are entered into, in form and content satisfactory to the Lenders.

## 3. Payment

The Guarantor must make payments to the Secured Creditors of the amount of their liability for the Guaranteed Indebtedness within fifteen (15) days after demand to do so is made in writing. The demand will be conclusively deemed to have been effectively made when Notice is provided to the Guarantor under Section 27.2 of this Guarantee.

## 4. Guarantee Unconditional

Subject to Section 2 of this Guarantee, the obligations of the Guarantor under this Guarantee are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged, limited or otherwise affected by (and the Guarantor waives, to the fullest extent permitted by Applicable Law):

- 4.1 any modification or amendment of or supplement to the obligations of the Borrower under the Credit Agreement or the Guaranteed Indebtedness, including any increase or decrease in the principal, the rates of interest, other amounts payable under them, or any change in the nature or form of the credit provided and any amendment to the covenants or other provisions contained in the Credit Agreement or any Document;
- 4.2 any termination, invalidity, unenforceability or release by the Secured Creditors of any of their rights against the Borrower or against any other Person or of any other Document;
- 4.3 any increase, reduction, renewal, extension, substitution or other change in, or discontinuance of, the terms relating to the Guaranteed Indebtedness or to any credit extended by the Secured Creditors to the Borrower under the Credit Agreement; any agreement to any proposal or scheme of arrangement concerning, or granting any extensions of time or any other indulgences or concessions to, the Borrower or any other Person; abstaining from taking, perfecting or registering any Security Documents; allowing any Security Documents to lapse, whether by failing to make or maintain any registration or otherwise; or any neglect or omission by the Secured Creditors in respect of, or in the course of, doing any of these things;

- 4.4 the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Borrower, the Secured Creditors, or any other Person, whether in connection with this Guarantee or any unrelated transactions;
- 4.5 any change in the financial condition of the Borrower, the Guarantor or any other Person, including insolvency and bankruptcy;
- 4.6 any release, substitution or addition of any co-signer, endorser or other guarantor of the Guaranteed Indebtedness or any declaration by the other Person that it is no longer bound by its co-signature, endorsement or guarantee, as applicable;
- 4.7 any event, whether or not attributable to the Secured Creditors (except for the Secured Creditors' gross negligence or willful misconduct), that may be considered to have caused or accelerated the bankruptcy or insolvency of the Borrower or any other Person, or to have resulted in the initiation of any of those proceedings;
- 4.8 any failure by the Secured Creditors to abide by any of the terms and conditions of the Credit Agreement or the other Documents with, or to meet any of their obligations or duties owed to, the Borrower, the Guarantor or any other Person, or any breach of any duty, whether as a fiduciary or otherwise, that exists or is alleged to exist between the Secured Creditors and the Borrower, the Guarantor or any other Person;
- 4.9 the benefit of any law which provides that the obligation of a guarantor must not be larger in amount, or in other respects more burdensome, than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligation;
- 4.10 any defence arising from the invalidity, illegality or lack of enforceability of the Guaranteed Indebtedness or any part of it, or of any security or guarantee relating to the Guaranteed Indebtedness, or because of any incapacity, lack of authority, or other defence of the Borrower or any other Person, or because of any limitation, postponement, prohibition, subordination or other restriction on the Secured Creditors' right to payment of the Guaranteed Indebtedness or any part of it, or because of the termination, invalidity, unenforceability or cessation from any cause of the liability of the Borrower or the Guarantor or any other Person with respect to all or any part of the Guaranteed Indebtedness, or because of any act or omission of the Secured Creditors or others, whether occasioned by their own fault or otherwise, which directly or indirectly results in the discharge or release of the Borrower or any other Person, or of all or any part of the Guaranteed Indebtedness or any security or guarantee for the Guaranteed Indebtedness, whether by contract, operation of law or otherwise, except as a result of the payment by the Borrower or the Guarantor to the Secured Creditors in full of the Guaranteed Indebtedness, including all interest and expenses as provided for in this Guarantee;
- 4.11 any defence arising from any failure by the Secured Creditors to obtain, perfect or maintain a perfected or prior, or any, security interest in or lien or encumbrance upon any property of either of the Borrower or any other Person, or because of any interest of the Secured Creditors in any property, whether as owner of that property or as the holder of a security interest in that property or lien or encumbrance on that property, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or because of any impairment by the Secured Creditors of any right to recourse or collateral;

- 4.12 any change of effective control of the Borrower;
- 4.13 any other act or omission to act or delay of any kind by the Borrower, the Secured Creditors or any other Person, or any other circumstance, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Section 4, constitute a legal or equitable discharge, limitation or reduction of the obligations of the Guarantor under this Guarantee, other than the payment or extinguishment in full of all of the Guaranteed Indebtedness and the termination of all credit facilities and any lending commitment; or
- 4.14 any major or minor amendments or modifications to, or any restatement, renewal, replacement or extension of the Credit Agreement or any Document, or of any other loan agreement, terms letter or other document between the Secured Creditors and the Borrower.

To the extent permitted by Applicable Law, the foregoing provisions apply, and the foregoing waivers will be effective, even if the effect of any action, or failure to take action, by the Secured Creditors is to destroy or diminish the subrogation rights of the Guarantor, the right of the Guarantor to proceed against the Borrower for reimbursement, the right of the Guarantor to recover contribution from any other guarantor or any other right or remedy.

#### **5. Dealings with the Borrower**

The Secured Creditors may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other Persons and securities as the Secured Creditors see fit, and the Secured Creditors may apply all monies received by any of them from the Borrower or others or from any security upon that part of the Guaranteed Indebtedness as they may think best, without the consent of, or notice to, the Guarantor or any other Person and without prejudice to, or in any way limiting or lessening, the liability of the Guarantor under this Guarantee. Without limiting the generality of the foregoing, the Guarantor authorizes and empowers the Secured Creditors, in their sole and unfettered discretion, without any notice to the Guarantor or any other Person or entity, to exercise any right or remedy which the Secured Creditors have or may have against the Borrower or any other Person, or with respect to any security, whether real, personal or intangible, for the Guaranteed Indebtedness, without affecting in any way the liability of the Guarantor under this Guarantee, and the Guarantor will be liable to the Secured Creditors for any deficiency resulting from the exercise by the Secured Creditors of any right or remedy.

#### **6. Recourse against the Borrower**

The Secured Creditors are not bound to exhaust their recourse against the Borrower, any other guarantor or other Person or under any other security before being entitled to payment from the Guarantor under this Guarantee.

#### **7. Settlement of Accounts**

Any account settled or stated between the Secured Creditors and the Borrower will be accepted by the Guarantor as *prima facie* evidence that the amount appearing due by the Borrower to the Secured Creditors in that account is so due, except for manifest error.

#### **8. Change in Composition of the Borrower**

No change in the name, objects, capital stock, constitution, ownership or control of the Borrower, and no other circumstance, including the Borrower being amalgamated with another corporation, or any amendments, supplement to or replacement of the Credit Agreement or any other Document, or any circumstance affecting the Borrower or the Guarantor which might otherwise provide a legal or equitable defence to the Guarantor or a discharge of this Guarantee, will affect or in any way limit or lessen the liability of the Guarantor under this Guarantee.

**9. Guarantee of all Monies Borrowed**

All monies and credits borrowed or obtained by the Borrower from the Secured Creditors under or in connection with the Credit Agreement or any of the other Documents will be deemed to form part of the Guaranteed Indebtedness despite any incapacity, disability or lack or limitation of status or power of the Borrower or of the directors, officers or employees of the Borrower, or that the Borrower may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of those monies or credits. All advances, renewals and credits made or granted by the Secured Creditors purportedly to or for the Borrower under the Credit Agreement after the bankruptcy or insolvency of the Borrower will be deemed to form part of the Guaranteed Indebtedness.

**10. Principal Debtor**

Any amount of Guaranteed Indebtedness which may not be recoverable from the Guarantor by the Secured Creditors under this Guarantee on the basis of a guarantee will be recoverable by the Secured Creditors from the Guarantor as principal debtor of that amount, and that amount will be paid to the Secured Creditors immediately after demand for that amount as provided in this Guarantee.

**11. Continuing Guarantee**

Subject to the Section 2 above, this Guarantee is a continuing, absolute, unconditional and irrevocable guarantee of all of the Guaranteed Indebtedness, will apply to all of the Guaranteed Indebtedness, and will remain in full force and effect until all of the Guaranteed Indebtedness has been paid in full. This Guarantee will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Secured Creditors.

**12. No Subrogation**

Until all the Guaranteed Indebtedness, interest and expenses have been paid in full, the Guarantor will have no right of subrogation to, and waives, to the fullest extent permitted by law, any right to enforce any remedy which the Secured Creditors now have or may have after this Guarantee takes effect against the Borrower in respect of the Guaranteed Indebtedness, and the Guarantor waives any benefit of, and any right to participate in, any security, whether charging real or personal property, now or in the future held by the Secured Creditors for the Guaranteed Indebtedness until the time that all Guaranteed Indebtedness, interest and expenses as referred to in this Guarantee are paid in full. If the Secured Creditors receive from the Guarantor a payment or payments on account of the liability of the Guarantor under this Guarantee, the Guarantor will not be entitled to claim contribution or indemnity from the Borrower until the claims of the Secured Creditors against the Borrower have been paid in full or the Secured Creditors have waived their rights in respect of those claims.

**13. Stay of Acceleration**

If acceleration of the time for payment of any amount payable by the Borrower in respect of the Guaranteed Indebtedness is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, or any moratorium affecting the payment of the Guaranteed Indebtedness, all of the amounts owing under the Credit Agreement otherwise subject to acceleration will nonetheless be payable by the Guarantor under this Guarantee within fifteen (15) days from demand by the Secured Creditors.

#### 14. Revival of Guaranteed Indebtedness and Liability

The Guarantor agrees that, if at any time, all or any part of any payment previously applied by the Secured Creditors to any Guaranteed Indebtedness is or must be rescinded or returned by the Secured Creditors to the Guarantor for any reason, including the insolvency, bankruptcy, or reorganization of the Borrower, or if any indebtedness arises from any indemnity of the Borrower in favour of the Secured Creditors under the Credit Agreement which survives the termination of the Credit Agreement (a "Post-Termination Indemnity"), then the Guaranteed Indebtedness will, for the purpose of this Guarantee:

- 14.1 to the extent that the payment is or must be rescinded or returned, be deemed to have continued in existence, despite the application by the Secured Creditors, and this Guarantee will continue to be effective or be reinstated, as the case may be, as to that Guaranteed Indebtedness, all as though the application by the Secured Creditors had not been made; and
- 14.2 extend to the Post-Termination Indemnity.

#### 15. Assignment and Postponement

All present and future indebtedness and liability of the Borrower to the Guarantor and all security for that future indebtedness and liability (collectively, the "Postponed Debt") is assigned to the Agent as security for the Guaranteed Indebtedness, and the Postponed Debt is postponed to the Guaranteed Indebtedness, and all monies received by the Guarantor in respect of the Postponed Debt will be received in trust for and will be paid over to the Agent immediately; provided, however, until demand or the occurrence of an Event of Default which is continuing, the Guarantor may receive any payments in respect of the Postponed Debt made in the ordinary course of business or as permitted under the Credit Agreement. The Guarantor will not:

- 15.1 purport to release or withdraw the Postponed Debt;
- 15.2 permit the prescription of the Postponed Debt by any statute of limitation; or
- 15.3 ask for or obtain any security or negotiable paper for, or other evidence of, the Postponed Debt except to deliver it to the Agent.

Following demand or the occurrence of an Event of Default which is continuing and has not been cured or remedied and which has not been waived in writing by the Agent, or an acceleration of the Borrower's obligations pursuant to the Credit Agreement, the Agent is entitled to receive payment in full in cash in respect of the indebtedness of the Borrower (including interest accruing after, or which would accrue but for, the commencement of any proceeding at the rate specified in the Credit Agreement or applicable Document, whether or not a claim for the interest would be allowed) before the Guarantor are entitled to receive any payment or distribution in respect of the Postponed Debt, and no payments will be made, given or permitted, directly or indirectly, by set-off, redemption, purchase or in any other manner, as

payment of or security for the whole or any part of the Postponed Debt. If a payment or distribution is made to the Guarantor in contravention of this Section, that Guarantor will hold that payment in trust for the Secured Creditors and will immediately pay over and deliver that payment to the Agent.

#### 16. Representations and Warranties

The Guarantor represents and warrants to and with the Secured Creditors, as at the date of this Guarantee and at all times thereafter, upon each of which representations and warranties Secured Creditors specifically rely, as follows:

- 16.1 **Authorization and Enforceability.** Each document constitutes, or upon execution and delivery will constitute, a valid and binding obligation of it, enforceable against it in accordance with its terms, subject only to the following qualifications:
- 16.1.1 an order of specific performance and an injunction are discretionary remedies, and in particular, may not be available where damages are considered an adequate remedy; and
  - 16.1.2 enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting enforceability of creditors' rights.
- 16.2 **No Authorization.** No authorization, consent or approval of, or filing with or notice to, any Person is required in connection with the execution, delivery or performance of this Guarantee or any of the other Documents by the Guarantor.
- 16.3 **Insolvency.** The Guarantor is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada).
- 16.4 **Litigation.** There are no actions, suits, judgments, awards or proceedings pending or, to its knowledge, threatened against it before any court or government department, commission, board, agency or instrumentality, domestic or foreign, or before any other authority, or before any arbitrator of any kind, which would, if determined adversely to it, materially adversely affect its property, financial condition or prospects or its ability to perform any of the provisions of any Document to which it is a party or which purport to affect the legality, validity or enforceability of any Document, and it is not in default with respect to any judgment, order, writ, injunction, award, rule or regulation of any Governmental Authority or any arbitrator.
- 16.5 **No Breach.** The Guarantor is not in default or breach under any material commitment or obligation (including obligations concerning financial indebtedness) or under any order, writ, decree or demand of any Governmental Authority or with respect to any leases, licences or permits to own and/or operate material properties and assets or to carry on business and there exists no state of facts which, after notice or the passage of time or both, would constitute a default or breach; and there are no proceedings in progress, pending or threatened, which may result in the revocation, cancellation, suspension or any adverse modification of any of those leases, licences or permits.

**17. Copy of Credit Agreement**

The Guarantor acknowledges that it has been provided with a duly executed copy of the Credit Agreement, including any amendments to the Credit Agreement.

**18. Acknowledgment of Representations and Warranties**

Upon the reasonable written request of the Agent, the Guarantor will, within thirty (30) days of the Agent's request, provide the Agent with a written acknowledgment, in form satisfactory to the Agent, that the representations and warranties in Section 16 remain in full force and effect as if made and given on the date of delivery of that acknowledgment subject to any changes in circumstances in the interim which have been disclosed to the Agent.

**19. Insolvency**

In case of winding up or bankruptcy of the Borrower, whether voluntary or involuntary, or if the Borrower makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any arrangement with creditors, whether voluntary or involuntary, the Secured Creditors have the right to rank for their full claims and receive all dividends or other payments in respect of their claims in priority to the Guarantor until their claims have been paid in full, and the Guarantor will continue to be liable under this Guarantee up to the amount guaranteed, less any payments made by the Guarantor, for any balance of the Guaranteed Indebtedness which may be owing to the Secured Creditors. In the event of the valuation by the Secured Creditors of their security, that valuation will not, as between the Secured Creditors and the Guarantor, be considered as a purchase of their security, or as payment or satisfaction or reduction of the Guaranteed Indebtedness or any part of it. The provisions of this Section will not in any way limit or lessen the liability of the Guarantor under any other Section of this Guarantee.

**20. Expenses**

The Guarantor will from time to time, within fifteen (15) days from Agent's demand, pay to the Agent all reasonable expenses (including legal fees on a solicitor and his own client basis) incurred by the Secured Creditors in the preparation of this Guarantee and the preservation or enforcement of any of their rights under this Guarantee, and those amounts which are outstanding will be added to the Guaranteed Indebtedness.

**21. Additional Security**

This Guarantee is in addition and without prejudice to any security of any kind, including any other guarantees, held by the Secured Creditors at any time in respect of the Guaranteed Indebtedness and any other rights or remedies that the Secured Creditors might have.

**22. Taxes**

All payments to be made by the Guarantor under this Guarantee will be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any kind. If Applicable Laws require a deduction or withholding to be made, the Guarantor will pay to the Secured Creditors an additional amount, on an after-tax basis, as is necessary to ensure the Secured Creditors receive the full amount the Secured Creditors would have received if no deduction or withholding had been made.



**23. Disclosure**

- 23.1 The Guarantor acknowledges that it possesses all information with respect to the Borrower that is material to this Guarantee, and that the Secured Creditors do not have any obligation to disclose to the Guarantor any information which it may now possess, or may possess after this Guarantee takes effect; concerning the Borrower.
- 23.2 The Secured Creditors may from time to time give any credit or other information about the Guarantor to, or receive that information from, any credit bureau, reporting agency or other similar Person.

**24. Conflict**

In the event of a conflict in or between the provisions of this Guarantee and the provisions of the Credit Agreement then, despite anything contained in this Guarantee, the provisions of the Credit Agreement will prevail and the provisions of this Guarantee will be deemed to be amended to the extent necessary to eliminate the conflict.

**25. Termination**

Subject to Section 14 of this Guarantee, upon payment in full of all present and future outstanding indebtedness, liabilities and obligations of the Borrower under the Credit Agreement, the cancellation of any credit facilities and the termination of all obligations of the Secured Creditors under the Credit Agreement and the Documents, the Guarantor may request in writing that this Guarantee be released and discharged, and if this occurs the Secured Creditors will, at the expense of the Guarantor, execute and deliver to the Guarantor a release and discharge of this Guarantee.

**26. Set-Off/Right to Combine Accounts**

The amount of the Guarantor's liability under this Guarantee is not to be subject to any deduction, withholding, set-off or counterclaim by the Guarantor for any reason at any time.

**27. General Terms**

27.1 **Time of Essence.** Time is of the essence in all respects of this Guarantee.

**27.2 Notices.**

27.2.1 Any Notice must be in writing and either:

27.2.1.1 personally delivered;

27.2.1.2 sent by prepaid registered mail; or

27.2.1.3 sent by facsimile or functionally equivalent electronic means of communication, charges (if any) prepaid confirmed by prepaid registered mail.

Any Notice must be sent to the intended recipient at its address as follows:

to the Guarantor at:

WEDGEMOUNT POWER LIMITED PARTNERSHIP  
5403 Buckingham Avenue  
Burnaby, British Columbia V5E 1Z9

Attention: Chief Operating Officer  
Facsimile: 604-643-1200  
E-mail: [dehrhardt@telus.net](mailto:dehrhardt@telus.net)

to the Agent at:

TRAVELERS CAPITAL CORPORATION  
Suite 501 – 4180 Lougheed Hwy.  
Burnaby, British Columbia V5C 6A7

Attention: Mark Bohn  
Facsimile: 844 211-8877  
E-mail: [mbohn@travelerscapital.com](mailto:mbohn@travelerscapital.com)

or at such other address as any Party may from time to time advise the other by Notice given in accordance with this Section 27.2. Any Notice delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Notice will be deemed to have been given and received on the next Business Day. Any Notice transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Notice is transmitted on a day which is not a Business Day or after 2 p.m. (local time of the recipient), the Notice will be deemed to have been received on the next Business Day). Any Notice given by registered mail will be deemed to have been received on the fifth (5<sup>th</sup>) Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Notice must be effected by personal delivery or by facsimile or functionally equivalent electronic transmission.

- 27.3 **Further Assurances.** Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Guarantee and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide such assurances, undertakings and information as may be required from time to time by any Governmental Authority or stock exchanges having jurisdiction over the affairs of a Party or as may be required under applicable securities legislation.
- 27.4 **Amendment.** No supplement, modification, amendment, discharge or termination of this Guarantee is binding unless it is executed in writing by the Parties hereto.
- 27.5 **Waiver.** No delay on the part of the Secured Creditors in exercising any of their options, powers or rights, or partial or single exercise of them, will constitute a waiver of them. No waiver of any of their rights under this Guarantee, and no modification or amendment of this Guarantee, will be

deemed to be made or accepted by the Agent unless it is in writing, duly signed on behalf of the Agent, and each waiver, if any, will apply only with respect to the specific instance involved, and will in no way impair the rights of the Secured Creditors or the liabilities of the Guarantor to the Secured Creditors in any other respect at any other time.

27.6 **Submission to Jurisdiction.** Each of the Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

27.7 **Remedies Cumulative.** The rights and remedies under this Guarantee are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

27.8 **Assignment and Enurement.**

27.8.1 The Secured Creditors may from time to time, and without the consent of the Guarantor, assign or transfer all or any of the Guaranteed Indebtedness owing to the Secured Creditors or any interest in the Guaranteed Indebtedness to any Person, and may assign and transfer all or any of their rights under this Guarantee, provided that the assignment or transfer includes the Secured Creditors' interest in the Documents as they relate to the Guarantor, and provided that the Person agrees to be bound by the terms of this Guarantee. Despite any assignment or transfer or any subsequent assignment or transfer, any Guaranteed Indebtedness or part of it so transferred or assigned will be and will remain Guaranteed Indebtedness for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Guaranteed Indebtedness or any interest in the Guaranteed Indebtedness will, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if that Person was the Secured Creditors.

27.8.2 Except as provided in Section 27.8.1 above, neither this Guarantee, nor any right or obligation under this Guarantee, may be assigned by either Party without the prior consent of the other Party. This Guarantee enures to the benefit of and is binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

27.9 **Severability.** Each provision of this Guarantee is distinct and severable. If any provision of this Guarantee, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

27.9.1 the legality, validity or enforceability of the remaining provisions of this Guarantee; or

27.9.2 the legality, validity or enforceability of that provision in any other jurisdiction.

27.10 **Counterparts.**

This Guarantee may be executed and delivered by the Guarantor in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile or functionally equivalent electronic means, and those counterparts will together constitute one and the same instrument.

**27.11 Acknowledgment and Waiver.** The Guarantor:

27.11.1 acknowledges receiving a copy of this Guarantee; and

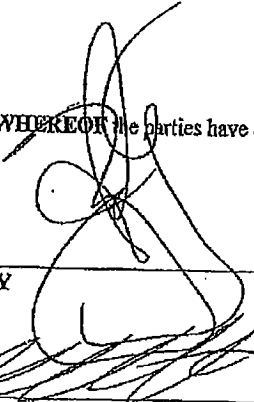
27.11.2 to the extent permitted by law, waives all rights to receive from the Agent a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Guarantee or any amendments to this Guarantee.


**27.12 Joint and Several Obligations.**

The representations, warranties and agreements of, and all obligations and covenants to be performed and observed by the Guarantor under this Guarantee will be joint and several representations, warranties, agreements, obligations and covenants of each Guarantor. Any request or authorization given to the Borrower by any Guarantor will be considered to be joint and several requests of authorization of each Guarantor.


[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the parties have executed this Guarantee as of the first day written above.

  
\_\_\_\_\_  
BRENT HARDY

  
\_\_\_\_\_  
DAVID EHRHARDT

TRAVELERS CAPITAL CORPORATION,  
as Agent for the Lenders

By:   
\_\_\_\_\_  
Name: Mark Bohn  
Title: Managing Partner

This is Exhibit "I" referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017

*Suzanne Bellemare*

A Commissioner for Affidavits in and for the Province of Quebec

SUBORDINATION AGREEMENT

TO: Industrial Alliance Insurance and Financial Services Inc. ("IAFS")

Travelers Capital Corporation (the "Agent")

and

others who are defined as "Lender" in the Credit Agreement (as defined below) (IAFS, the Lenders and Agent, together "Project Lenders")

RE: WEDGEMOUNT POWER INC. ("Debtor")

WHEREAS: (A) the Project Lenders are extending credit or advancing money to Wedgemount Power Limited Partnership pursuant to the Credit Agreement dated on or around the date of this agreement (the "Credit Agreement") between, inter alia, the Wedgemount Power Limited Partnership and the Project Lenders; (B) It is a condition of the Credit Agreement that the Debtor secures the obligations of Wedgemount Power Limited Partnership; (b) the Debtor may be indebted to the Project Lenders from time to time.

In order to induce the Project Lenders to advance money and extend credit and accept the securities from the Debtor, each of the undersigned confirms that:

1. Any security interest we may have, now or in the future, in any personal property of the Debtor, present or future, is hereby postponed and subordinated in all respects to the security interest of the Project Lenders in any such property.
2. The Project Lenders' priority shall apply in all events and circumstances regardless of the date of execution, attachment, registration, or perfection of any security interest held by us or the Project Lenders, the date of any advance or advances made to the Debtor by us or the Project Lenders, the date of any default by the Debtor under any agreement with us or the Project Lenders, the date of crystallization of any floating charge held from the Debtor by us or the Project Lenders, or any priority granted by any principle of law or any statute.
3. Any proceeds of insurance or expropriation (the "Insurance Proceeds") received by the Debtor, us or the Project Lenders, will be dealt with as if they were paid as proceeds of realization of the collateral for which they compensate. For greater certainty, any interest we may have, now or in the future, in the Insurance Proceeds is hereby postponed and subordinated in all respects to the interest of the Project Lenders in the Insurance Proceeds.
4. The Project Lenders or their solicitors may make such registrations in the British Columbia Personal Property Registry with respect to this Agreement as they consider necessary.

Dated JUNE 30, 2015

LA70900091VAN LAW 176524312  
14323367.1

Yours very truly,

28165 YUKON INC.

Per:

Name:

Title:

Per:

Name:

Title:

I/We have the authority to bind the corporation

PARADISE INVESTMENT TRUST BY the  
Directors of its Trustee SUNNY  
PARADISE HOLDINGS INC.

CARNOUSTIE LTD.

Per:

Name:

Title:

Per:

Name:

Title:

I/We have the authority to bind the corporation

MORFONTAINE LTD.

Per:

Name:

Title:

Per:

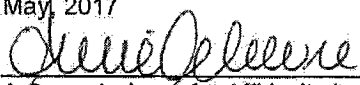
Name:

Title:

I/We have the authority to bind the corporation



This is **Exhibit "J"** referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec



TRUE NORTH ENERGY



---

**MEMORANDUM**

**To:** David Ehrhardt, Wedgemount Power Inc.

**From:** Michael Potyok, P.Eng. (Delegate IE, Wedgemount Creek Hydroelectric Project)  
George Steeves, P.Eng. (IE, Wedgemount Creek Hydroelectric Project)

**CC:** Ken MacLean, Colmac Capital Corp.  
Luc Fournier, Industrial Alliance

**Date:** May 2, 2017

**Subject:** Resumption of construction at Wedgemount Creek, May 2017

---

David;

This memo is to communicate to you certain issues that relate to the recommencement of construction at Wedgemount this spring. We were advised by Luc Fournier, of IA, that it may be the project's intention to postpone construction activities until the end of May. The intervening period would be used to re-engage with site contractors etc. Depending on the onset of spring melt at elevation, this may or may not be problematic.

At the least, active monitoring of the conditions at the intake should commence immediately to ensure that spring melt and runoff is handled appropriately. It is our opinion that there are two primary areas of risk over the upper area of the project. These are:

- 1) the continued satisfactory performance of the temporary diversion channel, which was designed for 6-8 months of use but has now been in place for over 16 months; and
- 2) drainage control and runoff along the upper access road and buried penstock, which was exposed last fall due to uncontrolled runoff.

On Friday April 28, we reached out to the project Independent Environmental Monitor ("IEM"), Ruth Begg of Cascade Environmental, to enquire as to the current site conditions. She visited the site on Monday, May 1 and reported that vehicle access is currently achievable to the 1.5 km mark on Wedge North FSR. Snow and fallen trees preclude access above this point. She notes that, based on a visual of the overland penstock route, there is still considerable snowpack at and above STN 1+900.

Going forward, we will be requesting a regular site visit by the IEM so as to monitor the site conditions during the spring thaw. We note, based on weather and snow reports for the adjacent Whistler/Blackcomb, that the freezing level is beginning to rise above the level of the intake. A rain event, with the freezing level above



TRUE NORTH ENERGY



the intake is forecast for Friday of this week. As conditions continue to warm we expect the onset of spring melt within the end of May timeframe.


Continued monitoring will allow an appropriate response to site conditions as they develop. Rather than a fixed schedule of the end of May to re-commence, we would advocate for an adaptive mobilization that commences work as soon as is practical after site access is achieved.

It should be noted that the re-issuance of a new Leave to Construct for the re-diversion of the creek will be required. This is based on the significant lag between the original Leave and the present as well as the anticipated change in contractor at carrying out the work. In support of this, a detailed execution plan prepared by the contractor that is reviewed and approved by the IEM will be needed.

Depending on your anticipated lead time for assembling this plan, it is strongly recommended that planning for these works commence sooner rather than later.

We will be attending a regularly scheduled update meeting with the Water Comptroller at Lower Mainland FLNRO on Thursday of this week to discuss status of all of our outstanding files. We request that you provide acknowledge of receipt of this memo and confirm any immediate plans you may have for the site by that time so that we may convey them to the Province.

This is Exhibit "K" referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

---

De : David Delainey [mailto:dwdelain@shaw.ca]

Envoyé : 3 mai 2017 12:23

À : Fournier, Luc <Luc.Fournier@ia.ca>

Cc : 'Ken MacLean' <kmaclean@COLMACCAPITAL.COM>; Noël, Sophie <Sophie.Noel@ia.ca>; Lelièvre, Annie <Annie.Lelievre@ia.ca>; 'David Ehrhardt' <Dehrhardt@telus.net>; 'Brent Hardy' <brent@westwardfloors.com>; 'Peter Zell' <pzell@ecofflowenergy.com>; 'Michael Potyok' <mpotyok@midgard-consulting.com>; 'George Steeves' <gsteeves@ameresco.com>

Objet : IE's Letter

Good Morning Luc,

As third parties, both Peter and I have cautioned everyone of the risks associated with the orderly restoration of the creek into its natural bed for some time. In light of the letter from Michael and George yesterday, I would urge IA to take action on this item in the interest of protecting the public and protecting IA's interests in the project.

Independent of (and frankly regardless of) whether or if WPLP, ColMac and IA are able to complete a suitable arrangement, this is a pressing and urgent need that is wholly within IA's control, interest and responsibility given that WPLP is and has been a bankrupt and insolvent entity since Q4 2016.

I do not speak on behalf of or for WPLP or ColMac but as a private citizen who feels compelled to urge action on this specific matter which is of the utmost interest to the public, IA and its shareholders.

I have not spoken to WPLP but I am hopeful that they will do whatever is necessary under the direction of George and Michael to marshal whatever actions are recommended by the IE consistent with their letter yesterday to ameliorate this issue as soon as possible.

Respectfully

Dave

The information in this email is intended only for the named recipient and may be privileged or confidential. If you are not the intended recipient please notify us immediately and do not copy, distribute or take action based on this email. If this email is marked 'personal' Gowling WLG is not liable in any way for its content. E-mails are susceptible to alteration. Gowling WLG shall not be liable for the message if altered, changed or falsified.


Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at [www.gowlingwlg.com/legal](http://www.gowlingwlg.com/legal).

References to 'Gowling WLG' mean one or more members of Gowling WLG International Limited and/or any

of their affiliated businesses as the context requires. Gowling WLG (Canada) LLP has offices in Montréal, Ottawa, Toronto, Hamilton, Waterloo Region, Calgary and Vancouver.

122

This is Exhibit "L" referred to in the Affidavit of Luc Fournier, sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

---

De : [dehrhardt@telus.net](mailto:dehrhardt@telus.net) [mailto:[davidehr@telus.net](mailto:davidehr@telus.net)]  
Envoyé : 3 mai 2017 15:48  
À : Fournier, Luc <[Luc.Fournier@ia.ca](mailto:Luc.Fournier@ia.ca)>  
Cc : George Steeves <[gsteeves@ameresco.com](mailto:gsteeves@ameresco.com)>; [kmaclean@COLMACCAPITAL.COM](mailto:kmaclean@COLMACCAPITAL.COM); Michael Potyok <[mpotyok@midgard-consulting.com](mailto:mpotyok@midgard-consulting.com)>; Brent Hardy <[brent@westwardfloors.com](mailto:brent@westwardfloors.com)>  
Objet : Re: Wedgemount Creek (CWL # C131218) - Recommencement of Construction

Dear Luc

In consideration of the Independent Engineers letter forwarded from Michael Potyak yesterday May 2nd we wish to confirm that WPLP stands ready to take whatever steps or measures Industrial Alliance or the Independent Engineer deems necessary and appropriate to rectify the situation and concerns with the intake and the road.

I am ready to initiate the steps necessary to organize the availability of Mountain Lake or Coastal Mountain Excavating to carry out any work necessary, however given the insolvent financial situation of WPLP it will require funds to be made available and released from the project funding account to carry out the work to secure the intake and roads or such other work that IA or the IE would request. Please provide your instruction in this matter

As per Michael Potyaks last paragraph in the May 2nd letter we would agree with and support the full communication of intake and road issues and the projects insolvent financial condition to FLNRO at the earliest opportunity.

Yours truly  
David Ehrhardt on behalf of



Wedgemount Power Limited Partnership

---

**From:** "Michael Potyok" <[mpotyok@midgard-consulting.com](mailto:mpotyok@midgard-consulting.com)>  
**To:** "David Ehrhardt" <[dehrhardt@telus.net](mailto:dehrhardt@telus.net)>  
**Cc:** "Fournier, Luc" <[Luc.Fournier@ia.ca](mailto:Luc.Fournier@ia.ca)>, "George Steeves" <[gsteeves@ameresco.com](mailto:gsteeves@ameresco.com)>, [kmaclean@COLMACCAPITAL.COM](mailto:kmaclean@COLMACCAPITAL.COM)  
**Sent:** Tuesday, May 2, 2017 4:13:16 PM  
**Subject:** Wedgemount Creek (CWL # C131218) - Recommencement of Construction

David;

Please see the attached memo from myself and George regarding re-commencement of construction activities at Wedgemount this spring.

Regards,

Michael

*Michael Potyok P.Eng. MBA  
Principal*

[image/jpeg:image003.jpg]

Suite 828, 1130 West Pender St.  
Vancouver, BC V6E 4A4  
(c) 604-315-3840

This is **Exhibit "M"** referred to in the Affidavit of Luc Fournier; sworn before me at Quebec City, Quebec, this 9 day of May, 2017



A Commissioner for Affidavits in and for the Province of Quebec

**Personal Property Registry**

**Selection List**

For: [ PN44373 ] [ GOWLING WLG (CANADA) LLP ]

May 08, 2017

01:59:23 PM

Home	Search	Advanced Search	Send to Mailbox	Print	BC Online Mailbox
------	--------	-----------------	-----------------	-------	-------------------

Folio:

Business Name:  
WEDGEMOUNT LIMITED  
PARTNERSHIP

Local Print Limit:

BSR006 - NIL SEARCH ... NO FURTHER INFORMATION TO DISPLAY

**Debtor Name**

Lterm: XPSP0054 BC OnLine: PPRS SEARCH RESULT 2017/05/08  
 For: PN44373 GOWLING WLG (CANADA) LLP 14:00:09  
 Attn./Ref. No.: L67090009

Search Criteria: WEDGEMOUNT POWER (GP) INC Index: BUSINESS DEBTOR  
 \*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUN 24, 2015 Reg. Length: INFINITY  
 Reg. Time: 09:43:26 Expiry Date: N/A  
 Base Reg. #: 683867I Control #: D3152666

Block#

- S0001 Secured Party: TRAVELERS CAPITAL CORPORATION  
STE 501 - 4180 LOUGHEED HWY  
BURNABY BC V5C 6A7
- D0001 Base Debtor: WEDGEMOUNT POWER INC  
(Business) 5403 BUCKINGHAM AVE  
BURNABY BC V5E 1Z9
- D0002 Bus. Debtor: SWAHEALY HOLDING LIMITED  
1266 BURNS RD  
GIBSONS BC V0N 1V1
- D0003 Bus. Debtor: CALAVIA HOLDINGS LTD  
2511 LAWSON AVE  
WEST VANCOUVER BC V7V 2G1
- D0004 Bus. Debtor: POINTS WEST HYDRO POWER LP  
2400, 525 - 8 AVE SW  
CALGARY AB T2P 1G1
- D0005 Bus. Debtor: POINTS WEST HYDRO POWER (GP) INC  
2400, 525 - 8 AVE SW  
CALGARY AB T2P 1G1
- =D0006 Bus. Debtor: WEDGEMOUNT POWER (GP) INC  
5403 BUCKINGHAM AVE  
BURNABY BC V5E 1Z9

General Collateral:

(A) INVESTMENT PROPERTY OF EACH DEBTOR BEING ALL PRESENT AND AFTER-ACQUIRED SECURITIES (INCLUDING UNITS) IN THE CAPITAL OF WEDGEMOUNT POWER LIMITED PARTNERSHIP (THE "PARTNERSHIP") AND ALL RIGHTS, TITLE AND INTEREST IN THE PARTNERSHIP (COLLECTIVELY, THE "PARTNERSHIP UNITS");  
 (B) ALL PRESENT AND FUTURE RIGHTS, TITLE AND INTERESTS IN, TO AND UNDER THE SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT DATED JUNE 22, 2015 BETWEEN, INTER ALIA, THE DEBTOR AND WEDGEMOUNT POWER INC., AS THE SAME MAY BE FURTHER AMENDED, VARIED, SUPPLEMENTED, RESTATED OR REPLACED, IN EFFECT, FROM TIME TO TIME WITH RESPECT TO THE PARTNERSHIP ("PARTNERSHIP AGREEMENT");  
 (C) ALL RIGHTS OF EACH DEBTOR TO RECEIVE MONEYS AND OTHER PROPERTY DUE AND TO BECOME DUE UNDER OR PURSUANT TO THE PARTNERSHIP UNITS AND THE PARTNERSHIP AGREEMENT (INCLUDING THE RIGHT TO RECEIVE DISTRIBUTIONS THEREUNDER);

PPRSearchResult.txt

Search Criteria: WEDGEMOUNT POWER (GP) INC

Page: 2

- (D) ALL RIGHTS OF EACH DEBTOR TO RECEIVE PROPERTY OR ASSETS OF THE PARTNERSHIP UPON LIQUIDATION OR DISSOLUTION OF THE PARTNERSHIP;
- (E) ALL CASH, SECURITIES, DISTRIBUTIONS AND OTHER PROPERTY AT ANY TIME IN THE FUTURE AND FROM TIME TO TIME RECEIVED, RECEIVABLE OR OTHERWISE DISTRIBUTED IN RESPECT OF OR IN EXCHANGE FOR ANY OR ALL OF THE RIGHTS AND INTERESTS OF EACH DEBTOR IN THE PARTNERSHIP UNITS AND IN, TO AND UNDER THE PARTNERSHIP;
- (F) ALL RIGHTS OF EACH DEBTOR TO RECEIVE PAYMENT AND/OR PERFORMANCE BOND, INDEMNITY, WARRANTY, OR GUARANTEE WITH RESPECT TO THE PARTNERSHIP AGREEMENT AND ALL AGREEMENTS, DOCUMENTS, AND INSTRUMENTS RELATING THERETO;
- (G) ALL CLAIMS OF EACH DEBTOR FOR DAMAGES ARISING OUT OF OR FOR BREACH OF OR DEFAULT UNDER THE PARTNERSHIP AGREEMENT;
- (H) ALL RIGHTS OF EACH DEBTOR TO TERMINATE, AMEND, SUPPLEMENT, MODIFY, OR WAIVE PERFORMANCE UNDER THE PARTNERSHIP AGREEMENT, TO PERFORM THEREUNDER, AND TO COMPEL PERFORMANCE AND OTHERWISE TO EXERCISE ANY AND ALL RIGHTS AND REMEDIES THEREUNDER;
- (I) ALL CERTIFICATES AND INSTRUMENTS, IF ANY, REPRESENTING THE PARTNERSHIP UNITS OR A DISTRIBUTION OR RETURN OF CAPITAL UPON OR WITH RESPECT TO SUCH SECURITIES OR INTEREST OR RESULTING FROM A RECLASSIFICATION OR OTHER CHANGE IN THE UNITS OR INTERESTS OF THE PARTNERSHIP OR OTHERWISE RECEIVED IN EXCHANGE THEREFOR, AND ANY SUBSCRIPTION OPTIONS, WARRANTS, OR OTHER RIGHTS ISSUED TO EACH DEBTOR IN RESPECT OF THE PARTNERSHIP;
- (J) ALL OTHER RIGHTS OR CLAIMS OF EACH DEBTOR IN RESPECT OF THE PARTNERSHIP UNITS OR ANY OTHER INTEREST OF EACH DEBTOR IN THE PARTNERSHIP OR UNDER THE PARTNERSHIP AGREEMENT;
- (K) ALL DEBTS AND LIABILITIES, PRESENT AND FUTURE, DIRECT AND INDIRECT, ABSOLUTE AND CONTINGENT, OWED TO EACH DEBTOR (EXCEPT WEDGEMOUNT POWER (GP) INC. (THE "GP")) BY THE PARTNERSHIP AND THE GP, AND ALL DEBTS AND LIABILITIES, PRESENT AND FUTURE, DIRECT AND INDIRECT, ABSOLUTE AND CONTINGENT, OWED TO THE GP BY THE PARTNERSHIP; AND
- (L) ANY SUBSTITUTIONS, ADDITIONS OR PROCEEDS ARISING OUT OF ANY CONSOLIDATION, SUBDIVISION, RECLASSIFICATION OR SIMILAR INCREASE OR DECREASE THEREIN, OR ALTERATION THERETO; AND ALL PROCEEDS OF EACH OF THE FORGOING, INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, CROPS, LICENCES AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Registering

Party: MILLER THOMSON LLP  
 1000 840 HOWE STREET  
 VANCOUVER BC V6Z 2M1

\*\*\*\*\* P P S A . S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUN 24, 2015	Reg. Length: INFINITY
Reg. Time: 09:48:14	Expiry Date: N/A
Base Reg. #: 683926I	Control #: D3152637

Block#

50001 Secured Party: TRAVELERS CAPITAL CORPORATION  
 STE 501 - 4180 LOUGHEED HWY  
 BURNABY BC V5C 6A7



PPRSsearchResult (002).txt

Page: 1

Lterm: XPSP0054 BC OnLine: PPRS SEARCH RESULT 2017/05/08  
For: PN44373 GOWLING WLG (CANADA) LLP 14:01:30

Attn./Ref. No.: L67090009

Index: BUSINESS DEBTOR

Search Criteria: WEDGEMOUNT POWER INC.

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: MAR 20, 2013 Reg. Length: 10 YEARS  
Reg. Time: 14:19:43 Expiry Date: MAR 20, 2023  
Base Reg. #: 249488H Control #: D1694009

Block#

- S0001 Secured Party: 28165 YUKON INC.  
C/O 1000 - 840 HOWE ST  
VANCOUVER BC V6Z 2M1
- S0002 Secured Party: PARADISE INVESTMENT TRUST  
C/O 1000 - 840 HOWE ST  
VANCOUVER BC V6Z 2M1
- S0003 Secured Party: SUNNY PARADISE HOLDINGS INC.  
C/O 1000 - 840 HOWE ST  
VANCOUVER BC V6Z 2M1

=D0001 Base Debtor: WEDGEMOUNT POWER INC  
(Business) 5439 BUCKINGHAM AVE  
BURNABY BC V5E 1Z9

General collateral:

INTANGIBLES OF THE DEBTOR BEING ALL DEBTS AND LIABILITIES, PRESENT AND FUTURE, OF EVERY TYPE AND KIND WHICH ARE NOW OR MAY IN FUTURE BE DUE, OWING, ACCRUING OR GROWING DUE TO OR OWNED BY THE DEBTOR UNDER OR ARISING FROM THE ENERGY AGREEMENT RELATING TO THE INDEPENDENT POWER PROJECT UNDERTAKEN AND OPERATED BY THE DEBTOR AND ALL MONEY HEREAFTER RECEIVED BY OR ON BEHALF OF THE DEBTOR IN PAYMENT OR SATISFACTION OF SUCH DEBTS AND LIABILITIES FORMING PART OR ALL OF THE INTANGIBLES.  
AND ALL PROCEEDS, INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, CROPS, LICENCES, AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Registering

Party: MILLER THOMSON LLP  
1000 840 HOWE STREET  
VANCOUVER BC V6Z 2M1

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUN 24, 2015 Reg. Length: INFINITY  
Reg. Time: 09:43:26 Expiry Date: N/A  
Base Reg. #: 683867I Control #: D3152666

Block#

Continued on Page 2

## PPRSsearchresult (002).txt

Search Criteria: WEDGEMOUNT POWER INC.

Page: 2

- 50001 Secured Party: TRAVELERS CAPITAL CORPORATION  
STE 501 - 4180 LOUGHEED HWY  
BURNABY BC V5C 6A7
- =D0001 Base Debtor: WEDGEMOUNT POWER INC  
(Business) 5403 BUCKINGHAM AVE  
BURNABY BC V5E 1Z9
- D0002 Bus. Debtor: SWAHEALY HOLDING LIMITED  
1266 BURNS RD  
GIBSONS BC V0N 1V1
- D0003 Bus. Debtor: CALAVIA HOLDINGS LTD  
2511 LAWSON AVE  
WEST VANCOUVER BC V7V 2G1
- D0004 Bus. Debtor: POINTS WEST HYDRO POWER LP  
2400, 525 - 8 AVE SW  
CALGARY AB T2P 1G1
- D0005 Bus. Debtor: POINTS WEST HYDRO POWER (GP) INC  
2400, 525 - 8 AVE SW  
CALGARY AB T2P 1G1
- D0006 Bus. Debtor: WEDGEMOUNT POWER (GP) INC  
5403 BUCKINGHAM AVE  
BURNABY BC V5E 1Z9

## General Collateral:

- (A) INVESTMENT PROPERTY OF EACH DEBTOR BEING ALL PRESENT AND AFTER-ACQUIRED SECURITIES (INCLUDING UNITS) IN THE CAPITAL OF WEDGEMOUNT POWER LIMITED PARTNERSHIP (THE "PARTNERSHIP") AND ALL RIGHTS, TITLE AND INTEREST IN THE PARTNERSHIP (COLLECTIVELY, THE "PARTNERSHIP UNITS");
- (B) ALL PRESENT AND FUTURE RIGHTS, TITLE AND INTERESTS IN, TO AND UNDER THE SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT DATED JUNE 22, 2015 BETWEEN, INTER ALIA, THE DEBTOR AND WEDGEMOUNT POWER INC., AS THE SAME MAY BE FURTHER AMENDED, VARIED, SUPPLEMENTED, RESTATED OR REPLACED, IN EFFECT, FROM TIME TO TIME WITH RESPECT TO THE PARTNERSHIP ("PARTNERSHIP AGREEMENT");
- (C) ALL RIGHTS OF EACH DEBTOR TO RECEIVE MONEYS AND OTHER PROPERTY DUE AND TO BECOME DUE UNDER OR PURSUANT TO THE PARTNERSHIP UNITS AND THE PARTNERSHIP AGREEMENT (INCLUDING THE RIGHT TO RECEIVE DISTRIBUTIONS THEREUNDER);
- (D) ALL RIGHTS OF EACH DEBTOR TO RECEIVE PROPERTY OR ASSETS OF THE PARTNERSHIP UPON LIQUIDATION OR DISSOLUTION OF THE PARTNERSHIP;
- (E) ALL CASH, SECURITIES, DISTRIBUTIONS AND OTHER PROPERTY AT ANY TIME IN THE FUTURE AND FROM TIME TO TIME RECEIVED, RECEIVABLE OR OTHERWISE DISTRIBUTED IN RESPECT OF OR IN EXCHANGE FOR ANY OR ALL OF THE RIGHTS AND INTERESTS OF EACH DEBTOR IN THE PARTNERSHIP UNITS AND IN, TO AND UNDER THE PARTNERSHIP;
- (F) ALL RIGHTS OF EACH DEBTOR TO RECEIVE PAYMENT AND/OR PERFORMANCE BOND, INDEMNITY, WARRANTY, OR GUARANTEE WITH RESPECT TO THE PARTNERSHIP AGREEMENT AND ALL AGREEMENTS, DOCUMENTS, AND INSTRUMENTS



Search Criteria: WEDGEMOUNT POWER INC.

Page: 3

RELATING THERETO;  
 (G) ALL CLAIMS OF EACH DEBTOR FOR DAMAGES ARISING OUT OF OR FOR BREACH OF OR DEFAULT UNDER THE PARTNERSHIP AGREEMENT;  
 (H) ALL RIGHTS OF EACH DEBTOR TO TERMINATE, AMEND, SUPPLEMENT, MODIFY, OR WAIVE PERFORMANCE UNDER THE PARTNERSHIP AGREEMENT, TO PERFORM THEREUNDER, AND TO COMPEL PERFORMANCE AND OTHERWISE TO EXERCISE ANY AND ALL RIGHTS AND REMEDIES THEREUNDER;  
 (I) ALL CERTIFICATES AND INSTRUMENTS, IF ANY, REPRESENTING THE PARTNERSHIP UNITS OR A DISTRIBUTION OR RETURN OF CAPITAL UPON OR WITH RESPECT TO SUCH SECURITIES OR INTEREST OR RESULTING FROM A RECLASSIFICATION OR OTHER CHANGE IN THE UNITS OR INTERESTS OF THE PARTNERSHIP OR OTHERWISE RECEIVED IN EXCHANGE THEREFOR, AND ANY SUBSCRIPTION OPTIONS, WARRANTS, OR OTHER RIGHTS ISSUED TO EACH DEBTOR IN RESPECT OF THE PARTNERSHIP;  
 (J) ALL OTHER RIGHTS OR CLAIMS OF EACH DEBTOR IN RESPECT OF THE PARTNERSHIP UNITS OR ANY OTHER INTEREST OF EACH DEBTOR IN THE PARTNERSHIP OR UNDER THE PARTNERSHIP AGREEMENT;  
 (K) ALL DEBTS AND LIABILITIES, PRESENT AND FUTURE, DIRECT AND INDIRECT, ABSOLUTE AND CONTINGENT, OWED TO EACH DEBTOR (EXCEPT WEDGEMOUNT POWER (GP) INC. (THE "GP")) BY THE PARTNERSHIP AND THE GP, AND ALL DEBTS AND LIABILITIES, PRESENT AND FUTURE, DIRECT AND INDIRECT, ABSOLUTE AND CONTINGENT, OWED TO THE GP BY THE PARTNERSHIP; AND  
 (L) ANY SUBSTITUTIONS, ADDITIONS OR PROCEEDS ARISING OUT OF ANY CONSOLIDATION, SUBDIVISION, RECLASSIFICATION OR SIMILAR INCREASE OR DECREASE THEREIN, OR ALTERATION THERETO;  
 AND ALL PROCEEDS OF EACH OF THE FORGOING, INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, CROPS, LICENCES AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Registering  
 Party: MILLER THOMSON LLP  
 1000 840 HOWE STREET  
 VANCOUVER BC V6Z 2M1

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUN 24, 2015	Reg. Length: INFINITY
Reg. Time: 09:48:14	Expiry Date: N/A
Base Reg. #: 683926I	control #: D3152637

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

- S0001 Secured Party: TRAVELERS CAPITAL CORPORATION  
STE 501 - 4180 LOUGHEED HWY  
BURNABY BC V5C 6A7
- D0001 Base Debtor: WEDGEMOUNT POWER LIMITED PARTNERSHIP  
(Business) 5403 BUCKINGHAM AVE  
BURNABY BC V5E 1Z9
- =D0002 Bus. Debtor: WEDGEMOUNT POWER (GP) INC



No. S-174308  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL  
SERVICES INC.**

PLAINTIFF

AND:

**WEDGEMOUNT POWER LIMITED PARTNERSHIP  
WEDGEMOUNT POWER (GP) INC.  
WEDGEMOUNT POWER INC.  
THE EHRHARDT 2011 FAMILY TRUST  
POINTS WEST HYDRO POWER LIMITED PARTNERSHIP  
by its general partner POINTS WEST HYDRO (GP) INC.  
CALAVIA HOLDINGS LTD.  
SWAHEALY HOLDING LIMITED  
BRENT ALLAN HARDY  
DAVID JOHN EHRHARDT  
28165 YUKON INC.  
PARADISE INVESTMENT TRUST  
SUNNY PARADISE INC.**

DEFENDANTS

---

**AFFIDAVIT**

---

**GOWLING WLG (CANADA) LLP  
Barristers & Solicitors  
Suite 2300, 550 Burrard Street  
Vancouver, BC V6C 2B5**

**Tel. No. 604.683.6498  
Fax No. 604.683.3558**

File No. L67090009

DS