Court No. B-220207
Estate No. 11-254407
Bankruptcy Division 03
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
PRINCE GEORGE FUELCO INC.

NOTICE OF HEARING

May 27, 2022 **By Courier and Email**

TO THE DEBTORS: **Prince George FuelCo Inc.**
2000, Etchemin Street
Lévis, Québec, Canada, G6W 7X6

Attention: Stephane Jouzier
stephane.jouzier@veolia.com

AND TO: **Deloitte Restructuring Inc.**
939 Granville Street
Vancouver, British Columbia, V6Z 1L3

AND TO: **Office of the Superintendent of Bankruptcy**
300 Georgia Street W, Suite 2000
Vancouver, British Columbia, V6B 6E1

Re: Notice of the Time and Place of the Hearing of a Petition for Bankruptcy Order with respect to Prince George FuelCo Inc.

TAKE NOTICE that a petition for a bankruptcy order and a consolidation order to be made in respect of the property of Prince George FuelCo Inc. will be heard before the judge in chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia by Microsoft Teams on June 7, 2022 at 9:45 am or so soon thereafter as the petition can be heard.

TAKE FURTHER NOTICE that if notice of cause against the petition is not filed in Court and a copy thereof served on the solicitor for the applicant creditor at least two days before the hearing and if Prince George FuelCo Inc. does not appear at the hearing, the Court may make a bankruptcy order on such proof of the statements in the petition as the Court shall think sufficient.

1. Date of hearing

[ ] The parties have agreed as to the date of the hearing of the petition.

[ ] The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the petition respondents in accordance with Rule 16-1(8)(b) of the Supreme Court Civil Rules.

[X] The petition is unopposed, by consent or without notice.

2. Duration of hearing

[ ] It has been agreed by the parties that the hearing will take

[X] The parties have been unable to agree as to how long the hearing will take and

(a) the time estimate of the petitioner(s) is 15 minutes, and

(b) **[X]** the petition respondents have not given a time estimate.

3 Jurisdiction

[ ] This matter is within the jurisdiction of a master.

[X] This matter is not within the jurisdiction of a master.

Date: 27/05/2022

Signature of lawyer for petitioner
Paige Marvel

Stikeman Elliott LLP
Barristers and Solicitors
1700 – 666 Burrard Street
Vancouver, BC V6C 2X8
Phone: 604-631-1300
Fax: 604-681-1825

B-220207

Court No.
Estate No. 11-2844407
Bankruptcy Division 03-
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
PRINCE GEORGE FUELCO INC.

PETITION FOR BANKRUPTCY ORDER

THIS IS THE PETITION OF:

Veolia ES Canada Inc.
1705 – 3rd Avenue
Montreal, Quebec, Canada
H1B 5M9

ON NOTICE TO:

Fort St. James FuelCo Limited Partnership
2600-595 Burrard St, 3 Bentall Centre, PO Box 49314
Vancouver, British Columbia, Canada, V7X 1L3

Prince George FuelCo Inc.
2000, Etchemin Street
Lévis, Québec, Canada, G6W 7X6

Deloitte Restructuring Inc.
939 Granville Street
Vancouver, British Columbia, V6Z 1L3

Office of the Superintendent of Bankruptcy
300 Georgia Street W, Suite 2000
Vancouver, British Columbia, V6B 6E1

TAKE NOTICE that Veolia ES Canada Inc. (the "**Petitioner**") will apply to this Court for the relief set out in this Petition.

The Petitioner hereby seeks the issuance of the orders respectively in the form of the draft orders attached hereto at **Schedule "A"** and **Schedule "B"**, to have Prince George FuelCo Inc. (the "**GP**") adjudged bankrupt and to have the respective estates of the GP and Fort St. James FuelCo Limited Partnership (the "**LP**", and collectively with the GP, herein referred to as the "**Debtors**") administered procedurally and substantively on a consolidated basis by the Proposed Trustee (as defined below).

The Petitioner will rely on Rule 2-1(2)(b), 22-5(8) and 1-3(1) of the *Supreme Court Civil Rules* (the "**Rules of Court**") and Sections 42, 43 and 183 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") as well as Rule 3 of the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368, (the "**BIA Rules**").

At the hearing on this Petition will be read the Affidavit#1 of Brian J. Clarke which is served herewith.

The facts and the legal basis upon which this Petition is made are as follows:

A. FACTS

1. The Debtors, despite the GP having a registered head office in the Province of Quebec, have, and/or had, during the year immediately preceding the date of the initial bankruptcy event, their principal assets and business operations in the Province of British Columbia, within the jurisdiction of this Court.

2. The GP was incorporated and exclusively acted for the sole purpose of being the general partner of the LP in the context of the Project, and in such capacity, is liable for all of the debts of the LP, and both Debtors are insolvent as a result of the amounts they owe to the same creditors, and therefore should be administered on a procedurally and substantively consolidated basis.

3. The Debtors are indebted to the Petitioner in the sum of CAD$62,899,190.65 calculated as of April 30, 2022, plus interest thereafter and costs, the whole of which is unsecured. Therefore, the Petitioner holds an unsecured claim of greater than $1,000.

4. The Debtors have committed an act of bankruptcy within the six months preceding the filing of this Petition, as the Debtors have would down their operations and ceased to meet their liabilities as they become due, including the indebtedness owing to the Petitioner and the other creditors.

5. The Debtors are both insolvent and the Petitioner believes that it is advantageous to all stakeholders that the Debtors should be both be assigned into bankruptcy by the Petitioner so as to be administered on a procedurally and substantively consolidated basis.

6. The administration of both of the estates of the Debtors (i.e. the Property), on a procedurally and substantively consolidated basis is advantageous because:

   (a) it avoids the duplication in the administration of the estates and eliminates the need for Deloitte Restructuring Inc. ("**Deloitte**" or the "**Proposed Trustee**"), in its capacity as Proposed Trustee, to spend significant time and resources to determine claims for the different legal entities and the flow of funds between them;

   (b) it allows any legitimate claims against the assets of the Debtors to be dealt with equitably and efficiently considering that GP is liable for the entire indebtedness of LP;

   (c) it allows for a summary process to deal with any superfluous or otherwise meritless claims against the estate of the Debtors in the expeditious manner set out in the BIA, and ensures that such claims do not prejudice a timely recovery by the Debtors' creditors; and

   (d) it allows for an efficient and substantial analysis by the Proposed Trustee of any and all intercompany flows of funds.

7. The Petitioner is not aware of any party that would be materially prejudiced by the procedural and substantive consolidation of the estate of the Debtors.

8. Deloitte Restructuring Inc. is qualified to act as Trustee of the Property and has agreed to act as such and is acceptable to the Petitioner.

9. The Debtors do not oppose the relief sought herein.

B. LEGAL BASIS

Assignment of the Debtors into Bankruptcy

10. A debtor commits an act of bankruptcy, *inter alia*, in the event that it ceases to meet its liabilities generally as they become due:

> *42 (1) A debtor commits an act of bankruptcy in each of the following cases:*
> *[...]*

(j) if he ceases to meet his liabilities generally as they become due.

- BIA at s. 42(1)(j).

11. One or more creditors may file in court an application for a bankruptcy order against a debtor if it is alleged in the application that (a) the debt or debts owing to the applicant creditor or creditors amount to one thousand dollars; and (b) the debtor has committed an act of bankruptcy within the six months preceding the filing of the application.

> *43. (1) Subject to this section, one or more creditors may file in court an application for a bankruptcy order against a debtor if it is alleged in the application that (a) the debt or debts owing to the applicant creditor or creditors amount to one thousand dollars; and (b) the debtor has committed an act of bankruptcy within the six months preceding the filing of the application.*

- BIA at s. 43(1).

- "Creditor" is defined by section 2 of the BIA as meaning a person having a claim, preferred, secured or unsecured, provable as a claim under the BIA. Sections 121-123 of the BIA define what constitute a provable claim.

Procedural Consolidation

12. This court has authority to procedurally consolidate multiple estates. The BIA and the BIA Rules provide that a court of bankruptcy retains its jurisdiction at law and in equity. Section 183 of the BIA provides:

> *183. (1) The following courts are invested with such jurisdiction at law and in equity as will enable them to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and in other proceedings authorized by this Act during their respective terms, as they are now, or may be hereafter, held, and in vacation and in chambers:*
>
> *[...]*
>
> *(c) in the Provinces of Nova Scotia and British Columbia, the Supreme Court;*

- BIA at s. 183.

13. Rule 3 of the BIA Rules provides:

> *In cases not provided for in the Act or these Rules, the courts shall apply, within their respective jurisdictions, their ordinary procedure to the extent that that procedure is not inconsistent with the Act or these Rules.*

- BIA Rules at Rule 3.

14. Rule 22-5(8) of the Rules of Court provides that:

> *Proceedings may be consolidated at any time by order of the court or may be ordered to be tried at the same time or on the same day.*

- Rules of Court at Rule 22-5(8).

15. The factors to be considered are: whether there is a common question of law or fact so that it is desirable to dispose of both at the same time; the avoidance of multiplicity of proceedings; savings of time and expense; inconvenience to parties; whether one action is at a more advanced stage; prejudice to the parties.

- *Shah* v. *Bakken* (1996), 20 B.C.L.R. (3d) 393.

16. The quick question to be asked is whether an order for actions to be tried together makes sense in the circumstances.

- *Sahal Estate* v. *Argitos*, 2010 BCSC 916.

17. The court ought to interpret the Rules of Court to secure the just, speedy and inexpensive determination of every proceeding on its merits.

- Rules of Court at Rule 1-3(1).

Substantive Consolidation

18. In determining the authority for substantive consolidation, the courts have held that there is no specific authority in the BIA to grant an order for substantive

consolidation. It is common ground, however, that the court has the authority to do so under its equitable jurisdiction under section 183 of the BIA.

- *Ashley Marlow Group Private Portfolio Management Inc.* (2006), 22 C.B.R. (5th) 126 (Ont. S.C.J.) at para. 71.

19. The factors to be considered by a court are:

(a) has there been substantial intermingling of property/activities without regard to the corporate identity?

(b) the extent to which substantive consolidation would promote expediency and cost efficiency; and

(c) the degree of material prejudice that would result from, and the parties affected by consolidation.

- *Associated Freezers of Canada Inc.* (1995), 36 C.B.R. (3d) 227 (Ont. Gen. Div.).
- *Ashley v. Marlow Group Private Property Portfolio Management Inc. (2006),* 22 C.B.R. (5th) 126 (Ont. S.C.J.).
- *ReJP Capital Corp.* (1995), 31 C.B.R. (3d) 101 (Ont. Gen. Div.).
- *Re Attractions Hippiques* (Montreal), s.e.c., 2009 QCCS 5494.

20. In this case, the estates to be substantively consolidated involve those of a limited partnership and its general partner. By law, in the event of insolvency of a limited partnership, the general partner is liable for the debts of the limited partnership.

- *The Partnership Act,* (Manitoba) C.C.S.M. c. P30.
- *Kucor Construction & Developments & Associates v. Canada Life Assurance Co. (1998),* 167 D.L.R. (4th) 272.

21. Courts have determined, in similar circumstances, that substantive consolidation between the estate of the limited partner and the general partner was warranted.

- *Ornge Global GP Inc. (Re),* 2013 ONSC 4518.

The Petitioner estimates that the hearing for this Petition should take 15 minutes.

Dated: May 24, 2022

Signature of Darlene Crimeni

	Petitioner
X	Lawyer for Petitioner

Darlene Crimeni
Stikeman Elliott LLP
Barristers and Solicitors
1700 – 666 Burrard Street
Vancouver, BC, V6C 2X8

Phone: 604-631-1300
Fax: 604-681-1825

Issued at the City of Vancouver, in the Province of British Columbia, this ____ day of _____, 2022.

Registrar

Lawyer for Petitioner:

Darlene Crimeni
Stikeman Elliott LLP
Barristers and Solicitors
1700 – 666 Burrard Street
Vancouver, BC, V6C 2X8
Phone: 604-631-1300
Fax: 604-681-1825

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

The claiming party, Veolia ES Canada Inc., claims the right to serve this pleading on the Prince George FuelCo Inc. outside British Columbia on the grounds that:

1. Pursuant to s.10(e) of the *Court Jurisdiction and Proceedings Transfer Act,* the proceedings is brought to enforce, assert, declare or determine proprietary or possessory rights or a security interest in property in British Columbia that is immovable or movable property;

2. pursuant to s.10(e) of the *Court Jurisdiction and Proceedings Transfer Act,* the proceeding concerns contractual obligations and the contractual obligations were to be performed in British Columbia; and

3. pursuant to s.10(h) of the *Court Jurisdiction and Proceedings Transfer Act*, the proceeding concerns a business carried on in British Columbia.

Schedule "A"

Court No.
Estate No.
Bankruptcy Division
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
PRINCE GEORGE FUELCO INC.

BANKRUPTCY ORDER

BEFORE	)	THE HONOURABLE	)	●, THE ●
	)	JUSTICE ●	)	DAY OF JUNE, ●
	)		)	
	)		)	

ON THE APPLICATION of Veolia ES Canada Inc. (the "**Applicant**"), a creditor of Prince George FuelCo Inc. (the "**Debtor**") coming on for hearing by Teams at 800 Smithe Street, Vancouver, B.C. V6Z 2E1, on this day, and upon hearing Joseph Reynaud, counsel for the Applicant, and no one else appearing although duly served, and upon reading the materials filed;

AND it appearing to the Court that the following acts of bankruptcy have been committed: the Debtor has ceased to meet its liabilities generally as they become due including payment of the indebtedness owing to the Applicant, contrary to s. 42(1)(j) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**")

THE COURT ORDER THAT:

1. The Debtor be adjudged bankrupt by virtue of a bankruptcy order hereby made on this date.

2. Deloitte Restructuring Inc. be appointed as licensed insolvency trustee of the estate of the bankrupt (in such capacity, the "**Trustee**").

3. The Trustee give security in cash or by bond or suretyship without delay, in accordance with Subsection 16(1) of the BIA.

4. The Court further orders that the costs of the Applicant be paid out of the estate of the bankrupt on taxation of the estate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT.

Signature of Lawyer for the Applicant,
Veolia ES Canada Inc.

Stikeman Elliott LLP (Darlene Crimeni)

By the Court:

Registrar

Schedule “A”

Schedule "B"

Court No.
Estate No.
Bankruptcy Division
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
PRINCE GEORGE FUELCO INC.

ORDER MADE AFTER APPLICATION

BEFORE	)	THE HONOURABLE	)	●, THE ●
	)	JUSTICE ●	)	DAY OF JUNE, ●
	)		)	
	)		)	

ON THE APPLICATION of Veolia ES Canada Inc. (the "**Applicant**"), a creditor and related entity of Prince George FuelCo Inc. (the "**GP**") and Fort St. James FuelCo Limited Partnership (the "**LP**", and collectively with the GP, herein referred to as the "**Debtors**") coming on for hearing by Teams at 800 Smithe Street, Vancouver, B.C. V6Z 2E1, on this day, and upon hearing Joseph Reynaud, counsel for the Applicant, and no one else appearing although duly served, and upon reading the materials filed;

THIS COURT ORDERS that:

1 The time for service of the Notice of Application and supporting materials is hereby abridged and the Notice of Application is properly returnable today and service thereof upon any person other than those listed thereon be and is hereby dispensed with.

2 Following the respective assignment into bankruptcy of the LP and the GP, the estate of the LP (the "**LP Estate**") and of the estate of the GP (the "**GP Estate**", and collectively with the LP Estate, the "**Estates**"), shall be procedurally and substantively consolidated and that Deloitte Restructuring Inc. (the "**Trustee**"), in its capacity as licensed insolvency trustee-in-bankruptcy of the LP Estate and the GP Estate, shall be authorized and directed to administer the Estates on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as trustee under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, including, without limitation, as follows:

(a) calling and conducting any meeting of creditors or inspectors of the Estates pursuant to one combined advertisement of one meeting;

(b) issuing consolidated reports in respect to the Estates;

(c) preparing, filing, advertising and distributing any and all filings and/or notices relating to the administration of the Estates on a consolidated basis;

(d) establishing a single bank account for the Estates;

(e) establishing a single consolidated pool of assets containing all assets of the Estates; and

(f) administering all claims and making all distributions in respect of allowed claims from the consolidated pool.

3 Inspectors shall be appointed in relation to the consolidated Estates.

4 This action shall be assigned to be the proceedings of the bankrupt Estates.

5 The substantive consolidation of the Estates shall not:

(a) affect the separate legal status and corporate structures of the LP or the GP;

(b) cause the LP or the GP to be liable for any claim for which it otherwise is not liable by law; or

(c) affect the Trustee's right to seek to disallow any claim, including on the basis that such a claim is a duplicative claim.

6 A copy of this order shall be filed for each of the LP Estate and the GP Estate, but any other document required to be filed in this proceeding shall hereafter only be required to be filed in this action.

7 The approval of this Order, other than by counsel for the Applicant is hereby dispensed with.

THIS COURT REQUESTS the aid and recognition of other Canadian and foreign courts, tribunals, regulatory and administrative bodies to act in aid of and to be complimentary to this court in carrying out the terms of this claims process order where requested. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested:

(a) to make such orders and to provide such assistance to the Trustee as an officer of this court as may be necessary or desirable to give effect to this order; and

(b) to grant representative status to the Trustee if required in any foreign proceeding and to assist the Trustee and its respective agents in carrying out the terms of this order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT.

Signature of Lawyer for the Applicant,
Veolia ES Canada Inc.

Stikeman Elliott LLP (Darlene Crimeni)

By the Court:

Registrar

Court File No.

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
PRINCE GEORGE FUELCO INC.

PETITION

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
Suite 1700, 666 Burrard Street
Vancouver, British Columbia V6C 2X8
Canada

Joseph Reynaud / William Rodier-Dumais / Darlene Crimeni
Direct : +1 514 397 3019 / +1 514 397 3298 / +1 604 631 1429
Email : jreynaud@stikeman.com / wrodierdumais@stikeman.com / dcrimeni@stikeman.com

Lawyers for the Applicant Veolia ES Canada Inc.

No. B-220207
Estate No. 11-25440
Province of British Columbia
Bankruptcy Division 03
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
FORT ST. JAMES FUELCO LIMITED PARTNERSHIP & PRINCE GEORGE FUELCO INC

CERTIFICATE OF COMMISSIONER

I, Darlene Crimeni, Commissioner for taking Affidavits in and for British Columbia, am satisfied that swearing this statutory declaration using video technology was necessary because it was impossible or unsafe, for medical reasons, for the deponent and I to be physically present together with a commissioner of oaths.

I confirm that while connected via video technology, Brian J. Clarke showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with Brian J. Clarke and verify that the pages are identical.

Dated: May 23, 2022

Darlene Crimeni

Darlene Crimeni
Barrister & Solicitor
1700-666 Burrard Street
Vancouver, BC V6C 2X8
604-631-1429

Affidavit #1 of
Brian J. Clarke in this case
affirmed May 23, 2022

B-220207
No.
Estate No. 11-254407
Province of British Columbia
Bankruptcy Division 03-
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
FORT ST. JAMES FUELCO LIMITED PARTNERSHIP & PRINCE GEORGE FUELCO INC.

AFFIDAVIT

I, Brian J. Clarke, businessperson, of 7907 N. Tripp, Skokie Illinois, 60076, United States of America, **AFFIRM THAT**:

1. I am a President and Chief Executive Officer of the Applicant, Veolia ES Canada Inc. (**"Veolia ES"** or the **"Applicant"**), a creditor and related entity of Fort St. James FuelCo Limited Partnership (the **"LP"**), and Prince George FuelCo Inc. (the **"GP"** and collectively with the LP, herein referred to as the **"Debtors"**) and as such, I have personal knowledge of the information deposed to in this affidavit, except where stated to be on information and belief, which information I believe to be true.

A. The Parties and the Project

2. Veolia ES is a company incorporated under the *Canada Business Corporation Act* (R.S.C., 1985, c. C-44) (the **"CBCA"**) having its principal place of business at 1705, 3rd Avenue, Montréal, Québec, Canada.

3. The GP is a corporation which was incorporated on October 8, 2013, under the CBCA with its registered office at 2000, Etchemin Street, Lévis, Québec, Canada, G6W 7X6. The GP was incorporated and exclusively acted for the sole purpose of being the general partner of the LP in the context of the Fort St. James Green Energy Project (the **"Project"**), and in such capacity, is liable for all of the debts of the LP.

4. The LP is a single purpose limited partnership that was formed between Prince George Fuel HoldCo Limited Partnership and Veolia Energy Canada Inc. ("**Veolia Canada**"), formerly Dalkia Canada Inc. prior to January 7, 2016, as limited partners, and the GP, as general partner, pursuant to *The Partnership Act* (Manitoba) C.C.S.M. c. P30 and the *Fort St. James FuelCo Limited Partnership Agreement* dated October 30, 2013 (as amended from time to time, the "**LP Agreement**"), a copy of which is attached and marked hereto as **Exhibit "A"**. The LP's registered office is at 2600-595 Burrard St, 3 Bentall Centre, PO Box 49314, Vancouver British Columbia, Canada, V7X 1L3.

5. As further described below, the Debtors were respectively formed and incorporated for the specific purpose of entering into various agreements, acknowledgments and consents with third parties with a view to carry out the supply of fuel to the Project.

6. The Project is an electricity generation project located in Fort St. James, British-Columbia, that involves the burning of biomass. The central entity responsible for entering into different agreements to ensure the development of the Project is Fort St. James Green Energy Limited Partnership ("**ProjectCo**").

7. Veolia ES and the Debtors are part of a French multinational group of companies with activities in three main service and utility areas traditionally managed by public authorities: (i) water management, (ii) waste management and (iii) energy services.

8. The parent company of Veolia ES, Veolia Environnement S.A. (France), through its wholly owned indirect subsidiary, Veolia Canada, holds controlling interests in the entities that provide services to the Project.

9. Attached hereto at **Exhibit "B",** is a simplified organizational chart showing the Applicant, the Debtors and the main entities to which they are related.

B. Project Financing and Agreements

10. In November 2013, ProjectCo closed on its financing for the Project which was made up of (i) equity investments by Fengate Capital Management Ltd. ("**Fengate Capital**") and Veolia Canada, and (ii) debt financing from a syndicate of secured lenders (the "**Lenders**").

11. The plan for the Project was for it to consume approximately 200,000 metric tonnes (dry) of biomass fuel annually to generate more than 40MW of renewable electricity, enough to power more than 40,000 homes for a year.

12. ProjectCo entered into the following agreements in connection with the Project:

(a) an EPC Contract with Iberdrola Energy Project Canada Corporations for the construction of the power plant located in the District Municipality of Fort St. James, British Columbia (the "**Plant**");

(b) an *Operations & Maintenance Contract* with Fort St James Green Energy General Partner Ltd. and Fort St James Operations Services Limited Partnership ("**OpCo LP**"), dated October 30, 2013 (the "**O&M Contract**"), pursuant to which OpCo LP agreed to provide services in relation to the operation and maintenance of the Project, including the manpower required to run the Plant; and

(c) a *Fuel Supply Agreement* dated October 30, 2013 (the "**Fuel Agreement**") with the LP, pursuant to which the LP agreed to supply fuel in an uninterrupted manner to ProjectCo to be used as fuel for the Plant.

13. The revenue source of the Project was an *Electricity Purchase Agreement* dated December 1, 2011, between British Columbia Hydro and Power Authority and ProjectCo.

14. On August 15, 2016, the Applicant entered into a *Long-Term Loan Facility Agreement* (as may have been amended from time to time, the "**Agreement**") with the GP on behalf of the LP, a copy of which is attached and marked hereto as **Exhibit "C"**. Pursuant to the Agreement, the Applicant agreed, among other things, to make certain amounts available to the Debtors to ensure the development of the Project.

C. Sale of the Project and Winding-up of the Debtors

15. In recent years, the Project ran into several significant issues, including the following:

(a) the Project faced important construction delays and defects, which resulted in higher and unplanned expenses;

(b) shortly after the Plant was constructed, British Columbia was affected by major forest fires, which disrupted the biomass fuel supply in the area and increased Canadian softwood lumber tariffs; and

(c) the closure of several sawmills in the vicinity of the Project site and the unavailability of fuel in the market (caused in part by the forest fires in British Columbia and by the COVID-19 pandemic) made it challenging to deliver fuel that complied with the specifications and requirements of the various agreements with third parties.

16. As a result of the various issues affecting the Project, including those listed above, the Project suffered a significant liquidity shortfall, such that as of December 4, 2020, the Lenders issued a demand letter in (the "**Demand**") as well as a Notice of Intention to Enforce Security (the "**BIA Notice**") pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").

17. In light of the Demand and the BIA Notice which triggered defaults under each of the O&M Contract and the Fuel Agreement, the Lenders, ProjectCo, the LP, OpCo LP, Veolia Canada and Fengate Capital, ultimately entered into of a *Settlement and Release Agreement* dated as of January 12, 2021 (the "**Settlement Agreement**").

18. As part of the Settlement Agreement, the O&M Contract and the Fuel Agreement were terminated on a consensual basis and all amounts owing by ProjectCo thereunder were concurrently released and extinguished. Moreover, a sale process was undertaken for the Project which culminated in a successful sale of the Project.

19. As at the date hereof:

(a) the Debtors have effectively completely wound down their operations, including a successful transfer of their employees to other entities of the Veolia group;

(b) substantially all of the assets of the Debtors have been sold;

(c) the Debtors are unable to satisfy the amounts owing to the Applicant; and

(d) the Debtors are no longer able to meet their obligations as they become due and are insolvent.

20. In this context, the Debtors have not made payments to the Applicant pursuant to the Agreement despite the Applicant having lent them a substantial amount which remains unpaid to date.

21. On May 9, 2022, the Applicant sent a notice of default to the LP, copy of which is attached and marked hereto as **Exhibit "D"**, requesting payment of the total amount of indebtedness owing by the LP to the Applicant under the Agreement in capital, interest, costs and fees, which represented CAD$62,899,190.65 as of April 30, 2022, plus continuing interest (the "**Debt**"). Pursuant to the terms of the Agreement, the Debtors are, as of the date hereof, justly and truly indebted to the Applicant in the sum of the Debt, the whole amount of the Debt is unsecured.

22. Despite the GP having its registered head office in the Province of Quebec, the principal locus of its business operations, and the location of the Project, is in the Province of British Columbia:

(a) The LP's registered office is in Vancouver, British Columbia; and

(b) The power plant, where the operations of the Project are carried out, is located in Fort St. James, in British Columbia.

23. The Debtors, which are part of the same corporate group as the Applicant, do not oppose the Bankruptcy Order sought as the latter will allow for an orderly supervised liquidation and complete wind down of the Debtors on a consolidated basis.

24. I am swearing this affidavit via video conference and am not physically present before the commissioner hereof. In swearing this affidavit, I am advised by the commissioner and do verily believe, that we have followed the process described in the "*Notice to the Profession, the Public and the Media Re: Affidavits for use in Court Proceedings*", issued on March 27, 2020, by Chief Justice C.E. Hinkson of the Supreme Court of British Columbia.

I, Darlene Crimeni, confirm that while connected via video technology, Brian J. Clarke *showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with* Brian J. Clarke *and verify that the pages are identical.*

SWORN BEFORE ME at the city of Vancouver in the Province of British Columbia on May 23, 2022

Commissioner for Taking Affidavits
Darlene Crimeni
Barrister + Solicitor
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

Brian J. Clarke, President and CEO
VEOLIA ES CANADA INC.

This is Exhibit "A" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

A Commissioner for Taking Affidavits in the Province of British Columbia

FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

LIMITED PARTNERSHIP AGREEMENT

October 30, 2013

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

LIMITED PARTNERSHIP AGREEMENT

This Limited Partnership Agreement dated October 30, 2013 is made

AMONG:	**PRINCE GEORGE FUELCO INC.**, a corporation existing under the laws of Canada,
	(the "**General Partner**")
AND:	**PRINCE GEORGE FUEL HOLDCO LIMITED PARTNERSHIP.**, a limited partnership existing under the laws of the Province of Manitoba,
	("**PG HoldCo LP**")
AND:	**DALKIA CANADA INC.**, a corporation existing under the laws of Canada,
	("**Dalkia LP**")

PREAMBLE

WHEREAS PG HoldCo LP and Dalkia LP desire to form a partnership pursuant to the provisions of the Act (hereinafter defined);

WHEREAS the General Partner and the Limited Partners wish to enter into a limited partnership agreement for the purpose of governing the relationship between the Partners and the conduct, affairs and activities of the Partnership and wish to include provisions that the Partnership shall remain a Single Purpose Entity, the whole in connection with the supply of biomass in connection with the financing, design, construction and the provision of maintenance services and the supply of energy to the Fort St. James Green Energy Project (the "**Project**");

NOW THEREFORE, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** In this Agreement, the following words and phrases have the following meanings, respectively, unless the context otherwise requires:

"**Acceptance**" has the meaning set forth in Section 11.5(2).

"**Acceptance Period**" has the meaning set forth in Section 11.5(2).

"**Act**" means *The Partnership Act* (Manitoba).

"**Affiliate**" of a Person means any Person that directly or indirectly Controls, is Controlled by, or is under common Control with, that Person.

"**Agreement**" means this limited partnership agreement, as it may be amended or supplemented from time to time.

"**Arm's Length**" has the meaning given to it in the Income Tax Act.

"**Business**" has the meaning ascribed thereto in Section 3.1.

"**Business Day**" means any day of the calendar year, other than a Saturday or Sunday or any day on which banks are generally not open for business in Toronto, Ontario or Vancouver, British Columbia.

"**Capital Account**" means, in relation to a Partner, an amount equal to such Partner's Capital Contribution after a deduction therefrom of any capital returned to such Partner and, where the context requires, means the individual account or accounts maintained by the General Partner in the books of the Partnership to which the Partner's respective Capital Contribution is to be credited.

"**Capital Contribution**" means, in relation to a Partner, the sum of money required to be paid to the Partnership by such Partner as a subscription price for Units subscribed by such Partner, together with any additional amounts contributed or to be contributed by such Partner as capital in accordance with this Agreement.

"**Change in Control**" means, with respect to a Person:

(1) any change in ownership, whether beneficial or otherwise, of, or direct or indirect power to vote or transfer, any of the shares or units of ownership of that Person where the effect of such change is to effectively result in control of the decisions made by or on behalf of such Person being with a different entity or entities than prior to such change;

(2) any other change in respect of the power to elect a majority of the directors of the Person or otherwise control the decisions made on behalf of such person; or

(3) any other change of direct or indirect power to direct or cause the direction of the management, actions or policies of that person.

"**Class A Partners**" has the meaning set forth in Section 11.1(1).

"**Class A Units**" means the Class A Units of the Partnership as provided in Article 5.

"**Class B Net Capital**" in relation to a Class B Unit means:

(a) the Capital Contribution made in respect of the Class B Unit; minus

(b) distributions made pursuant to Article 7 in respect of the Class B Unit; plus

(c) Taxable Income allocated in respect of the Class B Unit; minus

(d) Taxable Losses allocated in respect of the Class B Unit.

"**Class B Partners**" a Limited Partner holding Class B Units.

"**Class B Pro-Rata Portion**" means the proportion that the number of Class B Units owned by the Class B Partner is to the number of Class B Units owned by all of the Class B Partners.

"**Class B Units**" means the Class B Units of the Partnership as provided in Article 5.

"**Confidential Information**" means all information, documentation, knowledge, data or know-how owned, possessed or controlled by, or relating to, the Partnership or acquired or developed for its benefit, that Partnership treats as confidential including, without limitation, trade secrets, proprietary, business and financial information, but excluding any information:

(1) that is or becomes part of the public domain by publication or otherwise without any breach of this Agreement;

(2) that is obtained on a non-confidential basis from another source acting in good faith without any breach of this Agreement; or

(3) that was not obtained from another source and that can be demonstrated by the recipient to have been known or independently developed by the recipient before disclosure to the recipient.

"**Control**" means the control exercised over a Person by the direct or indirect holding, as owner or other beneficiary, other than solely as the beneficiary of an unrealized security interest, of securities of such Person carrying more than 50% of the maximum possible number of votes that may be cast for the election or appointment of the directors of such Person and, in the case of a limited partnership, means the Control exercised over the general partner(s) thereof; and the terms "**Controlled**" and "**Controlling**" have the meanings correlative to the foregoing.

"**Current Account**" means the account established as set forth in Section 6.5.

"**Date of Closing**" has the meaning set forth in Section 12.2.

"**Declaration**" means the declaration of limited partnership filed under the Act in respect of the Partnership and any amendments filed in respect thereto from time to time.

"**Default Units**" has the meaning set forth in Section 11.4(1).

"**Default Period**" has the meaning set forth in Section 11.4(2).

"**Default Class A Units**" has the meaning set forth in Section 11.4(1)(c)

"**Default Class B Units**" has the meaning set forth in Section 11.4(1)(d).

"**Defaulting Partner**" has the meaning set forth in Section 11.4(1).

"**Event of Change**" has the meaning set forth in Section 11.4(1).

"**Fair Market Value**" means the price determined in an open and unrestricted market between informed prudent parties, that are arm's length parties (as such term is used in the Income Tax Act and under no compulsion to act, expressed in terms of money or money's value, as determined by a reputable independent business valuator retained by the General Partner.

"**Fiscal Year**" means the twelve (12) month period ending on December 31 in each calendar year, or such other date as may be established by the General Partner.

"**Fuel Supplier Liability**" means any potential or outstanding obligation or liability of the Partnership pursuant to the Fuel Supply Agreement, the performance or payment of which is guaranteed pursuant to the guarantee provided by Dalkia International S.A. to Project Co in connection with the Fuel Supply Agreement.

"**Fuel Supply Agreement**" means the agreement to be entered into by the Partnership and Project Co for the supply of biomass in connection with the Project.

"**GAAP**" means generally accepted accounting principles in Canada.

"**General Partner**" means Prince George FuelCo Inc., or any other Person admitted as a general partner of the Partnership and shown on the register maintained by the Partnership as a General Partner.

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder applicable with respect thereto, the whole as same may be amended from time to time.

"**Laws**" means all applicable statutes, codes, ordinances, decrees, rules, regulations, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, decisions, public notices, directions, guidelines relating to the Partnership and/or its Business, or any provisions of such laws, including general principles of common and civil law and equity as may be in force from time to time; and "**Law**" shall mean any one of the foregoing.

"**Limited Partners**" means, collectively, PG HoldCo LP, Dalkia LP and any other Person admitted as a limited partner of the Partnership and shown on the Register as a Limited Partner and "**Limited Partner**" means anyone of them.

"**Losses**" all losses, claims, demands, actions, damages, liabilities, obligations, costs and expenses, including fines, penalties, amounts paid in settlement of claims, and legal fees on a solicitor-client basis, including reasonable disbursements.

"**Majority Unitholder**" has the meaning set forth in Section 11.6(1).

"**Non- Defaulting Partner**" has the meaning set forth in Section 11.4(1).

"**Notice of Sale**" has the meaning set forth in Section 11.5(1).

"**Offered Units**" has the meaning set forth in Section 11.5(1).

"**Offeree**" has the meaning set forth in Section 11.5(1).

"**Offeror**" has the meaning set forth in Section 11.5(1).

"**O&M Contractor**" means Fort St. James Operations Services Limited Partnership.

"**Parties**" means the parties to this Agreement; and "**Party**" means any one of them.

"**Partners**" means collectively, the Limited Partners and the General Partner, and subject to the terms and conditions hereof, their respective successors and assigns, and "**Partner**" means any one of them.

"**Partnership**" means Fort St. James FuelCo Limited Partnership formed under the Declaration and this Agreement.

"**Partnership Interest**" means all right, title and interest in the Partnership of a Partner, including, without limitation, a Partner's Units.

"**Permitted Transferee**" means an Affiliate of the Limited Partner transferring its Units.

"**Person**" means an individual, corporation, body corporate, partnership, trust, unincorporated organization, governmental body or any trustee, executor, administrator or other legal representative or other form of entity or organization of any nature whatsoever, whether now or hereafter in existence.

"**Piggy-Back Notice**" has the meaning set forth in Section 11.6(1).

"**Piggy-Back Units**" has the meaning set forth in Section 11.6(1).

"**Project**" has the meaning set forth in the Preamble.

"**Project Co**" means Fort St. James Green Energy Limited Partnership, its successors and permitted assigns.

"**Proportionate Share**" has the meaning set forth in Section 11.4(1).

"**Pro-Rata Portion**" has the meaning set forth in Section 11.1(1).

"**Securities**" means units and any rights, warrants, options and other instruments entitling the holder, whether or not on a contingency, to acquire units of the Partnership from treasury, and any instruments convertible, whether or not on a contingency, into any of the foregoing.

"**Single Purpose Entity**" means a Person, which:

(1) is formed or organized solely for the purpose of the business of the Partnership as described in Section 3.1;

(2) does not engage, directly or indirectly, in any business other than the business of the Partnership as described in Section 3.1;

(3) holds itself out as being a Person, separate and apart from any other Person;

(4) does not commingle its assets with those of any other Person;

(5) conducts its own business in its own name or, where not so permitted by law, in the name of the General Partner and provided same shall be restricted to the business of the Partnership as described in Section 3.1;

(6) does not acquire obligations or securities of its Partners or any Affiliate thereof other than as permitted by this definition of Single Purpose Entity;

(7) allocates fairly and reasonably any overhead of shared office space;

(8) does and will correct any known misunderstanding regarding its separate identity; and

(9) shall at all times be authorized to carry on business in the Province of British Columbia.

"**Special Resolution**" means (a) any resolution passed by the affirmative vote of each Limited Partner who holds, or together with its Affiliates hold, more than 10% of the Class A Units at a meeting of the Partnership duly called and at which a quorum is present, or (b) any written resolution signed in one or more counterparts by each Limited Partner who holds, or together with its Affiliates hold, more than 10% of the Class A Units.

"**Taxable Income**" or "**Tax Loss**", in respect of any fiscal period means, respectively, the amount of income or loss for tax purposes of the Partnership for such period as determined by the General Partner in accordance with this Agreement and the provisions of the Income Tax Act (including the amount of the taxable capital gain or allowable capital loss from the disposition of each capital property of the Partnership).

"**Time of Closing**" has the meaning set forth in Section 12.2.

"**Transfer**" includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, hypothecation, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes, directly or indirectly, from one Person to another, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing.

"**Transferor**" has the meaning set forth in Section 11.3.

"**Treasury Securities**" has the meaning set forth in Section 11.1(1).

"**Units**" means the Class A Units and the Class B Units of the Partnership as provided for in Article 5.

1.2 Additional Rules of Interpretation.

(1) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(2) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections and Subsections are to Articles, Sections and Subsections of this Agreement.

(3) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated, supplemented or replaced from time to time and in the case of any such amendment, re-enactment, consolidation, supplement or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision.

(4) *Document References.* All references herein to any agreement (including this Agreement) or document mean such agreement or document as amended, restated, supplemented or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

(5) *Currency.* Except as otherwise expressly provided in this Agreement all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

(6) *Reference to Acts Performed by the Partnership or Rights of the Partnership.* For greater certainty, where any reference is made in this Agreement to an act to be performed by the Partnership or to rights of the Partnership, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the General Partner on behalf of the Partnership or some other Person duly authorized to do so by the General Partner or pursuant to the provisions hereof, or to rights of the General Partner, in its capacity as General Partner of the Partnership, as the case may be.

(7) *Preamble and Recitals.* The preamble hereto shall form an integral part of this Agreement.

ARTICLE 2
FORMATION OF PARTNERSHIP AND RELATIONSHIP BETWEEN THE PARTIES

2.1 **Formation of Partnership.** The Parties agree to and hereby form a limited partnership in accordance with the laws of the Province of Manitoba and the provisions of this Agreement with the Parties being, as of the date hereof, the sole Partners in the Partnership. The Partners shall from time to time execute such certificates, statements or other documents, and do such filings and recordings and perform such other acts, as shall be required in order to comply with the requirements of the Laws of the Province of Manitoba for the formation of a limited partnership.

2.2 **Name.** The name of the Partnership shall be FORT ST. JAMES FUELCO LIMITED PARTNERSHIP. The General Partner shall have the right to change the name of the Partnership as it deems appropriate, from time to time, including in order to comply with the Laws of the jurisdiction in which the Partnership may carry on its activities. Accordingly, the General Partner shall file or cause to be filed a Change in a Limited Partnership form or other prescribed form in compliance with the Act and *The Business Names Registration Act* (Manitoba) amending the Declaration by changing the name of the Partnership and the General Partner shall provide notice of the new name to the Partners within twenty (20) days of such change.

2.3 **Principal Office.** The principal office of the Partnership shall at all times be located at the principal business office of the General Partner located in Canada and may be changed from time to time by the General Partner giving notice of such change to the Partners within twenty (20) days of such change. The Business shall be conducted at such place or places as may from time to time be selected or approved by the General Partner.

2.4 **Commencement and Term of Partnership.** The Partnership shall commence as of the date of the registration of the Declaration in accordance with the Act and will continue until dissolution and termination pursuant to the terms hereof. The Partnership will not dissolve or terminate solely by virtue of the admission or resignation of a Partner or the repurchase of a Partner's Unit or solely by virtue of any amendment to the terms of this Agreement. The General Partner shall renew the registration of the Partnership every three (3) years, as prescribed under *The Business Names Registration Act* (Manitoba).

ARTICLE 3
PURPOSE OF THE PARTNERSHIP AND RESTRICTIONS ON THE BUSINESS OF THE PARTNERSHIP

3.1 **Purpose and Business.** The Partnership is a Single Purpose Entity and shall not at any time cease to be a Single Purpose Entity. The Partnership's purpose and Business activities (the "**Business**") are limited to the following:

(1) the supply of biomass for the Project or to any other Person;

(2) the entering into the Fuel Supply Agreement and the performance of its obligations thereunder;

(3) operations interface agreement dated October 30, 2013 among Fort St. James Green Energy Limited Partnership, the O&M Contractor and the Partnership;

(4) the acknowledgement and consent by Fort St. James FuelCo Limited Partnership in favour of Union Bank, N.A.;

(5) the acknowledgement and consent agreement, in respect of the operations interface agreement referred to under Section 3.1(3), among Union Bank, N.A., the Partnership and Fort St. James FuelCo Limited Partnership;

(6) all activities and operations with respect to forest licences or similar rights or entitlements; and

(7) undertaking such other activities as are necessary, desirable or appropriate to carry out the foregoing permitted activities of the Partnership, or ancillary or incidental in connection with such activities, including the entering into of a management services agreement with Dalkia Canada Inc. and the performance of its obligations thereunder, it being understood that the Partnership shall not engage directly or indirectly in any activity other than activities necessary, desirable or appropriate to carry out the foregoing permitted activities.

ARTICLE 4
STATUS AND POWERS OF THE PARTNERS

4.1 Status of the General Partner.

(1) The General Partner represents and warrants to the other Partners that:

(a) it is duly constituted or formed and validly existing under the Laws of the jurisdiction of its incorporation and has the corporate power, authority and capacity to enter into and give full effect to, and perform its obligations, under this Agreement;

(b) the execution and performance of this Agreement has been duly authorized by it and duly executed by or on behalf of the General Partner;

(c) the execution and performance of this Agreement does not and will not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the provisions of any agreement or other instrument to which it is a party or by which it may be bound;

(d) no authorization, consent or approval, other than those obtained is required in connection with its execution or performance of this Agreement;

(e) this Agreement constitutes a valid and binding obligation of the General Partner enforceable against it in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other Laws affecting the enforcement of the rights of creditors and others to the extent that equitable remedies are only available in the discretion of the court from which they are sought;

(f) its Partnership Interest is not a "tax shelter investment" within the meaning assigned by the Income Tax Act; and

(g) it is not a "non-resident" of Canada for the purposes of the Income Tax Act.

(2) The General Partner covenants that:

(a) the representations and warranties set out in Subsection 4.1(1) shall remain true and accurate for so long as it remains the General Partner, including the representation and warranty that that it is not a "non-resident" of Canada within the meaning assigned by the Income Tax Act;

(b) it shall take all actions required to qualify, continue and keep in good standing the Partnership as a limited partnership under the Laws of the Province of Manitoba and to maintain the limited liability of each Limited Partner in each jurisdiction in which the Partnership may carry on business or own or lease property;

(c) it shall devote to the conduct of the Business such time as may be reasonably required for the proper management and administration thereof; and

(d) it shall make, or cause to be made, on its own behalf and on behalf of the Partnership, all such elections, declarations, allocations or filings necessary or desirable throughout the term of the Project.

4.2 Status of the Limited Partners.

(1) Each of the Limited Partners, severally (and not jointly and severally), represents and warrants for itself to the other Partners that:

(a) it is duly constituted or formed and validly existing under the Laws under which it was constituted and has the power, authority and capacity to enter into and give full effect to, and perform its obligations, under this Agreement;

(b) the execution and performance of this Agreement has been duly authorized by it and duly executed by or on behalf such Limited Partner;

(c) the execution and performance of this Agreement does not and will not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the provisions of any agreement or other instrument to which it is a party or by which it may be bound;

(d) no authorization, consent or approval, other than those obtained is required in connection with its execution or performance of this Agreement;

(e) this Agreement constitutes a valid and binding obligation of such Limited Partner enforceable against it in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other Laws affecting the enforcement of the rights of creditors and others to the extent that equitable remedies are only available in the discretion of the court from which they are sought;

(f) its Partnership Interest is not a "tax shelter investment" within the meaning assigned by the Income Tax Act; and

(g) it is not a "non-resident" of Canada for the purposes of the Income Tax Act or, in the case of a Limited Partner that is a partnership, it is a "Canadian partnership" within the meaning assigned by the Income Tax Act.

(2) Each Limited Partner, severally (and not jointly and severally), covenants for itself that:

(a) its representations and warranties set out in Subsection 4.2(1) shall remain true and accurate for so long as it remains a Limited Partner, including the representation and warranty that that it is not a "non-resident" of Canada for the purposes of, or is a "Canadian partnership" within the meaning assigned by, the Income Tax Act;

(b) it shall from time to time promptly provide to the General Partner such evidence of its status as the General Partner may reasonably request; and

(c) it shall make, or cause to be made, all such elections, declarations, allocations or filings necessary or desirable throughout the term of the Project.

(3) Notwithstanding Article 11, each Limited Partner covenants and agrees that it will not transfer or purport to transfer any or all of its Units, if any, to any Person who is or would be unable to truthfully make the representations and warranties in Subsection 4.2(1).

4.3 Compliance with Laws. Each Limited Partner will, on request by the General Partner, immediately execute such certificates, documents and other instruments as may be necessary to comply with any law or regulation of any jurisdiction in Canada pertaining to the continuation, operation and maintenance of the Partnership in good standing.

4.4 Binding Effect of Agreement. Any Person admitted to the Partnership as a Partner shall be subject to and bound by all the provisions of this Agreement as if originally a Party to this Agreement as from the date of its admission.

4.5 Unlimited Liability of General Partner. The General Partner will have unlimited liability for the debts, liabilities and obligations of the Partnership.

4.6 Limited Liability of Limited Partners.

(1) Subject to the provisions of applicable legislation:

(a) the liability of a Limited Partner for the debts, liabilities and obligations of the Partnership will be limited to the amount of such Limited Partner's Capital Contribution and a Limited Partner will not be liable for any further claims or assessments, including, for greater certainty, the debts, liabilities and obligations of any other Partner; and

(b) no provision of this Agreement will have the effect of giving the General Partner the authority or power to increase the liability of a Limited Partner.

ARTICLE 5
UNITS

5.1 Number of Units.

(1) The authorized capital in the Partnership shall consist of an unlimited number of Class A Units and Class B Units. The Partnership Interest of each Partner will be represented by the number of Units issued to such Partner.

(2) The Partnership shall issue Units only as fully-paid and non-assessable for a subscription price of $1 per Unit.

5.2 Attributes of Units.

(1) Each Partner shall have the following rights and obligations in respect of the Class A Units, if any, held by it:

(a) the right to one (1) vote for each Class A Unit held by such Partner; and

(b) the right to distributions (including upon dissolution, liquidation or winding up of the Partnership) made in accordance with Article 7.

(2) Each Partner shall have the following rights and obligations in respect of the Class B Units, if any, held by it:

(a) the right to distributions (including upon dissolution, liquidation or winding-up of the Partnership) made in accordance with Article 7.

(3) On the fifth day following each distribution on the Class B Units, a number of Class B Units equal to the amount of the distributions actually paid to the Class B Partners shall be automatically cancelled without return of capital or other consideration.

5.3 Priorities and Rights of Units. Except as expressly provided in this Agreement, no Partner shall have any preference, priority or right in any circumstance over any other Partner in respect of the Units held by it (other than arising out of or resulting from the number of such Units, respectively, held by such Partner).

5.4 Units Outstanding.

(1) The Parties acknowledge that the Partners hold such number of Units as set forth below on the date hereof in the amounts and the type set forth opposite their names:

Unitholder	Number and Class of Units	Subscription Price ($)	Percentage of Units Outstanding
PG HoldCo LP	5,999 Class A Units	1	59.99%(Class A Units)
Dalkia LP	4000 Class A Units	1	40% (Class A Units)
General Partner	1 Class A Unit	1	0.01%(Class A Units)
TOTAL:	**10,000 Class A Units**		**100% Class A Units**

(2) Subject to the provisions of this Agreement, no Units, in addition to the Units issued and outstanding as set out in Section 5.4, may be issued or offered for issuance by the Partnership, without the consent of the General Partner.

ARTICLE 6
CAPITAL CONTRIBUTIONS

6.1 Capital. The capital of the Partnership shall be the aggregate amount of the Capital Contributions of the Limited Partners and the General Partner. The Partnership Interests of the Partners in the Partnership shall be divided into and represented by Units.

6.2 **Capital Contributions.** As at the date hereof, the initial Capital Contribution of each Partner is $1.00 for each Class A Unit held by such Partner.

6.3 **Withdrawal of Capital.** No Partner will be entitled to withdraw or make a demand for withdrawal of his Capital Contribution in whole or in part except upon the dissolution and termination of the Partnership pursuant to or in accordance with the terms and conditions of this Agreement.

6.4 **Capital Account.**

(1) The General Partner will establish, or cause to be established, a separate Capital Account on the books of the Partnership for each Partner to record the aggregate Capital Contributions of such Partner with respect to each class of Units held by such Partner.

(2) On receipt of a Capital Contribution, the General Partner will credit, or cause to be credited, the Capital Account of a Partner, with respect to the Units in respect of which a Capital Contribution was made, with the amount of such Capital Contribution.

6.5 **Current Account.** The General Partner will establish, or cause to be established, a separate account on the books of the Partnership for each Partner in respect of each class of Units held by such Partner to which the amount of income of the Partnership for accounting purposes allocated to each Partner in respect of each class of Units will be added and to which losses of the Partnership for accounting purposes and all advances or distributions to Partners in respect of each class of Units will be subtracted. For greater certainty the balance of the Current Account may be a negative amount.

6.6 **No Partnership Interest Payable.** No interest will be paid or payable to any Partner on any credit balance in its Capital Account or Current Account unless approved by the Partners and in accordance with the Act.

ARTICLE 7
DISTRIBUTIONS

7.1 **Distributions.**

(1) Subject to the restrictions in any finance documents to which the Partnership is a Party, applicable Laws and to there being adequate provision for capital expenditures, working capital, accruals for liabilities and adequate reserves, the Partnership will use its best efforts to distribute one hundred percent (100%) of all amounts that are available for distribution on a quarterly basis.

(2) Distributions will be made in the following priority:

(a) first, to the extent Class B Units are issued and outstanding, distributions will be made to the Class B Partners up to, in the aggregate, the amount of the Capital Contribution made by each such Class B Partner in respect of the Class B Units, such distributions to be made to the Class B Partners in their respective Class B Pro-Rata Portion; and

(b) second, once distributions equal to the Capital Contribution of the Class B Units have been made, to the Class A Partners in their respective Pro-Rata Portion.

7.2 **Advances.** Distributions otherwise payable to a Limited Partner during a year under Section 7.1, upon the reasonable request of a Limited Partner, shall not be paid to the Limited Partner during the year, but shall be paid to such Limited Partner immediately after the end of the year. The amount otherwise payable to that Limited Partner on a distribution date as a cash distribution shall instead be loaned to the Limited Partner on an interest-free basis, which loan shall be repaid immediately after the end of the year by way of set off against the cash distribution then payable to the Limited Partner pursuant to this Section 7.2. For purposes of this Agreement, except in this Section 7.2, such loans shall be considered cash distributions.

7.3 **Distribution Conditions**

(1) Notwithstanding any other provision of this Agreement, no distribution shall be made on the Class A Units without the consent of Dalkia LP and Fengate (FSJ) Holdings LP (or one of their Affiliates) if the following conditions have not been satisfied and, as a result, Project Co is not entitled to make distributions to its special partners pursuant to the Credit Agreement (as defined in the limited partnership agreement of Project Co):

(a) the Partnership has a minimum annual supply of 20,000 dry metric tons of fuel available until the 10th anniversary of PAD (as defined in the Fuel Supply Agreement), such availability to be demonstrated through one or more subcontracts entered into by the Partnership, provided that the price for fuel under any such subcontract shall be no greater than the price for fuel under the Fuel Supply Agreement; and

(b) from the second anniversary of PAD, the Partnership has an additional annual supply of 35,000 dry metric tons of fuel available until the 10th anniversary of PAD, such availability to be demonstrated through (i) additional harvest licences (either in the name of Project Co or the Partnership) with an annual allowable cut of 250,000 m3 per year, or (ii) one or more subcontracts entered into by the Partnership, provided that the price for fuel under any such subcontract shall be no greater than the price for fuel under the Fuel Supply Agreement, or (ii) a combination of additional harvest licences (based on converting harvest license volumes in m3 into fuel in dry metric tons at a ratio of 0.14 to 1 (i.e., 250,000 m3 x 0.14 = 35,000 ODT)) and subcontracts.

ARTICLE 8
DETERMINATION AND ALLOCATION OF NET INCOME AND LOSS

8.1 **Determination of Net Income or Loss.** At the end of each fiscal year of the Partnership or for any stub period ending on the date of dissolution of the Partnership, the net profits or losses of the Partnership for such year or period shall be determined by the General Partner in accordance with GAAP, consistently applied.

8.2 **Allocation of Income or Loss for Accounting Purposes.**

(1) The loss of the Partnership for accounting purposes for each Fiscal Year shall be allocated at the end of each Fiscal Year as follows:

(a) First, to the holder of the Class B Units at the end of the Fiscal Year in an amount up to, but not exceeding, the aggregate amount of the Capital Account and Current Account balance at the end of the Fiscal Year in respect of the Class B Units held

by the Class B Partner, such loss to be allocated among the Class B Partners in proportion to each Class B Partner's aggregate Capital Account and Current Account balance at the end of the Fiscal Year and once a Class B Partner's aggregate Capital Account and Current Account reaches zero as a consequence of the allocation of a loss, any remaining loss shall be further allocated among only those Class B Partners still having a positive aggregate Capital Account and Current Account Balance; and

(b) Second, to the holders of Class A Units at the end of the Fiscal Year in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year.

(2) The income of the Partnership for accounting purposes for each Fiscal Year shall be allocated at the end of each Fiscal Year as follows:

(a) First, to each of the holders of Class B Units during the Fiscal Year in an amount up to, but not exceeding, the lesser of:

(i) the amount distributed during the Fiscal Year to such holder with respect to its Class B Units pursuant to Section 7.1; and

(ii) the amount by which the losses for accounting purposes previously allocated to the holder of Class B Units exceeds the amount of income for accounting purposes previously allocated to the holder of the Class B Units; and

(b) Second, to the holders of Class A Units at the end of such Fiscal Year in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year.

8.3 Allocation of Taxable Income or Loss.

(1) The Taxable Loss of the Partnership for each Fiscal Year or for any stub period ending on the date of dissolution of the Partnership shall be allocated as follows:

(a) First, to the holders of the Class B Units at the end of the Fiscal Year or period in an amount up to, but not exceeding, the Class B Net Capital Units at the end of the Fiscal Year or period in respect of the Class B Units held by the Class B Partner with such Taxable Loss allocated among the Class B Partners in proportion to each Class B Partner's Class B Net Capital at the of the Fiscal Year or period and once a Class B Partner's Class B Net Capital reaches zero as a consequence of the allocation of a Taxable Loss for the Fiscal Year or period, the remaining Taxable Loss shall be allocated among only those Class B Partners still having a positive balance of Class B Net Capital; and

(b) Second, to the holders of Class A Units at the end of such Fiscal Year or period in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year or period.

(2) The Taxable Income of the Partnership for each Fiscal Year or for any stub period ending on the date of dissolution of the Partnership shall be allocated as follows:

(a) First, to each of the holders of Class B Units during the Fiscal Year or period in an amount up to, but not exceeding, the lesser of:

(i) the amount distributed during the Fiscal Year or period to such holder with respect to its Class B Units pursuant to Section 7.1; and

(ii) the amount by which the Taxable Losses previously allocated to the holder of the Class B Units exceeds the amount of Taxable Income previously allocated to the holder of the Class B Units; and

(b) Second, to the holders of Class A Units at the end of such Fiscal Year or period in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year or period.

8.4 Computation of Taxable Income or Loss. The General Partner shall have the right, in computing the Taxable Income or Loss of the Partnership, to adopt a different method of accounting than required by Section 8.1, to adopt different treatments of particular items and to make and revoke such elections on behalf of the Partnership and the Partners as the General Partner deems to be appropriate in order to reflect the terms of this Agreement.

8.5 Capital Cost Allowance. In connection with the determination of the Taxable Income or Loss of the Partnership for each fiscal period, unless otherwise agreed by Special Resolution, the General Partner shall deduct the maximum amount of capital cost allowance and other discretionary deductions as may be available to the Partnership for that period under applicable income tax legislation.

8.6 Tax Returns. Each Partner shall prepare and file such documents as may be required to be prepared and filed under the Income Tax Act and any similar provincial statute and shall include in its computation of income the income or loss of the Partnership for tax purposes as may be determined and allocated to it pursuant to this 7.3.

ARTICLE 9
PARTNERSHIP MEETINGS

9.1 Quorum. At any meeting of the Partnership a quorum shall consist of each of the Partners entitled to vote present in person (by authorized representative in the case of a legal person) or represented by proxy. If a quorum is not present at a meeting, such meeting shall be adjourned until a date no sooner than the fifth (5^{th}) Business Day and no later than the tenth (10^{th}) Business Day following the date of the initial meeting.

9.2 Powers Exercisable by Special Resolution.

(1) The Partners who are entitled to vote may by Special Resolution, and not otherwise:

(a) dismiss the General Partner on written notice delivered not later than fourteen (14) days following the occurrence of any of the events described in Article 13; and admit a new General Partner concurrently therewith;

(b) admit a new General Partner to the Partnership;

(c) waive any default on the part of the General Partner on such terms as they may determine and release the General Partner from any claims in respect thereof;

(d) continue the Partnership, if the Partnership is terminated by operation of law; and

(e) subject to Section 16.2, amend, modify, alter or repeal any Special Resolution.

ARTICLE 10
OPERATIONAL MATTERS

10.1 Fiscal Year. The financial year and fiscal year of the Limited Partnership shall end on December 31 in each year.

10.2 Right of Inspection. Each Partner and its accountants and advisors shall, during the regular office hours of the Partnership, upon reasonable notice to the Partnership and in a manner that does not interfere with the Partnership's normal operation of its business, have access to the books and records of the Partnership, make copies from such books and records, examine into the state and progress of the Partnership business, and advise as to the management of the Partnership business, at its sole cost and expense.

10.3 Budget. At least four (4) weeks before the beginning of each fiscal year, the General Partner shall send to each Partner a profit forecast, annual budget and business plan, providing, among other things, a detailed breakdown of projected cash flow, capital expenditures and income of the Partnership.

10.4 Information.

(1) The General Partner will provide to each Partner on an ongoing basis information on the management of the Partnership including, without limitation:

(a) audited consolidated accounts for each financial year and quarterly management accounts and reports;

(b) the budget referred to in Section 10.3 for the forthcoming financial year;

(c) notice of any material events;

(d) copies of all material communications made pursuant to or in connection with the Fuel Supply Agreement; and

(e) all information required to file a tax return of a Partner under the Income Tax Act or a similar provincial statute within the time prescribed under the Laws, and in any case, within 60 days after the end of a fiscal year of the Partnership.

10.5 Partner Loans and Guarantees. Except as otherwise agreed by the Partners, a Partner shall not be required to loan any monies to the Partnership nor to guarantee any obligations of the Partnership.

ARTICLE 11
ISSUANCE AND DISPOSITION OF PARTNERSHIP INTEREST

11.1 Pre-Emptive Rights

(1) In the event that additional capital is required by the Partnership for its continued operations and debt financing is not available on reasonable terms and the Partnership desires to issue any Securities (hereinafter in this Section 11.1 called the "**Treasury Securities**"), it being understood that the issuance of Class B Units shall only be made in accordance with this Section 11.1, then the Partnership

shall deliver to all Limited Partners holding Class A Units (the "**Class A Partners**") a written notice setting out a description of the Treasury Securities, the proposed price (which shall be equal to the fair market value of the Treasury Securities, as determined in accordance with Section 11.4(3) applied *mutatis mutandis*) and the proposed terms and conditions of the issuance (being understood that the price shall be payable in full in cash on the date of the issuance) and the Partnership shall be deemed to have given the right to each Class A Partner to subscribe for that number of Treasury Securities in the proportion that the number of the Class A Units owned by the Class A Partner is to the number of Class A Units owned by all of the Class A Partners (the "**Pro-Rata Portion**"). Where the calculation of the Pro-Rata Portion of Units results in a fraction, then such Class A Partner's Pro-Rata Portion will be increased or decreased to the nearest whole number. No Units shall be issued to any Person other than an existing Limited Partner until such Person shall have agreed in writing to be bound by the provisions contained in this Agreement.

(2) Each Class A Partner shall notify the Partnership of the number of Treasury Securities for which it elects to subscribe, without any obligation to do so, except as provided for in Section 11.1(5). If all of the Treasury Securities are not subscribed for, each Class A Partner which has subscribed for its maximum number of Treasury Securities shall be notified by the Partnership of the number of Treasury Securities remaining unsubscribed and such Class A Partner shall be entitled to purchase all or part of such unsubscribed Treasury Securities and shall notify the Partnership of the number of such unsubscribed Treasury Securities for which it elects to subscribe. This process shall be repeated until all the Treasury Securities are subscribed for or the Class A Partner have decided not to subscribe for any more Treasury Securities

(3) Failure of a Class A Partner to reply to the notice of the Partnership given pursuant to Section 11.1(1) within 15 days of such notice or to any notice given pursuant to Section 11.1(2) within five (5) days of the notice shall be construed as a decision not to subscribe for Treasury Securities under this Section 11.1.

(4) The issuance and sale of the Treasury Securities pursuant to this Section 11.1 shall be completed at the registered office of the Partnership within thirty (30) days after the Class A Partners have agreed to subscribe for all or part of the Treasury Securities to be issued and the price for the Treasury Securities shall be paid in accordance with the terms of the notice given pursuant to Section 11.1(1) on the completion date against delivery of a certificate or certificates representing the Treasury Securities registered in the name of each Class A Partner who subscribed for Treasury Securities hereunder.

(5) The General Partner shall be entitled to send notices from time to time for the issuance of Units of the Partnership to cover a Fuel Supplier Liability. If the Limited Partners have sufficient funds to cover their Pro-Rata Portion of such Fuel Supplier Liability, then each Limited Partner shall subscribe for Class A Units in an amount equal to its Pro-Rata Portion of the Fuel Supplier Liability. If the funds then held by the Limited Partners are not sufficient to cover their Pro-Rata Portion of the Fuel Supplier Liability:

(a) each Limited Partner shall subscribe for Class A Units in an amount equal to the amount by which the Pro-Rata Portion of the Limited Partners immediately before such subscription would remain unchanged after the subscription (i.e., the subscription will be on a proportionate basis taking into account the funds held by the Limited Partner having the least amount of available funds, on a proportionate basis);

(b) the Limited Partners shall then be entitled to subscribe for Class B Units at $1.00 per Class B Unit in accordance with Sections 11.1(1), 11.1(2), 11.1(3) and 11.1(4) for an aggregate amount equal to the Fuel Supplier Liability minus the aggregate

subscription price paid by the Limited Partners for Class A Units pursuant to Section 11.1(5)(a).

11.2 Restriction on Transfers. Except as otherwise permitted pursuant to the provisions of this Agreement, no Party shall Transfer, directly or indirectly, its interest in the Partnership, or any part thereof, or any right, title or interest therein. A Transfer of any interest in violation of this Agreement shall not be valid and the General Partner shall not register, nor permit any transfer agent to register, any such Transfer on the securities register of the Partnership.

11.3 Permitted Transferees.

(1) A Limited Partner (a "**Transferor**") shall be entitled, upon prior written notice to the General Partner and the other Party, to Transfer all or a part of its interest in the Partnership, to any Permitted Transferee of such Transferor, provided that:

(a) the Permitted Transferee has executed prior to such Transfer a counterpart to this Agreement and upon such execution, the Permitted Transferee shall have all of the rights and obligations of the Transferor hereunder with respect to such interest; and

(b) the Permitted Transferee and the Transferor have agreed, in form and terms satisfactory to the General Partner and the other Party, acting reasonably, that as long as the Permitted Transferee shall hold such interest, the Permitted Transferee shall remain an Affiliate of the Transferor, except where the transfer occurs as a result of the winding-up or dissolution of the Transferor into the Permitted Transferee.

11.4 Bankruptcy or Material Breach.

(1) In the event that any of the following events (an "**Event of Change**") should occur:

(a) a Limited Partner commits an act of bankruptcy, becomes insolvent, goes into liquidation (other than as a result of an internal reorganization or voluntary winding up or dissolution), makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against a Limited Partner and is not contested in good faith and discharged within thirty days after it is filed or presented, or a receiver or similar officer is appointed for a Limited Partner or for any substantial part of its or his property; or

(b) a Limited Partner permits to be done or omits to do any act in material breach of this Agreement and fails to rectify the same within thirty (30) days after the giving of a written notice by a non-defaulting Limited Partner requiring such rectification;

then the Limited Partner subject to the Event of Change and its Affiliates (the "**Defaulting Partner**"):

(c) shall be deemed to have offered to sell all of their Class A Units (the "**Default Class A Units**") to each other Limited Partner (the "**Non-Defaulting Partners**") in the proportion that the number of Class A Units owned by each Non-Defaulting

Partner is to the number of Class A Units owned by all Non-Defaulting Partners (the "**Proportionate Share**"); and

(d) shall be deemed to have offered to sell all of their Class B Units (the "**Default Class B Units**") to the Non-Defaulting Partners, in their Proportionate Share.

(2) Within one hundred twenty (120) days after the Non-Defaulting Partner(s) becomes aware of the Event of Change (the "**Default Period**"), a notice accepting its Proportionate Share of the Default Class A Units and/or Default Class B Units may be given by Non-Defaulting Partner(s) to the Defaulting Partner and the other Non-Defaulting Partners. If a Non-Defaulting Partner has not accepted to purchase all its Proportionate Share of the Default Class A Units and/or Default Class B Units, the other Non-Defaulting Partner shall be entitled to purchase all Default Class A Units and/or Default Class B Units that have not been accepted by giving notice to that effect to the Defaulting Partner within 10 days from the expiry of the 120 day-period referred to above. On the day which is the later of:

(a) thirty (30) days after the delivery of the last notice of acceptance delivered in accordance with the above; and

(b) five (5) days following the determination of the purchase price of the Default Class A Units and Default Class B Units in accordance with Section 11.4(3),

if a Non-Defaulting Partner(s) has given a notice of acceptance to the Defaulting Partner for all Default Class A Units and/or Default Class B Units within the Default Period, the Defaulting Partner shall sell the Default Class A Units and/or Default Class B Units to the applicable Non-Defaulting Partner(s) and the Non-Defaulting Partner(s) shall purchase the Default Class A Units and/or Default Class B Units at the price determined pursuant to provisions of Section 11.4(3) and upon the other terms and conditions set out in Article 12. In any other case, the deemed offer by the Defaulting Partner to sell the Default Class A Units and/or Default Class B Units shall be null and void upon expiration of the Default Period. For greater certainty a Non-Defaulting Partner may choose to purchase only the Default Class A Units and not the Default Class B Units.

(3) The purchase price of any Default Class A Units and Default Class B Units, as applicable, being purchased and sold pursuant to the provisions of this Section 11.4 shall be their fair market value as determined by a valuator experienced in the valuation of energy projects, independent from the parties, appointed jointly by the Limited Partners within 30 days from the Event of Change, as at the date of the Event of Change. If the Limited Partners cannot agree on the appointment of the valuator, the Defaulting Partner shall appoint its independent experienced valuator and the Non-Defaulting Partners shall also appoint an independent experienced valuator, in which case the fair market value shall be equal to the average between the fair market value determined by each valuator. The term "fair market value" shall mean the highest price obtainable in an open and unrestricted market between knowledgeable and willing parties dealing at Arm's Length who are fully informed and not under any compulsion to transact. The valuators shall determine such purchase price as experts and not as umpires or arbitrators. The valuators may seek such information from the parties as may, in the opinion of the valuators, be reasonably required to effectively determine such purchase price.

11.5 Right of First Refusal.

(1) If any Limited Partner (the "**Offeror**") desires to sell all or any portion of its Units (the "**Offered Units**") to an Arm's Length third party, the Offeror shall first give a notice (the "**Notice of Sale**") to the other Limited Partners (the "**Offeree(s)**"):

(a) setting out the identity of the Arm's Length third party;

(b) setting out the proposed price and the proposed terms and conditions of the sale;

(c) attaching a copy of any offer received by the Offeror in respect thereof, and

(d) attaching an affidavit of the Offeror or its authorized officer, to the effect that the Offer is a bona fide binding offer which the Offeror wishes to accept,

whereupon the Offeror shall be deemed to have offered to sell the Offered Units to the Offerees in their Proportionate Share at the price and on the terms and conditions contained in the Notice of Sale.

(2) Within thirty (30) days after an Offeree's receipt of the Notice of Sale (hereinafter in this Section 11.5 the "**Acceptance Period**") the Offeree may give a notice (the "**Acceptance**") to the Offeror and the other Offeree, if any, accepting its Proportionate Share of the Offered Units, and:

(a) if there is more than one Offeree and an Offeree has not accepted to purchase all its Proportionate Share of the Offered Units, the other Offeree shall be entitled to purchase all Offered Units that have not been accepted by giving notice to that effect to the Offeror within 10 days from the expiry of the Acceptance Period;

(b) if the Offeree gives an Acceptance to the Offeror within the Acceptance Period (or the additional 10-day period referred to in the preceding paragraph) for all Offered Units, the Offeror shall sell the Offered Units to the Offeree and the Offeree shall purchase the Offered Units thirty (30) days after the giving of the Acceptance at the price and on the terms and conditions set out in the Notice of Sale; and

(c) in any other case (subject to compliance with Section 11.6 hereof), within ninety (90) days after the expiration of the Acceptance Period (and additional 10 day period where applicable), the Offeror may sell the Offered Units to any Person at a price and on terms and conditions no less favourable to the Offeror than the price and terms and conditions set out in the Notice of Sale.

(3) For greater certainty:

(a) failure of the Offeree to reply to the Notice of Sale within the Acceptance Period (or additional 10-day period, where applicable) shall be construed as a decision not to accept the offer to sell the Offered Units under this Section; and

(b) if the consideration to be received by the Offeror from the Arm's Length third party is one which cannot be matched in kind by the Offeree, the Offeror must set out in the Notice of Sale its bona fide estimate of the value in cash of said consideration. If the Notice of Sale does not include an estimate as aforesaid, the Offeree may request such estimate, in which event the Acceptance Period shall be suspended until such estimate is received by the Offeree. In case of dispute as to the reasonableness of the estimate, the matter shall be suspended until a final settlement or a final and non-appealable decision in that respect.

11.6 Piggy-Back.

(1) If any Class A Partner (the "**Majority Unitholder**") delivers a Notice of Sale and the Offered Units comprise more than fifty percent (50%) of the issued and outstanding Class A Units, the

Offeree may, during the Acceptance Period, give a notice (the "**Piggy-Back Notice**") to the Offeror setting out its willingness to accept an offer to sell all but not less than all of the Offeree's (and Offeree's Affiliates') Units (the "**Piggy-Back Units**") at the same price and on the same terms and conditions as those set out in the Notice of Sale, except only that the closing of the sale of the Piggy-Back Units shall be conditional upon the closing of the transaction contemplated by the Notice of Sale.

(2) If (and only if) the Offeree has given a Piggy-Back Notice to the Offeror within the Acceptance Period and if no other Offeree has delivered an Acceptance for all Offered Units, the Offeror shall only be entitled to sell the Offered Units to the extent that all Units held by the Offeree that has given such a Piggy-Back Notice are concurrently purchased by the Arm's Length third party under the terms and conditions set out in the Notice of Sale.

11.7 Parties to Facilitate Transfers. Each of the Parties agrees to give and execute all necessary consents and approvals to a Transfer of an interest which is permitted under this Agreement promptly after the relevant provisions of this Agreement relating to such Transfer have been complied with.

11.8 Transferee to be Bound. Notwithstanding anything to the contrary in this Agreement, no Limited Partner shall sell, assign or transfer any of its Units to any Person other than an existing Limited Partner until such Person shall have agreed in writing to be bound by the provisions contained in this Agreement that were applicable to the transferor on the date of the sale, assignment or transfer.

11.9 Exercise of Rights Under Shareholders' Agreement. The Parties acknowledge that the shareholders' agreement dated the date hereof with respect to the General Partner contains provisions similar to this Article 11. The Parties agree that if any provision similar to any of the provisions contained in this Article 11 is exercised under the shareholders' agreement by a Party or a Party's Affiliate, the respective Party will exercise the corresponding provision contained in this Agreement with respect to the same percentage interest of Class A Units and provide the required documentation at any time in the process simultaneous with the other. For greater certainty, the intent is that if a Partner acquires an additional interest or divests its interest of Class A Units in the Partnership pursuant to this Article 11, that the Party or its Affiliates will acquire or divest themselves of an equal percentage of equity interest in the General Partner.

ARTICLE 12
SALE

12.1 Title. Each of the Partners warrants one with the other and with the Partnership that it shall have good and marketable title to the Securities which it may from time to time sell to the other and that the Partner purchasing such Securities will acquire such Securities free of encumbrances of any kind and further warrants that it will indemnify the other Partner and the Partnership against any loss which it may suffer as a result of there being any encumbrance upon or any defect in title to such Securities.

12.2 Date and Time of Closing. Any sale and purchase of Securities between the Parties provided for Article 11 shall be closed at the offices of the solicitors of the Partnership at 10:00 o'clock in the forenoon on the day provided for in the relevant Section hereof or on such other day as may be agreed upon by the relevant parties, the actual day and time when the said sale and purchase are to be closed being herein referred to as the "**Date of Closing**" or the "**Time of Closing**" respectively.

12.3 Payment of Purchase Price. At the Time of Closing, the Partner selling its Securities shall deliver certificates representing its Securities duly endorsed in blank for transfer and the Partner purchasing such Securities shall deliver a certified cheque for the purchase price of the Securities being purchased by such Partner.

12.4 Partner Indebtedness to the Partnership. If, at the Date of Closing, the Partner selling its Securities shall be indebted to the Partnership in an amount recorded on the books of the Partnership and verified by the accountants or auditors of the Partnership, the Partner purchasing its Securities shall pay the purchase price of the Securities to the Partnership, and the Partnership shall deduct such debt therefrom and shall forthwith pay the balance, if any, to the Partner selling its Securities.

12.5 Partnership Indebtedness to Partner.

(1) If, at the Date of Closing, the Partnership shall be indebted to the Partner selling its Securities in an amount recorded on the books of the Partnership and verified by the accountants or auditors of the Partnership, then, at the option of the Partner purchasing the Securities:

(a) the Partnership shall pay such debt to the Partner selling its Securities by certified cheque at the Time of Closing; or

(b) the Partner purchasing the Securities shall reimburse and repay the Partner selling its Securities for the full amount of the indebtedness of the Partnership to the Partner selling its Securities and the Partner purchasing the Securities shall thereby acquire the indebtedness of the Partnership owed to the Partner selling the Securities.

12.6 Set-Off. Amounts owing to the Partnership by a selling Partner pursuant to Section 12.4 hereof may be set-off against amounts owing by the Partnership to such Partner pursuant to Section 12.5 hereof, and vice versa.

12.7 Partner Guarantees. If, at the Date of Closing, the Partner selling its Securities shall have any personal guarantees, securities or covenants pledged with any Person to secure an indebtedness, liability or obligation of the Partnership, then the Partnership and the Partner purchasing its Securities shall use all reasonable efforts to deliver up or cause to be delivered up to the Partner selling its Securities and cancel or cause to be cancelled such guarantees, securities and/or covenants at or before the Time of Closing. If such is not possible after the purchasing Partner shall have used its reasonable efforts to procure such cancellation, the purchasing Partner shall, at the Time of Closing and in form reasonably satisfactory to counsel for the Partner selling its Securities, indemnify and save harmless the Partner selling its Securities from and against all claims arising out of any such guarantees, securities and/or covenants whenever such claims arise, and provide to the selling Partner such security in respect thereof as may be reasonably required by the selling Partner.

ARTICLE 13
APPOINTMENT, CHANGE, RESIGNATION OR REMOVAL OF GENERAL PARTNER

13.1 Assignment or Transfer of Partnership Interest of General Partner. The General Partner shall not sell, assign or otherwise dispose of its interest as the general partner in the Partnership except with the approval of Class A Partners who each hold individually or with Affiliates more than ten percent (10%) of the Class A Units; provided, however, that the General Partner may resign as general partner of the Partnership provided that the General Partner has complied with Section 13.2 hereof.

13.2 Resignation.

(1) The General Partner may resign on written notice to the Limited Partners, and such resignation will become effective upon the earlier of:

(a) one hundred twenty (120) days after written notice thereof is given as aforesaid; and

(b) the admission of a new General Partner to the Partnership by Special Resolution.

The General Partner will be deemed not to have resigned if the effect thereof would be to dissolve the Partnership.

13.3 Replacement.

(1) Except as provided for in this Section 13.3, the General Partner may not be removed as general partner of the Partnership.

(2) Upon the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy, dissolution, liquidation or winding-up or the making of any assignment for the benefit of creditors of the General Partner, or upon the appointment of a receiver of the assets and undertaking of the General Partner, or upon the General Partner failing to maintain its corporate status, the General Partner shall cease to be qualified to act as general partner hereunder and shall be deemed to have been removed thereupon as the general partner of the Partnership effective upon the appointment of a new general partner. The insolvency or bankruptcy of the General Partner shall not cause the Partnership to be dissolved or terminated and such insolvency or bankruptcy shall not be a ground for applying to any court of competent jurisdiction to have the Partnership wound up or dissolved or its interest in the Partnership property partitioned. A new general partner shall, in such instances, be appointed by Special Resolution.

13.4 Bankruptcy or Dissolution. The General Partner will be deemed to have submitted his resignation as the General Partner in the event of the bankruptcy or insolvency of the General Partner (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner; but such resignation will not be effective until the admission of a new General Partner by Special Resolution.

13.5 Transfer of Management.

(1) On the admission of a new general partner to the Partnership on the resignation, removal or withdrawal of the General Partner, the outgoing general partner shall do all things and shall take all

steps to immediately and effectively transfer the administration, management and operation, assets, books, records and accounts of the Partnership to the new general partner including the execution of all registrations, bills of sale, certificates, declarations and other documents whatsoever which may be necessary to effect such change and to convey all the assets of the Partnership held by the General Partner to the new general partner of the Partnership. All costs of such transfer shall be for the account of the Partnership.

(2) On the resignation, removal or withdrawal of the General Partner and the admission of a new general partner, (i) the resigning or retiring General Partner will, at the cost of the Partnership, to the extent required, transfer title to the Partnership property to such new general partner and will execute all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion, and (ii) assign to the new general partner all Units owned by the resigning general partner, for the Fair Market Value thereof as determined by the auditors of the Partnership for the time being of the Partnership.

13.6 Release. Upon the resignation, removal or withdrawal of the General Partner, the Partnership and the Limited Partners shall release and hold harmless the General Partner from all Losses suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after the effective time of such resignation, removal or withdrawal.

13.7 New General Partner. A new General Partner will become a Party to this Agreement by signing a counterpart hereof and will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a Party to this Agreement.

ARTICLE 14
POWER OF ATTORNEY

14.1 Appointment

(1) Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner, and any successor to the General Partner under the terms of this Agreement, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to:

(a) execute, swear to, acknowledge, deliver, file and/or record in the appropriate public office in any jurisdiction which the General Partner considers appropriate any and all of

(i) all declarations and other instruments necessary or appropriate to qualify or to continue the qualification of, the Partnership as a limited partnership in Quebec and each other jurisdiction where the Partnership may conduct business;

(ii) all instruments and certificates necessary or appropriate to reflect any amendment, change or modification of the Partnership in accordance with the terms of this Agreement;

(iii) all conveyances and other instruments or documents necessary to reflect the dissolution and liquidation of the Partnership including cancellation of any declarations; and

(iv) all instruments relating to the admission of additional or substituted Limited Partners; and

(b) execute and file with any government body any documents necessary or appropriate to be filed in connection with the business of the Partnership or in connection with this Agreement.

(2) The power of attorney granted herein, being coupled with an interest, is irrevocable and shall survive the assignment, to the extent of the obligations of a Limited Partner hereunder, by the Limited Partner of the whole or any part of the Units of the Limited Partner in the Partnership and shall be binding upon the successors and assigns of the Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument thereon and by listing all the Limited Partners executing such instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations and actions made or taken by the General Partner pursuant to such power of attorney and hereby waives any and all defences which may be available to negate or disaffirm the action of the General Partner taken in good faith under such power of attorney.

ARTICLE 15
NOTICES

15.1 Method of Giving Notice. All notices pertaining to this Agreement not explicitly permitted to be in a form other than writing will be in writing and will be addressed to the other Party as follows:

If to the Partnership: Fort St. James FuelCo Limited Partnership

c/o Prince George FuelCo Inc.
The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

with a copy to:

c/o Fengate Capital Management Ltd.
5000 Yonge Street, Suite 1805
Toronto, Ontario M2N 7E9
Attention: Vice-President
Facsimile number: (416) 488-3359

If to the General Partner: Prince George FuelCo Inc.

c/o Fort St. James Fuel HoldCo Inc.
The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

with a copy to:

c/o Fengate Capital Management Ltd.
5000 Yonge Street, Suite 1805
Toronto, Ontario M2N 7E9
Attention: Vice-President
Facsimile number: (416) 488-3359

If to PG HoldCo LP: Prince George Fuel HoldCo Limited Partnership

c/o Fort St. James Fuel HoldCo Inc.
The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

with a copy to:

c/o Fengate Capital Management Ltd.
5000 Yonge Street, Suite 1805
Toronto, Ontario M2N 7E9
Attention: Vice-President
Facsimile number: (416) 488-3359

If to Dalkia LP: Dalkia Canada Inc.

The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

15.2 Method of Giving Notice.

(1) Notices will be delivered or transmitted as set out below, and will be considered to have been received by the other Party:

(a) on the date of delivery if delivered by hand or by courier prior to 5:00 p.m. (local time of the recipient) on a Business Day and otherwise on the next following Business Day (it being agreed that the burden of establishing delivery will be on the Party delivering the notice);

(b) in those circumstances where electronic transmission (other than transmission by facsimile) is expressly permitted under this Agreement, on the date of delivery if delivered prior to 5:00 p.m. (local time of the recipient) on a Business Day and otherwise on the next following Business Day, provided that a copy of such notice is also delivered by regular post within a reasonable time thereafter;

(c) on the Business Day following the date of transmission by facsimile, if transmitted prior to 5:00 p.m. (local time of the recipient) on a Business Day and otherwise on the next following Business Day, provided that a copy of such notice is also delivered by regular post within a reasonable time thereafter; and

(d) on the fifth (5th) Business Day following the date of mailing by registered post.

(2) Notwithstanding Subsection 15.2(1), if regular post service, facsimile or other form of electronic communication is interrupted by strike, slowdown, a force majeure event or other cause, a notice, direction or other instrument sent by the impaired means of communication will not be deemed to be received until actually received, and the Party sending the notice will utilize any other such service which has not been so interrupted to deliver such notice.

ARTICLE 16
AMENDMENT

16.1 Change of Partners. This Agreement may be amended by the General Partner, without notice to or consent of any of the Limited Partners, to reflect the admission, resignation or withdrawal of any Limited Partner, or the assignment by any Limited Partner of its Partnership Interest under or pursuant to the terms hereof or the Act.

16.2 Amendment with Approval of Limited Partners and General Partner. Unless otherwise provided, this Agreement may only be amended by written approval of all the Limited Partners; but an amendment to this Agreement which will in any manner allow any Limited Partner to take part in the management of the Business will be void.

ARTICLE 17
DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

17.1 Events of Dissolution.

(1) The Partnership will be dissolved on the earlier of the occurrence of the following events:

(a) the passage of a resolution of the General Partner approving the dissolution and winding-up of the Partnership which shall provide for the terms and manner in and upon which the Partnership property shall be disposed of; or

(b) sale, transfer or other disposition of all of the assets of the Partnership,

but, notwithstanding anything herein to the contrary, no dissolution of the Partnership shall occur until a notice of the dissolution is registered and published as prescribed under *The Business Names Registration Act* (Manitoba).

ARTICLE 18
CONFIDENTIALITY

18.1 Confidentiality.

(1) No Partner shall, while it directly or indirectly holds Units and at all times after it ceases to be a Partner, directly or indirectly, disclose any Confidential Information to any Person, except:

(a) to its Affiliates;

(b) to the professional advisors of such Partner or its Affiliates and who either are bound by the duties of their engagement to maintain the confidentiality of the Confidential Information or enter into a confidentiality agreement in a form reasonably acceptable to the Partnership;

(c) as authorized by the Partnership; or

(d) as required by Law (if the Partner has immediately notified the Partnership of that requirement of Law, unless precluded by Law from doing so).

(2) Each Partner shall use at least the same degree of care in maintaining the confidentiality of the Confidential Information as it uses in maintaining the confidentiality of its own confidential or proprietary information, but in no event with less care than is reasonable given the nature of the information.

(3) No Partner shall use or copy any Confidential Information, except:

(a) to advance the business of the Partnership;

(b) to exercise its rights or to comply with its obligations under this Agreement;

(c) as authorized by the Partnership; or

(d) as required by Law (if the Partner has immediately notified the Partnership of that requirement of Law, unless precluded by Law from doing so).

(4) The Partnership may at any time require a Partner that ceases to be a Partner to immediately deliver to the Partnership or, at the Partnership's option, to immediately erase or destroy, any documents and other materials and copies and translations of them (whether recorded, stored or reproduced in or on any medium or by means of any device) containing any Confidential Information in the Partner's possession or control. The Partner shall provide evidence satisfactory to the Partnership that all those documents, materials, copies and translations have been delivered, erased or destroyed.

(5) Each Partner acknowledges that a breach or threatened breach of its obligations under this 18.1 would result in irreparable harm to the Partnership that could not be calculated or adequately compensated by recovery of damages alone. Each Partner therefore agrees that the Partnership shall be entitled to interim or permanent injunctive relief, specific performance and other equitable remedies.

ARTICLE 19
GENERAL

19.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Manitoba and the Laws of Canada applicable therein and shall be treated in all respects as a Manitoba contract.

19.2 Severability. Each provision of this Agreement is intended to be severable. If any provision hereof is found to be unenforceable by a court of competent jurisdiction, then such provision will be deemed to be severed from this Agreement and the remainder of this Agreement will not be affected and will remain in full force and effect to the extent permitted by Law.

19.3 Limited Partner Not a General Partner. If any provision of this Agreement has the effect of imposing upon any Limited Partner any of the liabilities or obligations of the General Partner or the Partnership, such provision will be of no force or effect.

19.4 Time of Essence. Time shall be of the essence of this Agreement.

19.5 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same document. Each counterpart so executed will constitute an original and all counterparts will be construed together and will constitute one and the same agreement.

19.6 Further Assurances. The Parties agree to execute and deliver such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their votes and influence, and perform and cause to be performed such further and other acts and things, as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

19.7 Binding Effect. This Agreement will be binding upon and enure to the benefit of the Parties, their respective heirs, executors, administrators and other legal personal representatives and, to the extent permitted hereunder, their respective successors and assigns.

19.8 Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof. There are no conditions, covenants, representations, warranties, or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth herein.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have signed this Limited Partnership Agreement as of the day and year first above written.

PRINCE GEORGE FUELCO INC.

By: _____
Name: Xavier Pietri
Title: President

PRINCE GEORGE FUEL HOLDCO LIMITED PARTNERSHIP represented by its general partner Fort St. James Fuel HoldCo Inc.

By: _____
Name: Xavier Pietri
Title: President

DALKIA CANADA INC.

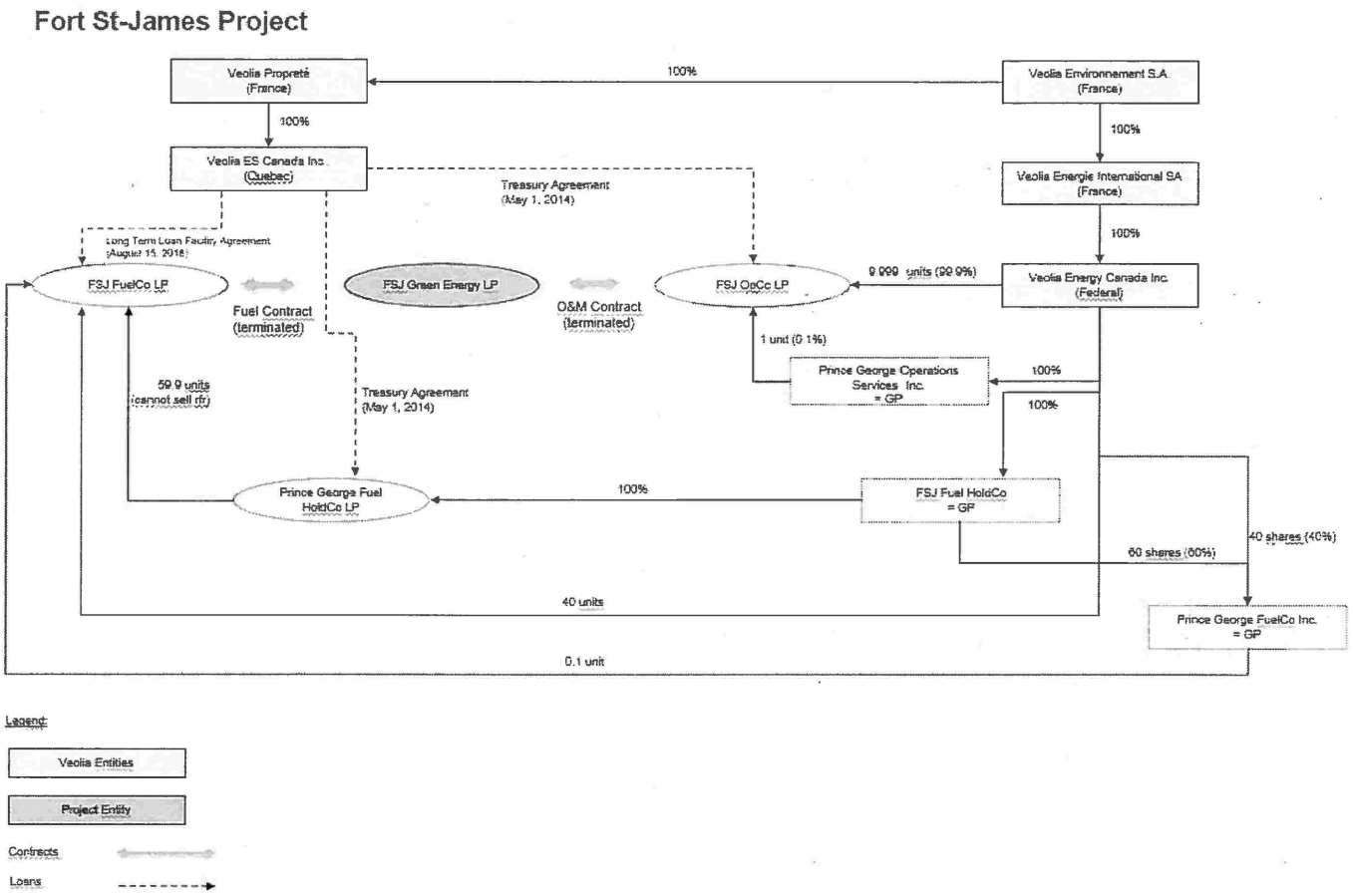
By: _____
Name: Xavier Pietri
Title: President

This is Exhibit "B" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

A Commissioner for Taking Affidavits in the Province of British Columbia

EXHIBIT "B"

Project Simplified Organizational Chart



This is Exhibit "C" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

A Commissioner for Taking Affidavits in the Province of British Columbia

LONG TERM LOAN FACILITY AGREEMENT

between

FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

Borrower

and

VEOLIA ES CANADA, INC.

Lender

dated August 15, 2016

THIS AGREEMENT IS MADE BETWEEN

(1) **Fort St. James Fuelco Limited Partnership**, a limited partnership under the laws of Canada, whose registered address is 201 Portage Avenue, Suite 2200, Winnipeg, MB R3B 3L3, Canada,

hereinafter referred to as the "**Borrower**",

AND

(2) **Veolia ES Canada, Inc.**, a corporation incorporated under the laws of Canada, whose registered address is 1705 3ème Avenue, Montreal, Quebec H1B 5M9, Canada

hereinafter referred to as the "**Lender**"

collectively, the "**Parties**" and each, individually, a "**Party**".

WHEREAS

(A) The Borrower is a joint venture, of which Veolia Environnement SA indirectly holds 70%,

(B) Considering the need for financing expressed by the Borrower and its financing forecasts and in particular, capital expenditures associated with a new chipping facility for the Borrower, the Lender agreed to provide a long-term loan / line of credit, in an aggregate amount of up to CAD 7,500,000 (seven million five hundred thousand Canadian dollars) (the "**Loan**").

(C) The Loan is subject to the terms and conditions of this agreement (the "**Agreement**").

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS - INTERPRETATION

1.1. Definitions

In this Agreement except where the context otherwise requires:

"**Breakage Costs**" means, in the event of a prepayment of all, or part, of the Loan, the difference, if any, between:

(i) the interests which the Lender should have received for the amount prepaid, from the date of prepayment up to the last day of the current Interest Period; and

(ii) the amount which the Lender would be able to obtain, by placing an amount equal to the prepaid amount, on deposit with a leading bank for the period stated in (i) above.

"**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in Montréal and in the principal financial centers of Canada;

"**CAD**" refers to the Canadian Dollar, the lawful currency of Canada;

"**CDOR**" means:

(i) the Canadian dollar offered rate for the offering of deposits in CAD in the Canadian interbank market for a period comparable to the Interest Period displayed (before any correction, recalculation or republication by the administrator) on the "CDOR" page of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) at 11:00 (the "CDOR Screen Rate"); or

(ii) if the CDOR Screen Rate is not available, the arithmetic mean of the rates (rounded upward to four decimal places) as calculated by the Lender of the interest rates supplied to the Lender by the Reference Banks for the offering of deposits in CAD to leading banks in the interbank market on the Quotation Day for a period comparable to the Interest Period and for an amount comparable to the Loan;

"**Change of Control**" means any change of the Borrower's voting rights or capital;

"**Commencement Date**" means August 15, 2016;

"**Default**" means an Event of Default or an event which, with the giving of notice, expiry of any applicable grace period or due to any decision taken based on this Agreement, would constitute an Event of Default;

"**Event of Default**" means any event specified as such in Clause 16 (*Events of Default*);

"**Final Maturity Date**" means August 14, 2026;

"**Interest Period**" means the interest period of the Loan as determined in accordance with Clause 8 (*Interest Period*);

"**Margin**" means 5.25% per annum;

"**Material Adverse Effect**" means that the legal or financial ability of the Borrower to perform its payment obligations under this Agreement is affected in a material way or the financial condition of the Borrower is significantly altered;

"**Quotation Day**" means, for any Interest Period, the second Business Day before the first day of the relevant Interest Period;

"**Reference Banks**" means the banks designated by the Lender; and

"**Reference Rate**" means CDOR 3 months.

1.2. Construction

1.2.1. In this Agreement, unless the contrary intention appears, any reference to:

(a) "**assets**" includes present and future properties, revenues and rights of every description;

(b) an "**authorisation**" includes any authorisation, consent, approval, resolution, licence, exemption or registration;

(c) "**indebtedness**" includes any obligation, whether incurred as principal or as surety, for the payment or repayment of money, whether present or future, actual or contingent;

(d) a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month;

(e) a "**person**" includes any individual, company, unincorporated association or body of persons (including a partnership, joint venture or consortium), government, state, agency, international organisation or other entity;

(f) a "**regulation**" includes any decree, regulation, rule, official directive, guideline or recommendation (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(g) "**tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) existing on the Commencement Date or created afterwards;

(h) a provision of law is a reference to that provision as amended or re-enacted;

(i) a clause or an annex is a reference to a clause of or an annex to this Agreement;

(j) a person includes its successors, transferees and assigns; and

(k) this Agreement is a reference to this Agreement as amended or supplemented from time to time.

1.2.2. The annexes form an integral part of the Agreement and have the same binding force as the other provisions of the Agreement.

1.2.3. Unless the contrary intention appears, a time of day is a reference to Montreal time.

1.2.4. A Default or an Event of Default is deemed "outstanding" as long as it has not been remedied or waived.

2. LOAN

Subject to the terms of this Agreement, the Lender agrees to make the Loan available to the Borrower, which accepts it.

3. PURPOSE

The Borrower shall apply all amounts borrowed under the Loan towards capital expenditures associated with a new chipping facility.

The Lender shall not be obliged to enquire or monitor the application of any amount borrowed under this Agreement, nor will it be liable for such enquiry or monitoring.

4. AVAILABILITY

4.1. On the Commencement Date, the Lender will make the Loan available by credit to the Borrower's current account open in the books of the Lender, if any, or to the Borrower's bank account, details of which shall have been given to the Lender no later than five Business Days before the Commencement Date.

4.2. The Lender will not be compelled to make the Loan available if on the Commencement Date :

(a) a Default is outstanding or the making of the Loan could result in a Default; or

(b) the representations and warranties stated in Clause 14 (*Representations and warranties*) and to be repeated on the Commencement Date are not correct in all material respects.

5. REPAYMENT

Without prejudice to the provisions of Clause 6 (*Voluntary prepayment*), the Loan shall be repaid in full on the Final Maturity Date.

6. PREPAYMENT

6.1 Illegality

If it becomes unlawful, for either Party, to perform its obligations as contemplated by this Agreement or to fund or maintain the Loan:

(a) it will inform the other Party, as soon as possible;

(b) the Loan will be immediately cancelled; and

(c) all sums due under this Agreement in principal, interest, default interest, commissions and fees will become immediately due and payable.

6.2 Voluntary prepayment

6.2.1 The Borrower may, at any time, prepay the Loan, in whole or in part.

6.2.2 Any prepayment under this Clause shall:

(a) take place on a Business Day; and

(b) be notified to the Lender no later than 5.00 p.m. (Eastern Time) five Business Days before the proposed prepayment date.

6.2.3 Any notice of voluntary prepayment is irrevocable.

6.3 Mandatory prepayment

The Lender may, by notice to the Borrower, cancel the Loan and declare all sums owed under this Agreement in principal, interest, default interest, commissions and fees and other expenses, immediately due and payable in any of the following cases:

(a) Change of Control of the Borrower; or

(b) The Loan or the operation underlying the Loan, as the case may be, is not submitted in due time or proper form for necessary filing or registration with or is not granted necessary approval by any relevant *de facto* or *de jure* government (or agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other relevant entity (private or public).

6.4 Miscellaneous provisions

6.4.1 All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and, as the case may be, default interest, commissions, fees and other expenses payable in relation to this sum.

6.4.2 In case of a voluntary prepayment, the Lender may request the Borrower to pay the Breakage Costs caused by such prepayment (if any), on the date of that prepayment.

6.4.3 Any amount prepaid under this Clause 6 may not be borrowed again.

7 INTEREST

7.1 Calculation and payment of interest

7.1.1 The outstanding amount of the Loan will bear interest at a rate per annum equal to the sum of :

(a) the Reference Rate, and

(b) the Margin.

7.1.2 Accrued interest on the outstanding amount of the Loan will be paid by the Borrower on the last day of each Interest Period (or if the Interest Period exceeds six months, every six months after the Commencement Date), in accordance with Clause 17 (*Payments and Calculations*).

7.2 Priority of interest and principal payment over dividend payment

7.2.1 Unless the Lender has given its prior written consent, the Borrower shall not pay any dividend to its shareholders as long as any interest and principal payments are outstanding under this Agreement.

7.3 Default interest

7.3.1 Any sum payable by the Borrower to the Lender under this Agreement which is not paid on its due date shall bear interest, from the relevant due date (inclusive) until its actual date of payment (exclusive), at a rate per annum equal to the interest rate which would be calculated in accordance with Clause 7.1 (*Calculation and payment of interest*) on the relevant due date, as if such sum were an amount of principal of the Loan, plus 2%.

7.3.2 Default interest pursuant to Clause 7.3.1 shall accrue automatically as of right and without need of notification (*mise en demeure*) by the Lender. The payment by the Borrower of default interest shall not constitute the grant of an extension of the due date for the overdue amount or any waiver of the Lender's rights under this Agreement in relation to such overdue amount, and Clause 16 (*Events of Default*) shall remain fully applicable.

7.4 All-in rate (*taux effectif global*)

7.4.1 The parties expressly acknowledge that as a result of the characteristics of this Agreement and in particular the reference to a variable rate, it is not possible to determine the All-in Rate on the date of execution of this Agreement.

7.4.2 For instance, assuming CDOR 3 months is equal to 0.897%% per annum on August 5, 2016, then the All in Rate would be 6.147% per annum before the loan utilisation fee of 0.35%.

7.4.3 If the all-in rate is less than zero, it will be deemed to be zero.

7.5 Notification

The Lender shall notify the Borrower, as soon as practicable of all interest rate determined pursuant to Clauses 7.1 and 7.3. Such interest rates will bind the Parties, save in case of manifest error.

8 INTEREST PERIODS

8.1 The Loan shall have interest periods of 3 months (each an "**Interest Period**"), provided that the first Interest Period shall start on the Commencement Date and end on the following earliest date: March 31st, June 30th, September 30th or December 31st.

8.2 If an Interest Period would end on a day which is not a Business Day, it will be extended to the following Business Day, unless such Business Day is in a different calendar month, in which case it will be shortened to the preceding Business Day.

8.3 If an Interest Period would end on a day which is past the Final Maturity Date, it will be automatically shortened so that there is no overrunning of the Final Maturity Date.

9 CHANGES TO THE CALCULATION OF INTEREST

9.1 If on a Quotation Day, the Lender determines that it is not possible, for any reason, to determine the Reference Rate as stated in Clause 1.1 (*Definitions*), it will immediately inform the Borrower and the following provisions of Clause 9 will apply.

9.2 The Lender and the Borrower shall enter into negotiations in order to determine, in good faith, a mutually acceptable substitution rate for the relevant Interest Period. If, within thirty days, the Borrower and the Lender have agreed on a substitute rate, it will apply retrospectively to the whole Interest Period.

9.3 If no agreement is reached within these thirty days, the applicable interest rate will be equal to the cost of funding of the Lender, plus the Margin.

10 UTILISATION FEE

10.1 The Borrower shall pay to the Lender an utilisation fee on the outstanding amount of the Loan, calculated *prorata temporis*, at the rate of 0.35% (zero point thirty five per cent) per annum.

10.2 The accrued utilisation fee shall be paid to the Lender on the last day of each Interest Period (or if the Interest Period exceeds six months, every six months after the Commencement Date) and for the last time on the Final Maturity Date, by debit of the Borrower's current account.

11 TAXES

11.1 All payments to be made by the Borrower under this Agreement shall be made net of any tax or deduction for or on account of any taxes, whether actual or future.

11.2 Without prejudice to the above provisions, if a tax withholding or deduction applies, the Borrower shall increase its payments so that the Lender receives, after making the relevant withholding or deduction, the amount it would have been entitled to receive, had no withholding or deduction been required.

12 INCREASED COSTS

12.1 If, after the Commencement Date, the Lender incurs any increased cost due to (i) the introduction of any new law or regulation, or (ii) any change in the interpretation of any existing law or regulation, or (iii) a change in the application of an existing law or regulation by any official authority, it shall notify the Borrower immediately and provide an estimate of the relevant increased cost and applicable indemnity. The Lender shall also deliver to the Borrower any evidence or receipts of the aforementioned calculation, as soon as practicable.

12.2 The following provisions shall then apply:

(a) the Borrower and the Lender will enter into good faith negotiations to avoid or mitigate those costs; and

(b) if no agreement is found within thirty days following the receipt of the written notice set forth in Clause 12.1 above, the Borrower shall be entitled to :

(i) either continue the Loan, and bear the increased costs applicable from the date of receipt of the written notice set forth in Clause 12.1 above; or

(ii) terminate this Agreement and within seven Business Days prepay all sums owed under this Agreement in principal, interest, fees and others expenses while bearing the increased costs until the prepayment date.

12.3 In this Agreement, **"increased cost"** means any reduction in the effective return of the Lender or any additional cost or charge incurred by the Lender as a result of maintaining the Loan.

13 INDEMNITIES

Without prejudice to the other provisions of this Agreement, the Borrower shall, upon documented request, indemnify the Lender for:

(a) all costs and expenses (including any legal fees, taxes and breakage costs) reasonably incurred by the Lender in connection with the enforcement of, or the preservation of any rights under this Agreement (including by reason of an Event of Default); and

(b) all costs and expenses reasonably incurred by the Lender in responding to, evaluating, negotiating or complying with any amendment requested by the Borrower.

14 REPRESENTATIONS AND WARRANTIES

The Borrower makes the following representations and warranties to the Lender.

14.1 Status

The Borrower is duly incorporated and validly existing as a company under the laws of Canada. It has the power to own its assets and carry on its business.

14.2 Powers and authority

It has the power to enter into and perform this Agreement and the transactions contemplated by this Agreement.

14.3 Legal validity

This Agreement constitutes its legal, valid and binding obligations enforceable in accordance with its terms.

14.4 Authorisations

All authorisations required in connection with the entry into, performance, validity and enforceability of this Agreement have been obtained or effected and are in full force and effect.

14.5 Non-conflict

The entry into this Agreement and performance of the transactions contemplated by this Agreement do not conflict (i) with any law or regulation applicable to it or (ii) with its constitutional documents or (iii) with any agreement or instrument binding upon it.

14.6 *Pari passu* ranking

Its payment obligations under this Agreement (provided that such obligations do not benefit from a priority of payment according to any security interest (sûreté) granted under this Agreement) rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

14.7 No default

No Default is outstanding or may result from the Loan.

14.8 No material adverse change

There has been no material adverse change in the condition of the Borrower (whether financial, commercial, legal or otherwise) or in the prospects of the Borrower since the end of its last fiscal year.

14.9 Repetition of representations and warranties

The representations and warranties set out in this Clause 14 will, except for Clause 14.2, be repeated at the beginning of each Interest Period.

15 UNDERTAKINGS

The undertakings in this Clause will remain in force from the Commencement Date for so long as any amount is outstanding under this Agreement.

15.1 Information

The Borrower shall:

(a) promptly upon becoming aware of it, notify the Lender of any Default, together with the details of such Default and the steps taken to remedy such Default;

(b) promptly upon becoming aware of it, notify the Lender of any event (and in particular, any litigation, arbitration or administrative proceedings which are current or pending) which could have a Material Adverse Effect; and

(c) provide the Lender with any information or document, which the Lender may request in accordance with its internal auditing or control procedures, or which is requested by any regulatory authority.

15.2 Status

The Borrower shall do all such things as are necessary to maintain its corporate existence and ensure that it has the right and is duly qualified to conduct its business.

15.3 Authorisations

The Borrower shall obtain or maintain any authorisations required, as the case may be, to enable it to perform this Agreement.

15.4 *Pari passu* ranking

The Borrower shall procure that its payment obligations under this Agreement (provided that such obligations do not benefit from a priority of payment according to any security interest granted pursuant to this Agreement) will rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

15.5 Compliance with law

The Borrower shall comply with any law or regulation which is or may become applicable to it.

16 EVENTS OF DEFAULT

Each of the events set out in this Clause is an Event of Default.

16.1 Non-payment

The Borrower does not pay on the due date any amount of principal, interest, commissions, fees or expenses payable by it under this Agreement.

16.2 Breach of other obligations

The Borrower does not comply with any provision of this Agreement or breaches any of its undertakings under this Agreement.

16.3 Misrepresentation

A representation made by the Borrower is incorrect when made or repeated.

16.4 Cross default

(a) The Borrower fails to pay on the due date (after expiry of any applicable grace period) any sum due in respect of any financial indebtedness.

(b) Any financial indebtedness of the Borrower is declared, or becomes capable of being declared, payable as a result of a default of the Borrower or any other condition or event (howsoever described).

(c) The action or omission of the Borrower has resulted in an event of default under the contract as a result of a default of the Borrower or any other condition or event (howsoever described in such contract).

16.5 Insolvency

The Borrower:

(a) takes steps for its winding up or liquidation;

(b) an involuntary or voluntary case is commenced against the under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian, *administrateur judiciaire* or other officer having similar powers over the Borrower or over all or a substantial part of its property, shall have been entered; or the involuntary or voluntary appointment of an interim receiver, trustee or other custodian of the Borrower or for all or a substantial part of its property occurs; or a warrant of attachment or execution is issued, or a similar process is initiated, against any substantial part of the property of the Borrower, ;

(c) is in a situation where a moratorium is declared in respect of any of its debts;

(d) suspends making payments on any of its debts or admits inability to pay its debts as they fall due;

(e) becomes insolvent for the purpose of any insolvency law; or

(f) begins negotiations with one or more creditors with a view to the readjustment or rescheduling of any its debts.

16.6 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower.

16.7 Cessation of Business

The Borrower ceases, or takes clear steps to cease, to carry on all or a substantial part of its business.

16.8 Material adverse change

Any event or series of events occurs which has a Material Adverse Effect.

16.9 Acceleration

On and at any time after the occurrence of an Event of Default, and whilst the same is continuing, the Lender may, by notice to the Borrower:

(a) cancel the Loan; and/or

(b) declare all sums owed under this Agreement in principal, interest, default interest, commissions, fees and other expenses immediately due and payable.

17 PAYMENTS AND CALCULATIONS

17.1 All sums due by the Borrower under this Agreement shall be paid by debit of the Borrower's current account opened in its name in the Lender's books, or by transfer to the Lender's bank account, references of which shall have been provided to the Borrower no later than 11.00 a.m. two Business Days before the date of payment.

17.2 Any payment made to the Lender shall be allocated in the following order:

(a) first, to the reimbursement of commissions;

(b) second, to the payment of any default interest;

(c) third, to the payment of any unpaid interest; and

(d) fourth, to the payment of any unpaid principal.

17.3 All payment under this Agreement shall be made on a Business Day. If a payment is due on a day which is not a Business Day, such payment will be deferred to the following Business Day, unless such Business Day is in a different calendar month, in which case the payment will be made on the preceding Business Day.

17.4 All payments under this Agreement shall be made in EUR unless otherwise expressly agreed.

17.5 Interest shall be capitalised on the sums which remain outstanding under this Agreement and interest will accrue on these sums in accordance with Clause 7.3 (*Default interest*).

17.6 Any interest, commission or fee will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

18 SET OFF

18.1 If any amount due to the Lender under this Agreement is not paid on the due date or in accordance with this Agreement, the Lender may recover that sum by way of set off.

18.2 Any sum due by the Borrower under this Agreement will be paid for its gross amount without set off.

19 CHANGES TO THE PARTIES

19.1 This Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Lender and their respective permitted successors and assigns.

19.2 The Borrower may not assign, transfer or dispose of any of its rights and/or obligations under this Agreement, including by way of merger or demerger, without the prior agreement of the Lender.

19.3 The Lender may at any time assign or transfer any of its rights and obligations, upon notice to the Borrower.

20 NOTICES

Any communication to be made under or in connection with this Agreement shall be made to the following addresses (or any other address notified under this Clause). A notice shall be deemed validly made on the date of its effective receipt by the addressee, i.e. the date mentioned on the acknowledgement of receipt.

For the Borrower:

Fort St. James Fuelco Limited Partnership
Attention: Andrew Rovansek, Director of Finance (Veolia North America, Municipal & Commercial Business - Canada)
Email: andrew.rovansek@veolia.com

For the Lender:

Veolia ES Canada, Inc.
Att: Treasurer
treasuryssc@veolia.com **and** brian.sullivan@veolia.com

21 MISCELLANEOUS

21.1 Waivers and remedies cumulative

Failure by any Party to exercise or any delay in exercising its rights under this Agreement or under applicable law shall not operate as a waiver of these rights, and shall not be interpreted as such. The rights stipulated in this Agreement are cumulative with, and shall not prejudice, any other rights granted by law to the Parties.

21.2 Severability

In the event that any of the provisions of this Agreement is held to be void or unenforceable under applicable law, the other provisions of this Agreement will not be affected unless a Party can demonstrate that the relevant provision was essential in its decision to enter into this Agreement and it would not have entered in this Agreement without this provision.

22 APPLICABLE LAW – JURISDICTION

22.1 The Agreement shall be governed by the laws of Quebec, Canada.

22.2 Any dispute relating to its validity, construction or performance shall be exclusively settled by the by the courts of Montreal, Quebec.

[The signature page follows]

On August 15, 2016, in two originals,

Veolia ES Canada, Inc.

By: Brian Sullivan, Treasurer

Fort St. James Fuelco Limited Partnership
By: Prince George Fuelco, Inc., its General Partner

By: John Gibson, Chief Operating Officer

FIRST AMENDMENT TO THE LONG TERM LOAN AGREEMENT DATED AUGUST 15, 2016 BETWEEN VEOLIA ES CANADA, INC. AND FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

THIS First Amendment (the "**Amendment**") to the August 15, 2016, Long Term Loan Facility Agreement (the **"Agreement"**) shall be effective as of January 1, 2018 among Veolia ES Canada, Inc. (**VESC - LENDER**) and Fort St. James Fuelco Limited Partnership (**FSJ - BORROWER**).

WITNESSETH:

WHEREAS

A. VESC and FSJ are parties to a Long Term Loan Facility dated August 15, 2016.

B. Pursuant to additional capital requirements at FSJ (the Borrower in which Veolia Environnement SA indirectly holds 70%), VESC (a wholly owned indirect subsidiary of Veolia Environnement S.A.) and FSJ wish to amend the Long Term Loan Agreement to increase the maximum value of funds available under the Long-Term Loan Amount by *CAD 7,500,000 (Seven Million Five Hundred Thousand Canadian Dollars)*;

NOW, THEREFORE, VESC and FSJ hereby agree as follows:

1. Definitions

Terms defined in the Long Term Loan Facility Agreement and not otherwise defined in this Amendment shall have the same meanings when used in this Amendment.

2. Amendments

2.1. *Clause-2 - Loan* shall be amended as follows:

*"**Loan**" means the maximum amount in principal of the funds made available by the Lender to the Borrower pursuant to this Agreement, i.e. CAD 15,000,000 (Fifteen Million Canadian Dollars), an increase of CAD 7,500,000 (Seven Million Five Hundred Thousand Canadian Dollars) from the August 15, 2016 amount, to the extent not reduced in accordance with Clause 5;*

2.2 Priority of interest and principal payment over dividend payment

2.2.1 As is the case in the initial Agreement dated August 15, 2016, the Borrower shall not pay any dividend to its shareholders as long as any interest and principal payments are outstanding under this Agreement, unless the Lender has given its prior written consent..

3. Ratification

Except as amended by this Amendment, the Long Term Loan Agreement remains in full force and effect and is hereby ratified and confirmed.

4. Counterparts

This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts (including by electronic transmission) and all of said counterparts shall be deemed to constitute one and the same instrument.

5. Governing Law and Jurisdiction

The Agreement shall be governed by the laws of Quebec, Canada.

Any dispute relating to its validity, construction or performance shall be exclusively settled by the by the courts of Montreal, Quebec.

[The signature page follows]

On January 1, 2018, in two originals,

Veolia ES Canada, Inc.

By: Brian Sullivan, Treasurer

Fort St. James Fuelco Limited Partnership
By: Prince George Fuelco, Inc., its General Partner

By: John Gibson, Chief Operating Officer

In two original copies

SECOND AMENDMENT TO THE LONG TERM LOAN AGREEMENT BETWEEN VEOLIA ES CANADA, INC. AND FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

THIS Second Amendment (the "**Amendment**") to the August 15, 2016, Long Term Loan Facility Agreement (the **"Agreement"**) shall be effective as of August 1, 2019 among Veolia ES Canada, Inc. (**VESC - LENDER**) and Fort St. James Fuelco Limited Partnership (**FSJ - BORROWER**).

WITNESSETH:

WHEREAS

A. VESC and FSJ are parties to a Long Term Loan Facility dated August 15, 2016 and the First Amendment of this Loan Facility effective January 1, 2018 as well as subsequent consents to increase the loan amounts

B. Pursuant to additional capital requirements at FSJ (the Borrower in which Veolia Environnement SA indirectly holds 70%), VESC (a wholly owned indirect subsidiary of Veolia Environnement S.A.) and FSJ wish to amend the Long Term Loan Facility to increase the maximum value of funds available *CAD 50,000,000 (Fifty Million Canadian Dollars)*;

NOW, THEREFORE, VESC and FSJ hereby agree as follows:

1. Definitions

Terms defined in the Long Term Loan Facility Agreement and not otherwise defined in this Amendment shall have the same meanings when used in this Amendment.

2. Amendments

2.1. *Clause-2 - Loan* shall be amended as follows:

*"**Loan**" means the maximum amount in principal of the funds made available by the Lender to the Borrower pursuant to this Agreement, i.e. CAD 50,000,000 (Fifty Million Canadian Dollars, to the extent not reduced in accordance with Clause 5;*

2.2 Priority of interest and principal payment over dividend payment

2.2.1 As is the case in the initial Agreement dated August 15, 2016, the Borrower shall not pay any dividend to its shareholders as long as any interest and principal payments are outstanding under this Agreement, unless the Lender has given its prior written consent.

3. Ratification

Except as amended by this Amendment, the Long Term Loan Agreement remains in full force and effect and is hereby ratified and confirmed.

4. Counterparts

This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts (including by electronic transmission) and all of said counterparts shall be deemed to constitute one and the same instrument.

5. Governing Law and Jurisdiction

The Agreement shall be governed by the laws of Quebec, Canada.

Any dispute relating to its validity, construction or performance shall be exclusively settled by the by the courts of Montreal, Quebec.

[The signature page follows]

On April 14, 2020, in two originals,

Veolia ES Canada, Inc.

Brian Sullivan (Apr 14, 2020)

By: Brian Sullivan, Treasurer

Fort St. James Fuelco Limited Partnership
By: Prince George Fuelco, Inc., its General Partner

Jason Salgo (Apr 15, 2020)

By: Jason Salgo, Chief Financial Officer

In two original copies

This is Exhibit "D" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

A Commissioner for Taking Affidavits in the Province of British Columbia

BY EMAIL

May 9, 2022

Fort St. James FuelCo Limited Partnership
3 Bentall Centre
PO Box 49314
Suite 2600- 595 Burrard Street
Vancouver, BC V7X 1L3
Attention: Stephane Jouzier
E-mail: stephane.jouzier@veolia.com

RE: Notice of Termination and Demand for Payment

Ladies and Gentlemen:

Reference is made to the *Long Term Loan Facility Agreement* dated August 15, 2016 (as amended, the "**Agreement**"), between Fort St. James FuelCo Limited Partnership (the "**Borrower**") and Veolia ES Canada Inc. (the "**Lender**"). Unless otherwise defined, all capitalized terms have the meaning ascribed to them in the Agreement.

The Lender is informed that the Borrower has effectively wound down and ceased its operations, a development which has a Material Adverse Effect and leads the Lender to believe that the amounts owing to it under the Agreement will not be paid in the foreseeable future. Moreover, the Lender will not advance additional funds to the Borrower, without which the Borrower will be unable to pay its liabilities as they become due. The Borrower is therefore clearly in default under sections 16.5 and 16.8 of the Agreement.

As of April 30, 2022, the total amount of indebtedness owing by the Borrower to the Lender under the Agreement in principal, interest, costs, and fees represented $62,899,190.65, plus continuing interest (the "**Indebtedness**").

Be advised that unless the totality of the Indebtedness is paid to the Lender by no later than May 19, 2022, the Lender will be entitled to and will immediately exercise its remedies without any further notice or delay, including all of the Lender's rights, remedies and recourses under the Agreement and at law. This Notice of Default and Demand for Payment is sent to you under reserve of the Lender's rights under the Agreement, including its right to raise additional defaults.

Yours Truly,

Brian Clarke, President and CEO
Veolia ES Canada Inc.

Affidavit #1 of
Brian J. Clarke in this case
affirmed May 23, 2022

No.
Estate No.
Province of British Columbia
Bankruptcy Division
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
FORT ST. JAMES FUELCO LIMITED PARTNERSHIP & PRINCE GEORGE FUELCO INC.

AFFIDAVIT

I, Brian J. Clarke, businessperson, of 7907 N. Tripp, Skokie Illinois, 60076, United States of America, **AFFIRM THAT**:

1. I am a President and Chief Executive Officer of the Applicant, Veolia ES Canada Inc. ("**Veolia ES**" or the "**Applicant**"), a creditor and related entity of Fort St. James FuelCo Limited Partnership (the "**LP**"), and Prince George FuelCo Inc. (the "**GP**" and collectively with the LP, herein referred to as the "**Debtors**") and as such, I have personal knowledge of the information deposed to in this affidavit, except where stated to be on information and belief, which information I believe to be true.

A. The Parties and the Project

2. Veolia ES is a company incorporated under the *Canada Business Corporation Act* (R.S.C., 1985, c. C-44) (the "**CBCA**") having its principal place of business at 1705, 3rd Avenue, Montréal, Québec, Canada.

3. The GP is a corporation which was incorporated on October 8, 2013, under the CBCA with its registered office at 2000, Etchemin Street, Lévis, Québec, Canada, G6W 7X6. The GP was incorporated and exclusively acted for the sole purpose of being the general partner of the LP in the context of the Fort St. James Green Energy Project (the "**Project**"), and in such capacity, is liable for all of the debts of the LP.

4. The LP is a single purpose limited partnership that was formed between Prince George Fuel HoldCo Limited Partnership and Veolia Energy Canada Inc. ("**Veolia Canada**"), formerly Dalkia Canada Inc. prior to January 7, 2016, as limited partners, and the GP, as general partner, pursuant to *The Partnership Act* (Manitoba) C.C.S.M. c. P30 and the *Fort St. James FuelCo Limited Partnership Agreement* dated October 30, 2013 (as amended from time to time, the "**LP Agreement**"), a copy of which is attached and marked hereto as **Exhibit "A"**. The LP's registered office is at 2600-595 Burrard St, 3 Bentall Centre, PO Box 49314, Vancouver British Columbia, Canada, V7X 1L3.

5. As further described below, the Debtors were respectively formed and incorporated for the specific purpose of entering into various agreements, acknowledgments and consents with third parties with a view to carry out the supply of fuel to the Project.

6. The Project is an electricity generation project located in Fort St. James, British-Columbia, that involves the burning of biomass. The central entity responsible for entering into different agreements to ensure the development of the Project is Fort St. James Green Energy Limited Partnership ("**ProjectCo**").

7. Veolia ES and the Debtors are part of a French multinational group of companies with activities in three main service and utility areas traditionally managed by public authorities: (i) water management, (ii) waste management and (iii) energy services.

8. The parent company of Veolia ES, Veolia Environnement S.A. (France), through its wholly owned indirect subsidiary, Veolia Canada, holds controlling interests in the entities that provide services to the Project.

9. Attached hereto at **Exhibit "B"**, is a simplified organizational chart showing the Applicant, the Debtors and the main entities to which they are related.

B. Project Financing and Agreements

10. In November 2013, ProjectCo closed on its financing for the Project which was made up of (i) equity investments by Fengate Capital Management Ltd. ("**Fengate Capital**") and Veolia Canada, and (ii) debt financing from a syndicate of secured lenders (the "**Lenders**").

11. The plan for the Project was for it to consume approximately 200,000 metric tonnes (dry) of biomass fuel annually to generate more than 40MW of renewable electricity, enough to power more than 40,000 homes for a year.

12. ProjectCo entered into the following agreements in connection with the Project:

(a) an EPC Contract with Iberdrola Energy Project Canada Corporations for the construction of the power plant located in the District Municipality of Fort St. James, British Columbia (the "**Plant**");

(b) an *Operations & Maintenance Contract* with Fort St James Green Energy General Partner Ltd. and Fort St James Operations Services Limited Partnership ("**OpCo LP**"), dated October 30, 2013 (the "**O&M Contract**"), pursuant to which OpCo LP agreed to provide services in relation to the operation and maintenance of the Project, including the manpower required to run the Plant; and

(c) a *Fuel Supply Agreement* dated October 30, 2013 (the "**Fuel Agreement**") with the LP, pursuant to which the LP agreed to supply fuel in an uninterrupted manner to ProjectCo to be used as fuel for the Plant.

13. The revenue source of the Project was an *Electricity Purchase Agreement* dated December 1, 2011, between British Columbia Hydro and Power Authority and ProjectCo.

14. On August 15, 2016, the Applicant entered into a *Long-Term Loan Facility Agreement* (as may have been amended from time to time, the "**Agreement**") with the GP on behalf of the LP, a copy of which is attached and marked hereto as **Exhibit "C"**. Pursuant to the Agreement, the Applicant agreed, among other things, to make certain amounts available to the Debtors to ensure the development of the Project.

C. Sale of the Project and Winding-up of the Debtors

15. In recent years, the Project ran into several significant issues, including the following:

(a) the Project faced important construction delays and defects, which resulted in higher and unplanned expenses;

(b) shortly after the Plant was constructed, British Columbia was affected by major forest fires, which disrupted the biomass fuel supply in the area and increased Canadian softwood lumber tariffs; and

(c) the closure of several sawmills in the vicinity of the Project site and the unavailability of fuel in the market (caused in part by the forest fires in British Columbia and by the COVID-19 pandemic) made it challenging to deliver fuel that complied with the specifications and requirements of the various agreements with third parties.

16. As a result of the various issues affecting the Project, including those listed above, the Project suffered a significant liquidity shortfall, such that as of December 4, 2020, the Lenders issued a demand letter in (the "**Demand**") as well as a Notice of Intention to Enforce Security (the "**BIA Notice**") pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").

17. In light of the Demand and the BIA Notice which triggered defaults under each of the O&M Contract and the Fuel Agreement, the Lenders, ProjectCo, the LP, OpCo LP, Veolia Canada and Fengate Capital, ultimately entered into of a *Settlement and Release Agreement* dated as of January 12, 2021 (the "**Settlement Agreement**").

18. As part of the Settlement Agreement, the O&M Contract and the Fuel Agreement were terminated on a consensual basis and all amounts owing by ProjectCo thereunder were concurrently released and extinguished. Moreover, a sale process was undertaken for the Project which culminated in a successful sale of the Project.

19. As at the date hereof:

(a) the Debtors have effectively completely wound down their operations, including a successful transfer of their employees to other entities of the Veolia group;

(b) substantially all of the assets of the Debtors have been sold;

(c) the Debtors are unable to satisfy the amounts owing to the Applicant; and

(d) the Debtors are no longer able to meet their obligations as they become due and are insolvent.

20. In this context, the Debtors have not made payments to the Applicant pursuant to the Agreement despite the Applicant having lent them a substantial amount which remains unpaid to date.

21. On May 9, 2022, the Applicant sent a notice of default to the LP, copy of which is attached and marked hereto as **Exhibit "D"**, requesting payment of the total amount of indebtedness owing by the LP to the Applicant under the Agreement in capital, interest, costs and fees, which represented CAD$62,899,190.65 as of April 30, 2022, plus continuing interest (the "**Debt**"). Pursuant to the terms of the Agreement, the Debtors are, as of the date hereof, justly and truly indebted to the Applicant in the sum of the Debt, the whole amount of the Debt is unsecured.

22. Despite the GP having its registered head office in the Province of Quebec, the principal locus of its business operations, and the location of the Project, is in the Province of British Columbia:

(a) The LP's registered office is in Vancouver, British Columbia; and

(b) The power plant, where the operations of the Project are carried out, is located in Fort St. James, in British Columbia.

23. The Debtors, which are part of the same corporate group as the Applicant, do not oppose the Bankruptcy Order sought as the latter will allow for an orderly supervised liquidation and complete wind down of the Debtors on a consolidated basis.

24. I am swearing this affidavit via video conference and am not physically present before the commissioner hereof. In swearing this affidavit, I am advised by the commissioner and do verily believe, that we have followed the process described in the "*Notice to the Profession, the Public and the Media Re: Affidavits for use in Court Proceedings*", issued on March 27, 2020, by Chief Justice C.E. Hinkson of the Supreme Court of British Columbia.

I, Darlene Crimeni, confirm that while connected via video technology, Brian J. Clarke *showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with* Brian J. Clarke *and verify that the pages are identical.*

SWORN BEFORE ME at the city of Vancouver in the Province of British Columbia on May 23, 2022

Commissioner for Taking Affidavits

Brian J. Clarke, President and CEO
VEOLIA ES CANADA INC.

This is Exhibit "A" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

_____

A Commissioner for Taking Affidavits in the Province of British Columbia

FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

LIMITED PARTNERSHIP AGREEMENT

October 30, 2013

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

Page

LIMITED PARTNERSHIP AGREEMENT

This Limited Partnership Agreement dated October 30, 2013 is made

AMONG: **PRINCE GEORGE FUELCO INC.**, a corporation existing under the laws of Canada,

(the "**General Partner**")

AND: **PRINCE GEORGE FUEL HOLDCO LIMITED PARTNERSHIP.**, a limited partnership existing under the laws of the Province of Manitoba,

("**PG HoldCo LP**")

AND: **DALKIA CANADA INC.**, a corporation existing under the laws of Canada,

("**Dalkia LP**")

PREAMBLE

WHEREAS PG HoldCo LP and Dalkia LP desire to form a partnership pursuant to the provisions of the Act (hereinafter defined);

WHEREAS the General Partner and the Limited Partners wish to enter into a limited partnership agreement for the purpose of governing the relationship between the Partners and the conduct, affairs and activities of the Partnership and wish to include provisions that the Partnership shall remain a Single Purpose Entity, the whole in connection with the supply of biomass in connection with the financing, design, construction and the provision of maintenance services and the supply of energy to the Fort St. James Green Energy Project (the "**Project**");

NOW THEREFORE, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** In this Agreement, the following words and phrases have the following meanings, respectively, unless the context otherwise requires:

"**Acceptance**" has the meaning set forth in Section 11.5(2).

"**Acceptance Period**" has the meaning set forth in Section 11.5(2).

"**Act**" means *The Partnership Act* (Manitoba).

"**Affiliate**" of a Person means any Person that directly or indirectly Controls, is Controlled by, or is under common Control with, that Person.

"**Agreement**" means this limited partnership agreement, as it may be amended or supplemented from time to time.

"**Arm's Length**" has the meaning given to it in the Income Tax Act.

"**Business**" has the meaning ascribed thereto in Section 3.1.

"**Business Day**" means any day of the calendar year, other than a Saturday or Sunday or any day on which banks are generally not open for business in Toronto, Ontario or Vancouver, British Columbia.

"**Capital Account**" means, in relation to a Partner, an amount equal to such Partner's Capital Contribution after a deduction therefrom of any capital returned to such Partner and, where the context requires, means the individual account or accounts maintained by the General Partner in the books of the Partnership to which the Partner's respective Capital Contribution is to be credited.

"**Capital Contribution**" means, in relation to a Partner, the sum of money required to be paid to the Partnership by such Partner as a subscription price for Units subscribed by such Partner, together with any additional amounts contributed or to be contributed by such Partner as capital in accordance with this Agreement.

"**Change in Control**" means, with respect to a Person:

(1) any change in ownership, whether beneficial or otherwise, of, or direct or indirect power to vote or transfer, any of the shares or units of ownership of that Person where the effect of such change is to effectively result in control of the decisions made by or on behalf of such Person being with a different entity or entities than prior to such change;

(2) any other change in respect of the power to elect a majority of the directors of the Person or otherwise control the decisions made on behalf of such person; or

(3) any other change of direct or indirect power to direct or cause the direction of the management, actions or policies of that person.

"Class A Partners" has the meaning set forth in Section 11.1(1).

"Class A Units" means the Class A Units of the Partnership as provided in Article 5.

"**Class B Net Capital**" in relation to a Class B Unit means:

(a) the Capital Contribution made in respect of the Class B Unit; minus

(b) distributions made pursuant to Article 7 in respect of the Class B Unit; plus

(c) Taxable Income allocated in respect of the Class B Unit; minus

(d) Taxable Losses allocated in respect of the Class B Unit.

"**Class B Partners**" a Limited Partner holding Class B Units.

"**Class B Pro-Rata Portion**" means the proportion that the number of Class B Units owned by the Class B Partner is to the number of Class B Units owned by all of the Class B Partners.

"**Class B Units**" means the Class B Units of the Partnership as provided in Article 5.

"**Confidential Information**" means all information, documentation, knowledge, data or know-how owned, possessed or controlled by, or relating to, the Partnership or acquired or developed for its benefit, that Partnership treats as confidential including, without limitation, trade secrets, proprietary, business and financial information, but excluding any information:

(1) that is or becomes part of the public domain by publication or otherwise without any breach of this Agreement;

(2) that is obtained on a non-confidential basis from another source acting in good faith without any breach of this Agreement; or

(3) that was not obtained from another source and that can be demonstrated by the recipient to have been known or independently developed by the recipient before disclosure to the recipient.

"**Control**" means the control exercised over a Person by the direct or indirect holding, as owner or other beneficiary, other than solely as the beneficiary of an unrealized security interest, of securities of such Person carrying more than 50% of the maximum possible number of votes that may be cast for the election or appointment of the directors of such Person and, in the case of a limited partnership, means the Control exercised over the general partner(s) thereof; and the terms "**Controlled**" and "**Controlling**" have the meanings correlative to the foregoing.

"**Current Account**" means the account established as set forth in Section 6.5.

"**Date of Closing**" has the meaning set forth in Section 12.2.

"**Declaration**" means the declaration of limited partnership filed under the Act in respect of the Partnership and any amendments filed in respect thereto from time to time.

"**Default Units**" has the meaning set forth in Section 11.4(1).

"**Default Period**" has the meaning set forth in Section 11.4(2).

"**Default Class A Units**" has the meaning set forth in Section 11.4(1)(c)

"**Default Class B Units**" has the meaning set forth in Section 11.4(1)(d).

"**Defaulting Partner**" has the meaning set forth in Section 11.4(1).

"**Event of Change**" has the meaning set forth in Section 11.4(1).

"**Fair Market Value**" means the price determined in an open and unrestricted market between informed prudent parties, that are arm's length parties (as such term is used in the Income Tax Act and under no compulsion to act, expressed in terms of money or money's value, as determined by a reputable independent business valuator retained by the General Partner.

"**Fiscal Year**" means the twelve (12) month period ending on December 31 in each calendar year, or such other date as may be established by the General Partner.

"**Fuel Supplier Liability**" means any potential or outstanding obligation or liability of the Partnership pursuant to the Fuel Supply Agreement, the performance or payment of which is guaranteed pursuant to the guarantee provided by Dalkia International S.A. to Project Co in connection with the Fuel Supply Agreement.

"**Fuel Supply Agreement**" means the agreement to be entered into by the Partnership and Project Co for the supply of biomass in connection with the Project.

"**GAAP**" means generally accepted accounting principles in Canada.

"**General Partner**" means Prince George FuelCo Inc., or any other Person admitted as a general partner of the Partnership and shown on the register maintained by the Partnership as a General Partner.

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder applicable with respect thereto, the whole as same may be amended from time to time.

"**Laws**" means all applicable statutes, codes, ordinances, decrees, rules, regulations, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, decisions, public notices, directions, guidelines relating to the Partnership and/or its Business, or any provisions of such laws, including general principles of common and civil law and equity as may be in force from time to time; and "**Law**" shall mean any one of the foregoing.

"**Limited Partners**" means, collectively, PG HoldCo LP, Dalkia LP and any other Person admitted as a limited partner of the Partnership and shown on the Register as a Limited Partner and "**Limited Partner**" means anyone of them.

"**Losses**" all losses, claims, demands, actions, damages, liabilities, obligations, costs and expenses, including fines, penalties, amounts paid in settlement of claims, and legal fees on a solicitor-client basis, including reasonable disbursements.

"**Majority Unitholder**" has the meaning set forth in Section 11.6(1).

"**Non- Defaulting Partner**" has the meaning set forth in Section 11.4(1).

"**Notice of Sale**" has the meaning set forth in Section 11.5(1).

"**Offered Units**" has the meaning set forth in Section 11.5(1).

"**Offeree**" has the meaning set forth in Section 11.5(1).

"**Offeror**" has the meaning set forth in Section 11.5(1).

"**O&M Contractor**" means Fort St. James Operations Services Limited Partnership.

"**Parties**" means the parties to this Agreement; and "**Party**" means any one of them.

"**Partners**" means collectively, the Limited Partners and the General Partner, and subject to the terms and conditions hereof, their respective successors and assigns, and "**Partner**" means any one of them.

"**Partnership**" means Fort St. James FuelCo Limited Partnership formed under the Declaration and this Agreement.

"**Partnership Interest**" means all right, title and interest in the Partnership of a Partner, including, without limitation, a Partner's Units.

"**Permitted Transferee**" means an Affiliate of the Limited Partner transferring its Units.

"**Person**" means an individual, corporation, body corporate, partnership, trust, unincorporated organization, governmental body or any trustee, executor, administrator or other legal representative or other form of entity or organization of any nature whatsoever, whether now or hereafter in existence.

"**Piggy-Back Notice**" has the meaning set forth in Section 11.6(1).

"**Piggy-Back Units**" has the meaning set forth in Section 11.6(1)

"**Project**" has the meaning set forth in the Preamble.

"**Project Co**" means Fort St. James Green Energy Limited Partnership, its successors and permitted assigns.

"**Proportionate Share**" has the meaning set forth in Section 11.4(1).

"**Pro-Rata Portion**" has the meaning set forth in Section 11.1(1).

"**Securities**" means units and any rights, warrants, options and other instruments entitling the holder, whether or not on a contingency, to acquire units of the Partnership from treasury, and any instruments convertible, whether or not on a contingency, into any of the foregoing.

"**Single Purpose Entity**" means a Person, which:

(1) is formed or organized solely for the purpose of the business of the Partnership as described in Section 3.1;

(2) does not engage, directly or indirectly, in any business other than the business of the Partnership as described in Section 3.1;

(3) holds itself out as being a Person, separate and apart from any other Person;

(4) does not commingle its assets with those of any other Person;

(5) conducts its own business in its own name or, where not so permitted by law, in the name of the General Partner and provided same shall be restricted to the business of the Partnership as described in Section 3.1;

(6) does not acquire obligations or securities of its Partners or any Affiliate thereof other than as permitted by this definition of Single Purpose Entity;

(7) allocates fairly and reasonably any overhead of shared office space;

(8) does and will correct any known misunderstanding regarding its separate identity; and

(9) shall at all times be authorized to carry on business in the Province of British Columbia.

"**Special Resolution**" means (a) any resolution passed by the affirmative vote of each Limited Partner who holds, or together with its Affiliates hold, more than 10% of the Class A Units at a meeting of the Partnership duly called and at which a quorum is present, or (b) any written resolution signed in one or more counterparts by each Limited Partner who holds, or together with its Affiliates hold, more than 10% of the Class A Units.

"**Taxable Income**" or "**Tax Loss**", in respect of any fiscal period means, respectively, the amount of income or loss for tax purposes of the Partnership for such period as determined by the General Partner in accordance with this Agreement and the provisions of the Income Tax Act (including the amount of the taxable capital gain or allowable capital loss from the disposition of each capital property of the Partnership).

"**Time of Closing**" has the meaning set forth in Section 12.2.

"**Transfer**" includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, hypothecation, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes, directly or indirectly, from one Person to another, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing.

"**Transferor**" has the meaning set forth in Section 11.3.

"**Treasury Securities**" has the meaning set forth in Section 11.1(1).

"**Units**" means the Class A Units and the Class B Units of the Partnership as provided for in Article 5.

1.2 Additional Rules of Interpretation.

(1) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(2) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections and Subsections are to Articles, Sections and Subsections of this Agreement.

(3) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated, supplemented or replaced from time to time and in the case of any such amendment, re-enactment, consolidation, supplement or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision.

(4) *Document References.* All references herein to any agreement (including this Agreement) or document mean such agreement or document as amended, restated, supplemented or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

(5) *Currency.* Except as otherwise expressly provided in this Agreement all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

(6) *Reference to Acts Performed by the Partnership or Rights of the Partnership.* For greater certainty, where any reference is made in this Agreement to an act to be performed by the Partnership or to rights of the Partnership, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the General Partner on behalf of the Partnership or some other Person duly authorized to do so by the General Partner or pursuant to the provisions hereof, or to rights of the General Partner, in its capacity as General Partner of the Partnership, as the case may be.

(7) *Preamble and Recitals.* The preamble hereto shall form an integral part of this Agreement.

ARTICLE 2
FORMATION OF PARTNERSHIP AND RELATIONSHIP BETWEEN THE PARTIES

2.1 **Formation of Partnership.** The Parties agree to and hereby form a limited partnership in accordance with the laws of the Province of Manitoba and the provisions of this Agreement with the Parties being, as of the date hereof, the sole Partners in the Partnership. The Partners shall from time to time execute such certificates, statements or other documents, and do such filings and recordings and perform such other acts, as shall be required in order to comply with the requirements of the Laws of the Province of Manitoba for the formation of a limited partnership.

2.2 **Name.** The name of the Partnership shall be FORT ST. JAMES FUELCO LIMITED PARTNERSHIP. The General Partner shall have the right to change the name of the Partnership as it deems appropriate, from time to time, including in order to comply with the Laws of the jurisdiction in which the Partnership may carry on its activities. Accordingly, the General Partner shall file or cause to be filed a Change in a Limited Partnership form or other prescribed form in compliance with the Act and *The Business Names Registration Act* (Manitoba) amending the Declaration by changing the name of the Partnership and the General Partner shall provide notice of the new name to the Partners within twenty (20) days of such change.

2.3 **Principal Office.** The principal office of the Partnership shall at all times be located at the principal business office of the General Partner located in Canada and may be changed from time to time by the General Partner giving notice of such change to the Partners within twenty (20) days of such change. The Business shall be conducted at such place or places as may from time to time be selected or approved by the General Partner.

2.4 **Commencement and Term of Partnership.** The Partnership shall commence as of the date of the registration of the Declaration in accordance with the Act and will continue until dissolution and termination pursuant to the terms hereof. The Partnership will not dissolve or terminate solely by virtue of the admission or resignation of a Partner or the repurchase of a Partner's Unit or solely by virtue of any amendment to the terms of this Agreement. The General Partner shall renew the registration of the Partnership every three (3) years, as prescribed under *The Business Names Registration Act* (Manitoba).

ARTICLE 3
PURPOSE OF THE PARTNERSHIP AND RESTRICTIONS ON THE BUSINESS OF THE PARTNERSHIP

3.1 **Purpose and Business.** The Partnership is a Single Purpose Entity and shall not at any time cease to be a Single Purpose Entity. The Partnership's purpose and Business activities (the "**Business**") are limited to the following:

(1) the supply of biomass for the Project or to any other Person;

(2) the entering into the Fuel Supply Agreement and the performance of its obligations thereunder;

(3) operations interface agreement dated October 30, 2013 among Fort St. James Green Energy Limited Partnership, the O&M Contractor and the Partnership;

(4) the acknowledgement and consent by Fort St. James FuelCo Limited Partnership in favour of Union Bank, N.A.;

(5) the acknowledgement and consent agreement, in respect of the operations interface agreement referred to under Section 3.1(3), among Union Bank, N.A., the Partnership and Fort St. James FuelCo Limited Partnership;

(6) all activities and operations with respect to forest licences or similar rights or entitlements; and

(7) undertaking such other activities as are necessary, desirable or appropriate to carry out the foregoing permitted activities of the Partnership, or ancillary or incidental in connection with such activities, including the entering into of a management services agreement with Dalkia Canada Inc. and the performance of its obligations thereunder, it being understood that the Partnership shall not engage directly or indirectly in any activity other than activities necessary, desirable or appropriate to carry out the foregoing permitted activities.

ARTICLE 4
STATUS AND POWERS OF THE PARTNERS

4.1 Status of the General Partner.

(1) The General Partner represents and warrants to the other Partners that:

(a) it is duly constituted or formed and validly existing under the Laws of the jurisdiction of its incorporation and has the corporate power, authority and capacity to enter into and give full effect to, and perform its obligations, under this Agreement;

(b) the execution and performance of this Agreement has been duly authorized by it and duly executed by or on behalf of the General Partner;

(c) the execution and performance of this Agreement does not and will not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the provisions of any agreement or other instrument to which it is a party or by which it may be bound;

(d) no authorization, consent or approval, other than those obtained is required in connection with its execution or performance of this Agreement;

(e) this Agreement constitutes a valid and binding obligation of the General Partner enforceable against it in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other Laws affecting the enforcement of the rights of creditors and others to the extent that equitable remedies are only available in the discretion of the court from which they are sought;

(f) its Partnership Interest is not a "tax shelter investment" within the meaning assigned by the Income Tax Act; and

(g) it is not a "non-resident" of Canada for the purposes of the Income Tax Act.

(2) The General Partner covenants that:

(a) the representations and warranties set out in Subsection 4.1(1) shall remain true and accurate for so long as it remains the General Partner, including the representation and warranty that that it is not a "non-resident" of Canada within the meaning assigned by the Income Tax Act;

(b) it shall take all actions required to qualify, continue and keep in good standing the Partnership as a limited partnership under the Laws of the Province of Manitoba and to maintain the limited liability of each Limited Partner in each jurisdiction in which the Partnership may carry on business or own or lease property;

(c) it shall devote to the conduct of the Business such time as may be reasonably required for the proper management and administration thereof; and

(d) it shall make, or cause to be made, on its own behalf and on behalf of the Partnership, all such elections, declarations, allocations or filings necessary or desirable throughout the term of the Project.

4.2 Status of the Limited Partners.

(1) Each of the Limited Partners, severally (and not jointly and severally), represents and warrants for itself to the other Partners that:

(a) it is duly constituted or formed and validly existing under the Laws under which it was constituted and has the power, authority and capacity to enter into and give full effect to, and perform its obligations, under this Agreement;

(b) the execution and performance of this Agreement has been duly authorized by it and duly executed by or on behalf such Limited Partner;

(c) the execution and performance of this Agreement does not and will not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the provisions of any agreement or other instrument to which it is a party or by which it may be bound;

(d) no authorization, consent or approval, other than those obtained is required in connection with its execution or performance of this Agreement;

(e) this Agreement constitutes a valid and binding obligation of such Limited Partner enforceable against it in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other Laws affecting the enforcement of the rights of creditors and others to the extent that equitable remedies are only available in the discretion of the court from which they are sought;

(f) its Partnership Interest is not a "tax shelter investment" within the meaning assigned by the Income Tax Act; and

(g) it is not a "non-resident" of Canada for the purposes of the Income Tax Act or, in the case of a Limited Partner that is a partnership, it is a "Canadian partnership" within the meaning assigned by the Income Tax Act.

(2) Each Limited Partner, severally (and not jointly and severally), covenants for itself that:

(a) its representations and warranties set out in Subsection 4.2(1) shall remain true and accurate for so long as it remains a Limited Partner, including the representation and warranty that that it is not a "non-resident" of Canada for the purposes of, or is a "Canadian partnership" within the meaning assigned by, the Income Tax Act;

(b) it shall from time to time promptly provide to the General Partner such evidence of its status as the General Partner may reasonably request; and

(c) it shall make, or cause to be made, all such elections, declarations, allocations or filings necessary or desirable throughout the term of the Project.

(3) Notwithstanding Article 11, each Limited Partner covenants and agrees that it will not transfer or purport to transfer any or all of its Units, if any, to any Person who is or would be unable to truthfully make the representations and warranties in Subsection 4.2(1).

4.3 Compliance with Laws. Each Limited Partner will, on request by the General Partner, immediately execute such certificates, documents and other instruments as may be necessary to comply with any law or regulation of any jurisdiction in Canada pertaining to the continuation, operation and maintenance of the Partnership in good standing.

4.4 Binding Effect of Agreement. Any Person admitted to the Partnership as a Partner shall be subject to and bound by all the provisions of this Agreement as if originally a Party to this Agreement as from the date of its admission.

4.5 Unlimited Liability of General Partner. The General Partner will have unlimited liability for the debts, liabilities and obligations of the Partnership.

4.6 Limited Liability of Limited Partners.

(1) Subject to the provisions of applicable legislation:

(a) the liability of a Limited Partner for the debts, liabilities and obligations of the Partnership will be limited to the amount of such Limited Partner's Capital Contribution and a Limited Partner will not be liable for any further claims or assessments, including, for greater certainty, the debts, liabilities and obligations of any other Partner; and

(b) no provision of this Agreement will have the effect of giving the General Partner the authority or power to increase the liability of a Limited Partner.

ARTICLE 5
UNITS

5.1 Number of Units.

(1) The authorized capital in the Partnership shall consist of an unlimited number of Class A Units and Class B Units. The Partnership Interest of each Partner will be represented by the number of Units issued to such Partner.

(2) The Partnership shall issue Units only as fully-paid and non-assessable for a subscription price of $1 per Unit.

5.2 Attributes of Units.

(1) Each Partner shall have the following rights and obligations in respect of the Class A Units, if any, held by it:

(a) the right to one (1) vote for each Class A Unit held by such Partner; and

(b) the right to distributions (including upon dissolution, liquidation or winding up of the Partnership) made in accordance with Article 7.

(2) Each Partner shall have the following rights and obligations in respect of the Class B Units, if any, held by it:

(a) the right to distributions (including upon dissolution, liquidation or winding-up of the Partnership) made in accordance with Article 7.

(3) On the fifth day following each distribution on the Class B Units, a number of Class B Units equal to the amount of the distributions actually paid to the Class B Partners shall be automatically cancelled without return of capital or other consideration.

5.3 Priorities and Rights of Units. Except as expressly provided in this Agreement, no Partner shall have any preference, priority or right in any circumstance over any other Partner in respect of the Units held by it (other than arising out of or resulting from the number of such Units, respectively, held by such Partner).

5.4 Units Outstanding.

(1) The Parties acknowledge that the Partners hold such number of Units as set forth below on the date hereof in the amounts and the type set forth opposite their names:

Unitholder	Number and Class of Units	Subscription Price ($)	Percentage of Units Outstanding
PG HoldCo LP	5,999 Class A Units	1	59.99%(Class A Units)
Dalkia LP	4000 Class A Units	1	40% (Class A Units)
General Partner	1 Class A Unit	1	0.01%(Class A Units)
TOTAL:	**10,000 Class A Units**		**100% Class A Units**

(2) Subject to the provisions of this Agreement, no Units, in addition to the Units issued and outstanding as set out in Section 5.4, may be issued or offered for issuance by the Partnership, without the consent of the General Partner.

ARTICLE 6
CAPITAL CONTRIBUTIONS

6.1 Capital. The capital of the Partnership shall be the aggregate amount of the Capital Contributions of the Limited Partners and the General Partner. The Partnership Interests of the Partners in the Partnership shall be divided into and represented by Units.

6.2 **Capital Contributions.** As at the date hereof, the initial Capital Contribution of each Partner is $1.00 for each Class A Unit held by such Partner.

6.3 **Withdrawal of Capital.** No Partner will be entitled to withdraw or make a demand for withdrawal of his Capital Contribution in whole or in part except upon the dissolution and termination of the Partnership pursuant to or in accordance with the terms and conditions of this Agreement.

6.4 **Capital Account.**

(1) The General Partner will establish, or cause to be established, a separate Capital Account on the books of the Partnership for each Partner to record the aggregate Capital Contributions of such Partner with respect to each class of Units held by such Partner.

(2) On receipt of a Capital Contribution, the General Partner will credit, or cause to be credited, the Capital Account of a Partner, with respect to the Units in respect of which a Capital Contribution was made, with the amount of such Capital Contribution.

6.5 **Current Account.** The General Partner will establish, or cause to be established, a separate account on the books of the Partnership for each Partner in respect of each class of Units held by such Partner to which the amount of income of the Partnership for accounting purposes allocated to each Partner in respect of each class of Units will be added and to which losses of the Partnership for accounting purposes and all advances or distributions to Partners in respect of each class of Units will be subtracted. For greater certainty the balance of the Current Account may be a negative amount.

6.6 **No Partnership Interest Payable.** No interest will be paid or payable to any Partner on any credit balance in its Capital Account or Current Account unless approved by the Partners and in accordance with the Act.

ARTICLE 7
DISTRIBUTIONS

7.1 **Distributions.**

(1) Subject to the restrictions in any finance documents to which the Partnership is a Party, applicable Laws and to there being adequate provision for capital expenditures, working capital, accruals for liabilities and adequate reserves, the Partnership will use its best efforts to distribute one hundred percent (100%) of all amounts that are available for distribution on a quarterly basis.

(2) Distributions will be made in the following priority:

(a) first, to the extent Class B Units are issued and outstanding, distributions will be made to the Class B Partners up to, in the aggregate, the amount of the Capital Contribution made by each such Class B Partner in respect of the Class B Units, such distributions to be made to the Class B Partners in their respective Class B Pro-Rata Portion; and

(b) second, once distributions equal to the Capital Contribution of the Class B Units have been made, to the Class A Partners in their respective Pro-Rata Portion.

7.2 **Advances.** Distributions otherwise payable to a Limited Partner during a year under Section 7.1, upon the reasonable request of a Limited Partner, shall not be paid to the Limited Partner during the year, but shall be paid to such Limited Partner immediately after the end of the year. The amount otherwise payable to that Limited Partner on a distribution date as a cash distribution shall instead be loaned to the Limited Partner on an interest-free basis, which loan shall be repaid immediately after the end of the year by way of set off against the cash distribution then payable to the Limited Partner pursuant to this Section 7.2. For purposes of this Agreement, except in this Section 7.2, such loans shall be considered cash distributions.

7.3 **Distribution Conditions**

(1) Notwithstanding any other provision of this Agreement, no distribution shall be made on the Class A Units without the consent of Dalkia LP and Fengate (FSJ) Holdings LP (or one of their Affiliates) if the following conditions have not been satisfied and, as a result, Project Co is not entitled to make distributions to its special partners pursuant to the Credit Agreement (as defined in the limited partnership agreement of Project Co):

(a) the Partnership has a minimum annual supply of 20,000 dry metric tons of fuel available until the 10th anniversary of PAD (as defined in the Fuel Supply Agreement), such availability to be demonstrated through one or more subcontracts entered into by the Partnership, provided that the price for fuel under any such subcontract shall be no greater than the price for fuel under the Fuel Supply Agreement; and

(b) from the second anniversary of PAD, the Partnership has an additional annual supply of 35,000 dry metric tons of fuel available until the 10th anniversary of PAD, such availability to be demonstrated through (i) additional harvest licences (either in the name of Project Co or the Partnership) with an annual allowable cut of 250,000 m3 per year, or (ii) one or more subcontracts entered into by the Partnership, provided that the price for fuel under any such subcontract shall be no greater than the price for fuel under the Fuel Supply Agreement, or (ii) a combination of additional harvest licences (based on converting harvest license volumes in m3 into fuel in dry metric tons at a ratio of 0.14 to 1 (i.e., 250,000 m3 x 0.14 = 35,000 ODT)) and subcontracts.

ARTICLE 8
DETERMINATION AND ALLOCATION OF NET INCOME AND LOSS

8.1 **Determination of Net Income or Loss.** At the end of each fiscal year of the Partnership or for any stub period ending on the date of dissolution of the Partnership, the net profits or losses of the Partnership for such year or period shall be determined by the General Partner in accordance with GAAP, consistently applied.

8.2 **Allocation of Income or Loss for Accounting Purposes.**

(1) The loss of the Partnership for accounting purposes for each Fiscal Year shall be allocated at the end of each Fiscal Year as follows:

(a) First, to the holder of the Class B Units at the end of the Fiscal Year in an amount up to, but not exceeding, the aggregate amount of the Capital Account and Current Account balance at the end of the Fiscal Year in respect of the Class B Units held

by the Class B Partner, such loss to be allocated among the Class B Partners in proportion to each Class B Partner's aggregate Capital Account and Current Account balance at the end of the Fiscal Year and once a Class B Partner's aggregate Capital Account and Current Account reaches zero as a consequence of the allocation of a loss, any remaining loss shall be further allocated among only those Class B Partners still having a positive aggregate Capital Account and Current Account Balance; and

(b) Second, to the holders of Class A Units at the end of the Fiscal Year in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year.

(2) The income of the Partnership for accounting purposes for each Fiscal Year shall be allocated at the end of each Fiscal Year as follows:

(a) First, to each of the holders of Class B Units during the Fiscal Year in an amount up to, but not exceeding, the lesser of:

(i) the amount distributed during the Fiscal Year to such holder with respect to its Class B Units pursuant to Section 7.1; and

(ii) the amount by which the losses for accounting purposes previously allocated to the holder of Class B Units exceeds the amount of income for accounting purposes previously allocated to the holder of the Class B Units; and

(b) Second, to the holders of Class A Units at the end of such Fiscal Year in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year.

8.3 Allocation of Taxable Income or Loss.

(1) The Taxable Loss of the Partnership for each Fiscal Year or for any stub period ending on the date of dissolution of the Partnership shall be allocated as follows:

(a) First, to the holders of the Class B Units at the end of the Fiscal Year or period in an amount up to, but not exceeding, the Class B Net Capital Units at the end of the Fiscal Year or period in respect of the Class B Units held by the Class B Partner with such Taxable Loss allocated among the Class B Partners in proportion to each Class B Partner's Class B Net Capital at the of the Fiscal Year or period and once a Class B Partner's Class B Net Capital reaches zero as a consequence of the allocation of a Taxable Loss for the Fiscal Year or period, the remaining Taxable Loss shall be allocated among only those Class B Partners still having a positive balance of Class B Net Capital; and

(b) Second, to the holders of Class A Units at the end of such Fiscal Year or period in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year or period.

(2) The Taxable Income of the Partnership for each Fiscal Year or for any stub period ending on the date of dissolution of the Partnership shall be allocated as follows:

(a) First, to each of the holders of Class B Units during the Fiscal Year or period in an amount up to, but not exceeding, the lesser of:

(i) the amount distributed during the Fiscal Year or period to such holder with respect to its Class B Units pursuant to Section 7.1; and

(ii) the amount by which the Taxable Losses previously allocated to the holder of the Class B Units exceeds the amount of Taxable Income previously allocated to the holder of the Class B Units; and

(b) Second, to the holders of Class A Units at the end of such Fiscal Year or period in proportion to the number of Class A Units held by such Partners at the end of the Fiscal Year or period.

8.4 Computation of Taxable Income or Loss. The General Partner shall have the right, in computing the Taxable Income or Loss of the Partnership, to adopt a different method of accounting than required by Section 8.1, to adopt different treatments of particular items and to make and revoke such elections on behalf of the Partnership and the Partners as the General Partner deems to be appropriate in order to reflect the terms of this Agreement.

8.5 Capital Cost Allowance. In connection with the determination of the Taxable Income or Loss of the Partnership for each fiscal period, unless otherwise agreed by Special Resolution, the General Partner shall deduct the maximum amount of capital cost allowance and other discretionary deductions as may be available to the Partnership for that period under applicable income tax legislation.

8.6 Tax Returns. Each Partner shall prepare and file such documents as may be required to be prepared and filed under the Income Tax Act and any similar provincial statute and shall include in its computation of income the income or loss of the Partnership for tax purposes as may be determined and allocated to it pursuant to this 7.3.

ARTICLE 9
PARTNERSHIP MEETINGS

9.1 Quorum. At any meeting of the Partnership a quorum shall consist of each of the Partners entitled to vote present in person (by authorized representative in the case of a legal person) or represented by proxy. If a quorum is not present at a meeting, such meeting shall be adjourned until a date no sooner than the fifth (5th) Business Day and no later than the tenth (10th) Business Day following the date of the initial meeting.

9.2 Powers Exercisable by Special Resolution.

(1) The Partners who are entitled to vote may by Special Resolution, and not otherwise:

(a) dismiss the General Partner on written notice delivered not later than fourteen (14) days following the occurrence of any of the events described in Article 13, and admit a new General Partner concurrently therewith;

(b) admit a new General Partner to the Partnership;

(c) waive any default on the part of the General Partner on such terms as they may determine and release the General Partner from any claims in respect thereof;

(d) continue the Partnership, if the Partnership is terminated by operation of law; and

(e) subject to Section 16.2, amend, modify, alter or repeal any Special Resolution.

ARTICLE 10
OPERATIONAL MATTERS

10.1 Fiscal Year. The financial year and fiscal year of the Limited Partnership shall end on December 31 in each year.

10.2 Right of Inspection. Each Partner and its accountants and advisors shall, during the regular office hours of the Partnership, upon reasonable notice to the Partnership and in a manner that does not interfere with the Partnership's normal operation of its business, have access to the books and records of the Partnership, make copies from such books and records, examine into the state and progress of the Partnership business, and advise as to the management of the Partnership business, at its sole cost and expense.

10.3 Budget. At least four (4) weeks before the beginning of each fiscal year, the General Partner shall send to each Partner a profit forecast, annual budget and business plan, providing, among other things, a detailed breakdown of projected cash flow, capital expenditures and income of the Partnership.

10.4 Information.

(1) The General Partner will provide to each Partner on an ongoing basis information on the management of the Partnership including, without limitation:

(a) audited consolidated accounts for each financial year and quarterly management accounts and reports;

(b) the budget referred to in Section 10.3 for the forthcoming financial year;

(c) notice of any material events;

(d) copies of all material communications made pursuant to or in connection with the Fuel Supply Agreement; and

(e) all information required to file a tax return of a Partner under the Income Tax Act or a similar provincial statute within the time prescribed under the Laws, and in any case, within 60 days after the end of a fiscal year of the Partnership.

10.5 Partner Loans and Guarantees. Except as otherwise agreed by the Partners, a Partner shall not be required to loan any monies to the Partnership nor to guarantee any obligations of the Partnership.

ARTICLE 11
ISSUANCE AND DISPOSITION OF PARTNERSHIP INTEREST

11.1 Pre-Emptive Rights

(1) In the event that additional capital is required by the Partnership for its continued operations and debt financing is not available on reasonable terms and the Partnership desires to issue any Securities (hereinafter in this Section 11.1 called the "**Treasury Securities**"), it being understood that the issuance of Class B Units shall only be made in accordance with this Section 11.1, then the Partnership

shall deliver to all Limited Partners holding Class A Units (the "**Class A Partners**") a written notice setting out a description of the Treasury Securities, the proposed price (which shall be equal to the fair market value of the Treasury Securities, as determined in accordance with Section 11.4(3) applied *mutatis mutandis*) and the proposed terms and conditions of the issuance (being understood that the price shall be payable in full in cash on the date of the issuance) and the Partnership shall be deemed to have given the right to each Class A Partner to subscribe for that number of Treasury Securities in the proportion that the number of the Class A Units owned by the Class A Partner is to the number of Class A Units owned by all of the Class A Partners (the "**Pro-Rata Portion**"). Where the calculation of the Pro-Rata Portion of Units results in a fraction, then such Class A Partner's Pro-Rata Portion will be increased or decreased to the nearest whole number. No Units shall be issued to any Person other than an existing Limited Partner until such Person shall have agreed in writing to be bound by the provisions contained in this Agreement.

(2) Each Class A Partner shall notify the Partnership of the number of Treasury Securities for which it elects to subscribe, without any obligation to do so, except as provided for in Section 11.1(5). If all of the Treasury Securities are not subscribed for, each Class A Partner which has subscribed for its maximum number of Treasury Securities shall be notified by the Partnership of the number of Treasury Securities remaining unsubscribed and such Class A Partner shall be entitled to purchase all or part of such unsubscribed Treasury Securities and shall notify the Partnership of the number of such unsubscribed Treasury Securities for which it elects to subscribe. This process shall be repeated until all the Treasury Securities are subscribed for or the Class A Partner have decided not to subscribe for any more Treasury Securities.

(3) Failure of a Class A Partner to reply to the notice of the Partnership given pursuant to Section 11.1(1) within 15 days of such notice or to any notice given pursuant to Section 11.1(2) within five (5) days of the notice shall be construed as a decision not to subscribe for Treasury Securities under this Section 11.1.

(4) The issuance and sale of the Treasury Securities pursuant to this Section 11.1 shall be completed at the registered office of the Partnership within thirty (30) days after the Class A Partners have agreed to subscribe for all or part of the Treasury Securities to be issued and the price for the Treasury Securities shall be paid in accordance with the terms of the notice given pursuant to Section 11.1(1) on the completion date against delivery of a certificate or certificates representing the Treasury Securities registered in the name of each Class A Partner who subscribed for Treasury Securities hereunder.

(5) The General Partner shall be entitled to send notices from time to time for the issuance of Units of the Partnership to cover a Fuel Supplier Liability. If the Limited Partners have sufficient funds to cover their Pro-Rata Portion of such Fuel Supplier Liability, then each Limited Partner shall subscribe for Class A Units in an amount equal to its Pro-Rata Portion of the Fuel Supplier Liability. If the funds then held by the Limited Partners are not sufficient to cover their Pro-Rata Portion of the Fuel Supplier Liability:

(a) each Limited Partner shall subscribe for Class A Units in an amount equal to the amount by which the Pro-Rata Portion of the Limited Partners immediately before such subscription would remain unchanged after the subscription (i.e., the subscription will be on a proportionate basis taking into account the funds held by the Limited Partner having the least amount of available funds, on a proportionate basis);

(b) the Limited Partners shall then be entitled to subscribe for Class B Units at $1.00 per Class B Unit in accordance with Sections 11.1(1), 11.1(2), 11.1(3) and 11.1(4) for an aggregate amount equal to the Fuel Supplier Liability minus the aggregate

subscription price paid by the Limited Partners for Class A Units pursuant to Section 11.1(5)(a).

11.2 Restriction on Transfers. Except as otherwise permitted pursuant to the provisions of this Agreement, no Party shall Transfer, directly or indirectly, its interest in the Partnership, or any part thereof, or any right, title or interest therein. A Transfer of any interest in violation of this Agreement shall not be valid and the General Partner shall not register, nor permit any transfer agent to register, any such Transfer on the securities register of the Partnership.

11.3 Permitted Transferees.

(1) A Limited Partner (a "**Transferor**") shall be entitled, upon prior written notice to the General Partner and the other Party, to Transfer all or a part of its interest in the Partnership, to any Permitted Transferee of such Transferor, provided that:

(a) the Permitted Transferee has executed prior to such Transfer a counterpart to this Agreement and upon such execution, the Permitted Transferee shall have all of the rights and obligations of the Transferor hereunder with respect to such interest; and

(b) the Permitted Transferee and the Transferor have agreed, in form and terms satisfactory to the General Partner and the other Party, acting reasonably, that as long as the Permitted Transferee shall hold such interest, the Permitted Transferee shall remain an Affiliate of the Transferor, except where the transfer occurs as a result of the winding-up or dissolution of the Transferor into the Permitted Transferee.

11.4 Bankruptcy or Material Breach.

(1) In the event that any of the following events (an "**Event of Change**") should occur:

(a) a Limited Partner commits an act of bankruptcy, becomes insolvent, goes into liquidation (other than as a result of an internal reorganization or voluntary winding up or dissolution), makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, or a bankruptcy petition is filed or presented against a Limited Partner and is not contested in good faith and discharged within thirty days after it is filed or presented, or a receiver or similar officer is appointed for a Limited Partner or for any substantial part of its or his property; or

(b) a Limited Partner permits to be done or omits to do any act in material breach of this Agreement and fails to rectify the same within thirty (30) days after the giving of a written notice by a non-defaulting Limited Partner requiring such rectification;

then the Limited Partner subject to the Event of Change and its Affiliates (the "**Defaulting Partner**"):

(c) shall be deemed to have offered to sell all of their Class A Units (the "**Default Class A Units**") to each other Limited Partner (the "**Non-Defaulting Partners**") in the proportion that the number of Class A Units owned by each Non-Defaulting

Partner is to the number of Class A Units owned by all Non-Defaulting Partners (the "**Proportionate Share**"); and

(d) shall be deemed to have offered to sell all of their Class B Units (the "**Default Class B Units**") to the Non-Defaulting Partners, in their Proportionate Share.

(2) Within one hundred twenty (120) days after the Non-Defaulting Partner(s) becomes aware of the Event of Change (the "**Default Period**"), a notice accepting its Proportionate Share of the Default Class A Units and/or Default Class B Units may be given by Non-Defaulting Partner(s) to the Defaulting Partner and the other Non-Defaulting Partners. If a Non-Defaulting Partner has not accepted to purchase all its Proportionate Share of the Default Class A Units and/or Default Class B Units, the other Non-Defaulting Partner shall be entitled to purchase all Default Class A Units and/or Default Class B Units that have not been accepted by giving notice to that effect to the Defaulting Partner within 10 days from the expiry of the 120 day-period referred to above. On the day which is the later of:

(a) thirty (30) days after the delivery of the last notice of acceptance delivered in accordance with the above; and

(b) five (5) days following the determination of the purchase price of the Default Class A Units and Default Class B Units in accordance with Section 11.4(3),

if a Non-Defaulting Partner(s) has given a notice of acceptance to the Defaulting Partner for all Default Class A Units and/or Default Class B Units within the Default Period, the Defaulting Partner shall sell the Default Class A Units and/or Default Class B Units to the applicable Non-Defaulting Partner(s) and the Non-Defaulting Partner(s) shall purchase the Default Class A Units and/or Default Class B Units at the price determined pursuant to provisions of Section 11.4(3) and upon the other terms and conditions set out in Article 12. In any other case, the deemed offer by the Defaulting Partner to sell the Default Class A Units and/or Default Class B Units shall be null and void upon expiration of the Default Period. For greater certainty a Non-Defaulting Partner may choose to purchase only the Default Class A Units and not the Default Class B Units.

(3) The purchase price of any Default Class A Units and Default Class B Units, as applicable, being purchased and sold pursuant to the provisions of this Section 11.4 shall be their fair market value as determined by a valuator experienced in the valuation of energy projects, independent from the parties, appointed jointly by the Limited Partners within 30 days from the Event of Change, as at the date of the Event of Change. If the Limited Partners cannot agree on the appointment of the valuator, the Defaulting Partner shall appoint its independent experienced valuator and the Non-Defaulting Partners shall also appoint an independent experienced valuator, in which case the fair market value shall be equal to the average between the fair market value determined by each valuator. The term "fair market value" shall mean the highest price obtainable in an open and unrestricted market between knowledgeable and willing parties dealing at Arm's Length who are fully informed and not under any compulsion to transact. The valuators shall determine such purchase price as experts and not as umpires or arbitrators. The valuators may seek such information from the parties as may, in the opinion of the valuators, be reasonably required to effectively determine such purchase price.

11.5 Right of First Refusal.

(1) If any Limited Partner (the "**Offeror**") desires to sell all or any portion of its Units (the "**Offered Units**") to an Arm's Length third party, the Offeror shall first give a notice (the "**Notice of Sale**") to the other Limited Partners (the "**Offeree(s)**"):

(a) setting out the identity of the Arm's Length third party;

(b) setting out the proposed price and the proposed terms and conditions of the sale;

(c) attaching a copy of any offer received by the Offeror in respect thereof, and

(d) attaching an affidavit of the Offeror or its authorized officer, to the effect that the Offer is a bona fide binding offer which the Offeror wishes to accept,

whereupon the Offeror shall be deemed to have offered to sell the Offered Units to the Offerees in their Proportionate Share at the price and on the terms and conditions contained in the Notice of Sale.

(2) Within thirty (30) days after an Offeree's receipt of the Notice of Sale (hereinafter in this Section 11.5 the "**Acceptance Period**") the Offeree may give a notice (the "**Acceptance**") to the Offeror and the other Offeree, if any, accepting its Proportionate Share of the Offered Units, and:

(a) if there is more than one Offeree and an Offeree has not accepted to purchase all its Proportionate Share of the Offered Units, the other Offeree shall be entitled to purchase all Offered Units that have not been accepted by giving notice to that effect to the Offeror within 10 days from the expiry of the Acceptance Period;

(b) if the Offeree gives an Acceptance to the Offeror within the Acceptance Period (or the additional 10-day period referred to in the preceding paragraph) for all Offered Units, the Offeror shall sell the Offered Units to the Offeree and the Offeree shall purchase the Offered Units thirty (30) days after the giving of the Acceptance at the price and on the terms and conditions set out in the Notice of Sale; and

(c) in any other case (subject to compliance with Section 11.6 hereof), within ninety (90) days after the expiration of the Acceptance Period (and additional 10 day period where applicable), the Offeror may sell the Offered Units to any Person at a price and on terms and conditions no less favourable to the Offeror than the price and terms and conditions set out in the Notice of Sale.

(3) For greater certainty:

(a) failure of the Offeree to reply to the Notice of Sale within the Acceptance Period (or additional 10-day period, where applicable) shall be construed as a decision not to accept the offer to sell the Offered Units under this Section; and

(b) if the consideration to be received by the Offeror from the Arm's Length third party is one which cannot be matched in kind by the Offeree, the Offeror must set out in the Notice of Sale its bona fide estimate of the value in cash of said consideration. If the Notice of Sale does not include an estimate as aforesaid, the Offeree may request such estimate, in which event the Acceptance Period shall be suspended until such estimate is received by the Offeree. In case of dispute as to the reasonableness of the estimate, the matter shall be suspended until a final settlement or a final and non-appealable decision in that respect.

11.6 Piggy-Back.

(1) If any Class A Partner (the "**Majority Unitholder**") delivers a Notice of Sale and the Offered Units comprise more than fifty percent (50%) of the issued and outstanding Class A Units, the

Offeree may, during the Acceptance Period, give a notice (the "**Piggy-Back Notice**") to the Offeror setting out its willingness to accept an offer to sell all but not less than all of the Offeree's (and Offeree's Affiliates') Units (the "**Piggy-Back Units**") at the same price and on the same terms and conditions as those set out in the Notice of Sale, except only that the closing of the sale of the Piggy-Back Units shall be conditional upon the closing of the transaction contemplated by the Notice of Sale.

(2) If (and only if) the Offeree has given a Piggy-Back Notice to the Offeror within the Acceptance Period and if no other Offeree has delivered an Acceptance for all Offered Units, the Offeror shall only be entitled to sell the Offered Units to the extent that all Units held by the Offeree that has given such a Piggy-Back Notice are concurrently purchased by the Arm's Length third party under the terms and conditions set out in the Notice of Sale.

11.7 Parties to Facilitate Transfers. Each of the Parties agrees to give and execute all necessary consents and approvals to a Transfer of an interest which is permitted under this Agreement promptly after the relevant provisions of this Agreement relating to such Transfer have been complied with.

11.8 Transferee to be Bound. Notwithstanding anything to the contrary in this Agreement, no Limited Partner shall sell, assign or transfer any of its Units to any Person other than an existing Limited Partner until such Person shall have agreed in writing to be bound by the provisions contained in this Agreement that were applicable to the transferor on the date of the sale, assignment or transfer.

11.9 Exercise of Rights Under Shareholders' Agreement. The Parties acknowledge that the shareholders' agreement dated the date hereof with respect to the General Partner contains provisions similar to this Article 11. The Parties agree that if any provision similar to any of the provisions contained in this Article 11 is exercised under the shareholders' agreement by a Party or a Party's Affiliate, the respective Party will exercise the corresponding provision contained in this Agreement with respect to the same percentage interest of Class A Units and provide the required documentation at any time in the process simultaneous with the other. For greater certainty, the intent is that if a Partner acquires an additional interest or divests its interest of Class A Units in the Partnership pursuant to this Article 11, that the Party or its Affiliates will acquire or divest themselves of an equal percentage of equity interest in the General Partner.

ARTICLE 12
SALE

12.1 Title. Each of the Partners warrants one with the other and with the Partnership that it shall have good and marketable title to the Securities which it may from time to time sell to the other and that the Partner purchasing such Securities will acquire such Securities free of encumbrances of any kind and further warrants that it will indemnify the other Partner and the Partnership against any loss which it may suffer as a result of there being any encumbrance upon or any defect in title to such Securities.

12.2 Date and Time of Closing. Any sale and purchase of Securities between the Parties provided for Article 11 shall be closed at the offices of the solicitors of the Partnership at 10:00 o'clock in the forenoon on the day provided for in the relevant Section hereof or on such other day as may be agreed upon by the relevant parties, the actual day and time when the said sale and purchase are to be closed being herein referred to as the "**Date of Closing**" or the "**Time of Closing**" respectively.

12.3 Payment of Purchase Price. At the Time of Closing, the Partner selling its Securities shall deliver certificates representing its Securities duly endorsed in blank for transfer and the Partner purchasing such Securities shall deliver a certified cheque for the purchase price of the Securities being purchased by such Partner.

12.4 Partner Indebtedness to the Partnership. If, at the Date of Closing, the Partner selling its Securities shall be indebted to the Partnership in an amount recorded on the books of the Partnership and verified by the accountants or auditors of the Partnership, the Partner purchasing its Securities shall pay the purchase price of the Securities to the Partnership, and the Partnership shall deduct such debt therefrom and shall forthwith pay the balance, if any, to the Partner selling its Securities.

12.5 Partnership Indebtedness to Partner.

(1) If, at the Date of Closing, the Partnership shall be indebted to the Partner selling its Securities in an amount recorded on the books of the Partnership and verified by the accountants or auditors of the Partnership, then, at the option of the Partner purchasing the Securities:

(a) the Partnership shall pay such debt to the Partner selling its Securities by certified cheque at the Time of Closing; or

(b) the Partner purchasing the Securities shall reimburse and repay the Partner selling its Securities for the full amount of the indebtedness of the Partnership to the Partner selling its Securities and the Partner purchasing the Securities shall thereby acquire the indebtedness of the Partnership owed to the Partner selling the Securities.

12.6 Set-Off. Amounts owing to the Partnership by a selling Partner pursuant to Section 12.4 hereof may be set-off against amounts owing by the Partnership to such Partner pursuant to Section 12.5 hereof, and vice versa.

12.7 Partner Guarantees. If, at the Date of Closing, the Partner selling its Securities shall have any personal guarantees, securities or covenants pledged with any Person to secure an indebtedness, liability or obligation of the Partnership, then the Partnership and the Partner purchasing its Securities shall use all reasonable efforts to deliver up or cause to be delivered up to the Partner selling its Securities and cancel or cause to be cancelled such guarantees, securities and/or covenants at or before the Time of Closing. If such is not possible after the purchasing Partner shall have used its reasonable efforts to procure such cancellation, the purchasing Partner shall, at the Time of Closing and in form reasonably satisfactory to counsel for the Partner selling its Securities, indemnify and save harmless the Partner selling its Securities from and against all claims arising out of any such guarantees, securities and/or covenants whenever such claims arise, and provide to the selling Partner such security in respect thereof as may be reasonably required by the selling Partner.

ARTICLE 13
APPOINTMENT, CHANGE, RESIGNATION OR REMOVAL OF GENERAL PARTNER

13.1 Assignment or Transfer of Partnership Interest of General Partner. The General Partner shall not sell, assign or otherwise dispose of its interest as the general partner in the Partnership except with the approval of Class A Partners who each hold individually or with Affiliates more than ten percent (10%) of the Class A Units; provided, however, that the General Partner may resign as general partner of the Partnership provided that the General Partner has complied with Section 13.2 hereof.

13.2 Resignation.

(1) The General Partner may resign on written notice to the Limited Partners, and such resignation will become effective upon the earlier of:

(a) one hundred twenty (120) days after written notice thereof is given as aforesaid; and

(b) the admission of a new General Partner to the Partnership by Special Resolution.

The General Partner will be deemed not to have resigned if the effect thereof would be to dissolve the Partnership.

13.3 Replacement.

(1) Except as provided for in this Section 13.3, the General Partner may not be removed as general partner of the Partnership.

(2) Upon the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy, dissolution, liquidation or winding-up or the making of any assignment for the benefit of creditors of the General Partner, or upon the appointment of a receiver of the assets and undertaking of the General Partner, or upon the General Partner failing to maintain its corporate status, the General Partner shall cease to be qualified to act as general partner hereunder and shall be deemed to have been removed thereupon as the general partner of the Partnership effective upon the appointment of a new general partner. The insolvency or bankruptcy of the General Partner shall not cause the Partnership to be dissolved or terminated and such insolvency or bankruptcy shall not be a ground for applying to any court of competent jurisdiction to have the Partnership wound up or dissolved or its interest in the Partnership property partitioned. A new general partner shall, in such instances, be appointed by Special Resolution.

13.4 Bankruptcy or Dissolution. The General Partner will be deemed to have submitted his resignation as the General Partner in the event of the bankruptcy or insolvency of the General Partner (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner; but such resignation will not be effective until the admission of a new General Partner by Special Resolution.

13.5 Transfer of Management.

(1) On the admission of a new general partner to the Partnership on the resignation, removal or withdrawal of the General Partner, the outgoing general partner shall do all things and shall take all

steps to immediately and effectively transfer the administration, management and operation, assets, books, records and accounts of the Partnership to the new general partner including the execution of all registrations, bills of sale, certificates, declarations and other documents whatsoever which may be necessary to effect such change and to convey all the assets of the Partnership held by the General Partner to the new general partner of the Partnership. All costs of such transfer shall be for the account of the Partnership.

(2) On the resignation, removal or withdrawal of the General Partner and the admission of a new general partner, (i) the resigning or retiring General Partner will, at the cost of the Partnership, to the extent required, transfer title to the Partnership property to such new general partner and will execute all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion, and (ii) assign to the new general partner all Units owned by the resigning general partner, for the Fair Market Value thereof as determined by the auditors of the Partnership for the time being of the Partnership.

13.6 Release. Upon the resignation, removal or withdrawal of the General Partner, the Partnership and the Limited Partners shall release and hold harmless the General Partner from all Losses suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after the effective time of such resignation, removal or withdrawal.

13.7 New General Partner. A new General Partner will become a Party to this Agreement by signing a counterpart hereof and will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a Party to this Agreement.

ARTICLE 14
POWER OF ATTORNEY

14.1 Appointment

(1) Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner, and any successor to the General Partner under the terms of this Agreement, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to:

(a) execute, swear to, acknowledge, deliver, file and/or record in the appropriate public office in any jurisdiction which the General Partner considers appropriate any and all of:

(i) all declarations and other instruments necessary or appropriate to qualify or to continue the qualification of, the Partnership as a limited partnership in Quebec and each other jurisdiction where the Partnership may conduct business;

(ii) all instruments and certificates necessary or appropriate to reflect any amendment, change or modification of the Partnership in accordance with the terms of this Agreement;

(iii) all conveyances and other instruments or documents necessary to reflect the dissolution and liquidation of the Partnership including cancellation of any declarations; and

(iv) all instruments relating to the admission of additional or substituted Limited Partners; and

(b) execute and file with any government body any documents necessary or appropriate to be filed in connection with the business of the Partnership or in connection with this Agreement.

(2) The power of attorney granted herein, being coupled with an interest, is irrevocable and shall survive the assignment, to the extent of the obligations of a Limited Partner hereunder, by the Limited Partner of the whole or any part of the Units of the Limited Partner in the Partnership and shall be binding upon the successors and assigns of the Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument thereon and by listing all the Limited Partners executing such instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations and actions made or taken by the General Partner pursuant to such power of attorney and hereby waives any and all defences which may be available to negate or disaffirm the action of the General Partner taken in good faith under such power of attorney.

ARTICLE 15
NOTICES

15.1 Method of Giving Notice. All notices pertaining to this Agreement not explicitly permitted to be in a form other than writing will be in writing and will be addressed to the other Party as follows:

If to the Partnership

Fort St. James FuelCo Limited Partnership

c/o Prince George FuelCo Inc.
The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

with a copy to:

c/o Fengate Capital Management Ltd.
5000 Yonge Street, Suite 1805
Toronto, Ontario M2N 7E9
Attention: Vice-President
Facsimile number: (416) 488-3359

If to the General Partner: Prince George FuelCo Inc.

c/o Fort St. James Fuel HoldCo Inc.
The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

with a copy to:

c/o Fengate Capital Management Ltd.
5000 Yonge Street, Suite 1805
Toronto, Ontario M2N 7E9
Attention: Vice-President
Facsimile number: (416) 488-3359

If to PG HoldCo LP: Prince George Fuel HoldCo Limited Partnership

c/o Fort St. James Fuel HoldCo Inc.
The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

with a copy to:

c/o Fengate Capital Management Ltd.
5000 Yonge Street, Suite 1805
Toronto, Ontario M2N 7E9
Attention: Vice-President
Facsimile number: (416) 488-3359

If to Dalkia LP: Dalkia Canada Inc.

The Exchange Tower, P.O. Box 427
130 King Street West, Suite 1800
Toronto, Ontario M5X 1E3
Attention: President
Facsimile number: (416) 947-0167
Email: xpietri@dalkia.ca

15.2 Method of Giving Notice.

(1) Notices will be delivered or transmitted as set out below, and will be considered to have been received by the other Party:

(a) on the date of delivery if delivered by hand or by courier prior to 5:00 p.m. (local time of the recipient) on a Business Day and otherwise on the next following Business Day (it being agreed that the burden of establishing delivery will be on the Party delivering the notice);

(b) in those circumstances where electronic transmission (other than transmission by facsimile) is expressly permitted under this Agreement, on the date of delivery if delivered prior to 5:00 p.m. (local time of the recipient) on a Business Day and otherwise on the next following Business Day, provided that a copy of such notice is also delivered by regular post within a reasonable time thereafter;

(c) on the Business Day following the date of transmission by facsimile, if transmitted prior to 5:00 p.m. (local time of the recipient) on a Business Day and otherwise on the next following Business Day, provided that a copy of such notice is also delivered by regular post within a reasonable time thereafter; and

(d) on the fifth (5th) Business Day following the date of mailing by registered post.

(2) Notwithstanding Subsection 15.2(1), if regular post service, facsimile or other form of electronic communication is interrupted by strike, slowdown, a force majeure event or other cause, a notice, direction or other instrument sent by the impaired means of communication will not be deemed to be received until actually received, and the Party sending the notice will utilize any other such service which has not been so interrupted to deliver such notice.

ARTICLE 16
AMENDMENT

16.1 Change of Partners. This Agreement may be amended by the General Partner, without notice to or consent of any of the Limited Partners, to reflect the admission, resignation or withdrawal of any Limited Partner, or the assignment by any Limited Partner of its Partnership Interest under or pursuant to the terms hereof or the Act.

16.2 Amendment with Approval of Limited Partners and General Partner. Unless otherwise provided, this Agreement may only be amended by written approval of all the Limited Partners; but an amendment to this Agreement which will in any manner allow any Limited Partner to take part in the management of the Business will be void.

ARTICLE 17
DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

17.1 Events of Dissolution.

(1) The Partnership will be dissolved on the earlier of the occurrence of the following events:

(a) the passage of a resolution of the General Partner approving the dissolution and winding-up of the Partnership which shall provide for the terms and manner in and upon which the Partnership property shall be disposed of; or

(b) sale, transfer or other disposition of all of the assets of the Partnership,

but, notwithstanding anything herein to the contrary, no dissolution of the Partnership shall occur until a notice of the dissolution is registered and published as prescribed under *The Business Names Registration Act* (Manitoba).

ARTICLE 18
CONFIDENTIALITY

18.1 Confidentiality.

(1) No Partner shall, while it directly or indirectly holds Units and at all times after it ceases to be a Partner, directly or indirectly, disclose any Confidential Information to any Person, except:

(a) to its Affiliates;

(b) to the professional advisors of such Partner or its Affiliates and who either are bound by the duties of their engagement to maintain the confidentiality of the Confidential Information or enter into a confidentiality agreement in a form reasonably acceptable to the Partnership;

(c) as authorized by the Partnership; or

(d) as required by Law (if the Partner has immediately notified the Partnership of that requirement of Law, unless precluded by Law from doing so).

(2) Each Partner shall use at least the same degree of care in maintaining the confidentiality of the Confidential Information as it uses in maintaining the confidentiality of its own confidential or proprietary information, but in no event with less care than is reasonable given the nature of the information.

(3) No Partner shall use or copy any Confidential Information, except:

(a) to advance the business of the Partnership;

(b) to exercise its rights or to comply with its obligations under this Agreement;

(c) as authorized by the Partnership; or

(d) as required by Law (if the Partner has immediately notified the Partnership of that requirement of Law, unless precluded by Law from doing so).

(4) The Partnership may at any time require a Partner that ceases to be a Partner to immediately deliver to the Partnership or, at the Partnership's option, to immediately erase or destroy, any documents and other materials and copies and translations of them (whether recorded, stored or reproduced in or on any medium or by means of any device) containing any Confidential Information in the Partner's possession or control. The Partner shall provide evidence satisfactory to the Partnership that all those documents, materials, copies and translations have been delivered, erased or destroyed.

(5) Each Partner acknowledges that a breach or threatened breach of its obligations under this 18.1 would result in irreparable harm to the Partnership that could not be calculated or adequately compensated by recovery of damages alone. Each Partner therefore agrees that the Partnership shall be entitled to interim or permanent injunctive relief, specific performance and other equitable remedies.

ARTICLE 19
GENERAL

19.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Manitoba and the Laws of Canada applicable therein and shall be treated in all respects as a Manitoba contract.

19.2 Severability. Each provision of this Agreement is intended to be severable. If any provision hereof is found to be unenforceable by a court of competent jurisdiction, then such provision will be deemed to be severed from this Agreement and the remainder of this Agreement will not be affected and will remain in full force and effect to the extent permitted by Law.

19.3 Limited Partner Not a General Partner. If any provision of this Agreement has the effect of imposing upon any Limited Partner any of the liabilities or obligations of the General Partner or the Partnership, such provision will be of no force or effect.

19.4 Time of Essence. Time shall be of the essence of this Agreement.

19.5 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same document. Each counterpart so executed will constitute an original and all counterparts will be construed together and will constitute one and the same agreement.

19.6 Further Assurances. The Parties agree to execute and deliver such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their votes and influence, and perform and cause to be performed such further and other acts and things, as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

19.7 Binding Effect. This Agreement will be binding upon and enure to the benefit of the Parties, their respective heirs, executors, administrators and other legal personal representatives and, to the extent permitted hereunder, their respective successors and assigns.

19.8 Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof. There are no conditions, covenants, representations, warranties, or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth herein.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have signed this Limited Partnership Agreement as of the day and year first above written.

PRINCE GEORGE FUELCO INC.

By: _____
Name: Xavier Pietri
Title: President

PRINCE GEORGE FUEL HOLDCO LIMITED PARTNERSHIP represented by its general partner Fort St. James Fuel HoldCo Inc.

By: _____
Name: Xavier Pietri
Title: President

DALKIA CANADA INC.

By: _____
Name: Xavier Pietri
Title: President

This is Exhibit "B" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

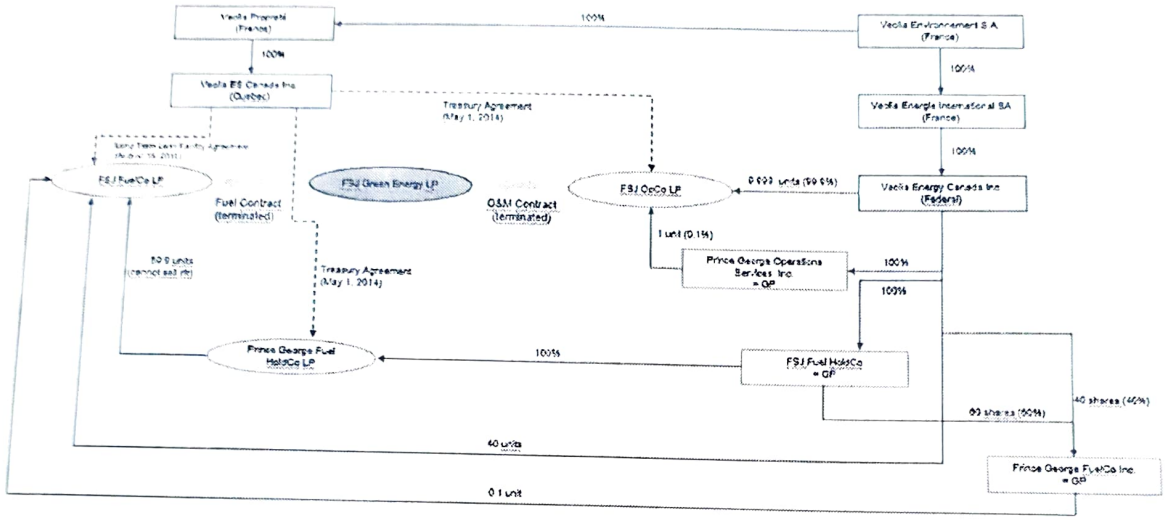
_____

A Commissioner for Taking Affidavits in the Province of British Columbia

EXHIBIT "B"

Project Simplified Organizational Chart

Fort St-James Project



This is Exhibit "C" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

_____

A Commissioner for Taking Affidavits in the Province of British Columbia

LONG TERM LOAN FACILITY AGREEMENT

between

FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

Borrower

and

VEOLIA ES CANADA, INC.

Lender

dated August 15, 2016

THIS AGREEMENT IS MADE BETWEEN

(1) **Fort St. James Fuelco Limited Partnership**, a limited partnership under the laws of Canada, whose registered address is 201 Portage Avenue, Suite 2200, Winnipeg, MB R3B 3L3, Canada,

hereinafter referred to as the "**Borrower**",

AND

(2) **Veolia ES Canada, Inc.**, a corporation incorporated under the laws of Canada, whose registered address is 1705 3ème Avenue, Montreal, Quebec H1B 5M9, Canada

hereinafter referred to as the "**Lender**"

collectively, the "**Parties**" and each, individually, a "**Party**".

WHEREAS

(A) The Borrower is a joint venture, of which Veolia Environnement SA indirectly holds 70%,

(B) Considering the need for financing expressed by the Borrower and its financing forecasts and in particular, capital expenditures associated with a new chipping facility for the Borrower, the Lender agreed to provide a long-term loan / line of credit, in an aggregate amount of up to CAD 7,500,000 (seven million five hundred thousand Canadian dollars) (the "**Loan**").

(C) The Loan is subject to the terms and conditions of this agreement (the "**Agreement**").

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS - INTERPRETATION

1.1. Definitions

In this Agreement except where the context otherwise requires:

"**Breakage Costs**" means, in the event of a prepayment of all, or part, of the Loan, the difference, if any, between:

(i) the interests which the Lender should have received for the amount prepaid, from the date of prepayment up to the last day of the current Interest Period; and

(ii) the amount which the Lender would be able to obtain, by placing an amount equal to the prepaid amount, on deposit with a leading bank for the period stated in (i) above.

"**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in Montréal and in the principal financial centers of Canada;

"**CAD**" refers to the Canadian Dollar, the lawful currency of Canada;

"**CDOR**" means:

(i) the Canadian dollar offered rate for the offering of deposits in CAD in the Canadian interbank market for a period comparable to the Interest Period displayed (before any correction, recalculation or republication by the administrator) on the "CDOR" page of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) at 11:00 (the "CDOR Screen Rate"); or

(ii) if the CDOR Screen Rate is not available, the arithmetic mean of the rates (rounded upward to four decimal places) as calculated by the Lender of the interest rates supplied to the Lender by the Reference Banks for the offering of deposits in CAD to leading banks in the interbank market on the Quotation Day for a period comparable to the Interest Period and for an amount comparable to the Loan;

"**Change of Control**" means any change of the Borrower's voting rights or capital;

"**Commencement Date**" means August 15, 2016;

"**Default**" means an Event of Default or an event which, with the giving of notice, expiry of any applicable grace period or due to any decision taken based on this Agreement, would constitute an Event of Default;

"**Event of Default**" means any event specified as such in Clause 16 (*Events of Default*);

"**Final Maturity Date**" means August 14, 2026;

"**Interest Period**" means the interest period of the Loan as determined in accordance with Clause 8 (*Interest Period*);

"**Margin**" means 5.25% per annum;

"**Material Adverse Effect**" means that the legal or financial ability of the Borrower to perform its payment obligations under this Agreement is affected in a material way or the financial condition of the Borrower is significantly altered;

"**Quotation Day**" means, for any Interest Period, the second Business Day before the first day of the relevant Interest Period;

"**Reference Banks**" means the banks designated by the Lender; and

"**Reference Rate**" means CDOR 3 months.

1.2. Construction

1.2.1. In this Agreement, unless the contrary intention appears, any reference to:

(a) "**assets**" includes present and future properties, revenues and rights of every description;

(b) an "**authorisation**" includes any authorisation, consent, approval, resolution, licence, exemption or registration;

(c) "**indebtedness**" includes any obligation, whether incurred as principal or as surety, for the payment or repayment of money, whether present or future, actual or contingent;

(d) a "**month**" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month;

(e) a "**person**" includes any individual, company, unincorporated association or body of persons (including a partnership, joint venture or consortium), government, state, agency, international organisation or other entity;

(f) a "**regulation**" includes any decree, regulation, rule, official directive, guideline or recommendation (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(g) "**tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) existing on the Commencement Date or created afterwards;

(h) a provision of law is a reference to that provision as amended or re-enacted;

(i) a clause or an annex is a reference to a clause of or an annex to this Agreement;

(j) a person includes its successors, transferees and assigns; and

(k) this Agreement is a reference to this Agreement as amended or supplemented from time to time.

1.2.2. The annexes form an integral part of the Agreement and have the same binding force as the other provisions of the Agreement.

1.2.3. Unless the contrary intention appears, a time of day is a reference to Montreal time.

1.2.4. A Default or an Event of Default is deemed "outstanding" as long as it has not been remedied or waived.

2. LOAN

Subject to the terms of this Agreement, the Lender agrees to make the Loan available to the Borrower, which accepts it.

3. PURPOSE

The Borrower shall apply all amounts borrowed under the Loan towards capital expenditures associated with a new chipping facility.

The Lender shall not be obliged to enquire or monitor the application of any amount borrowed under this Agreement, nor will it be liable for such enquiry or monitoring.

4. AVAILABILITY

4.1. On the Commencement Date, the Lender will make the Loan available by credit to the Borrower's current account open in the books of the Lender, if any, or to the Borrower's bank account, details of which shall have been given to the Lender no later than five Business Days before the Commencement Date.

4.2. The Lender will not be compelled to make the Loan available if on the Commencement Date :

(a) a Default is outstanding or the making of the Loan could result in a Default; or

(b) the representations and warranties stated in Clause 14 (*Representations and warranties*) and to be repeated on the Commencement Date are not correct in all material respects.

5. REPAYMENT

Without prejudice to the provisions of Clause 6 (*Voluntary prepayment*), the Loan shall be repaid in full on the Final Maturity Date.

6. PREPAYMENT

6.1 Illegality

If it becomes unlawful, for either Party, to perform its obligations as contemplated by this Agreement or to fund or maintain the Loan:

(a) it will inform the other Party, as soon as possible;

(b) the Loan will be immediately cancelled; and

(c) all sums due under this Agreement in principal, interest, default interest, commissions and fees will become immediately due and payable.

6.2 Voluntary prepayment

6.2.1 The Borrower may, at any time, prepay the Loan, in whole or in part.

6.2.2 Any prepayment under this Clause shall:

(a) take place on a Business Day; and

(b) be notified to the Lender no later than 5.00 p.m. (Eastern Time) five Business Days before the proposed prepayment date.

6.2.3 Any notice of voluntary prepayment is irrevocable.

6.3 Mandatory prepayment

The Lender may, by notice to the Borrower, cancel the Loan and declare all sums owed under this Agreement in principal, interest, default interest, commissions and fees and other expenses, immediately due and payable in any of the following cases:

(a) Change of Control of the Borrower; or

(b) The Loan or the operation underlying the Loan, as the case may be, is not submitted in due time or proper form for necessary filing or registration with or is not granted necessary approval by any relevant *de facto* or *de jure* government (or agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other relevant entity (private or public).

6.4 Miscellaneous provisions

6.4.1 All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and, as the case may be, default interest, commissions, fees and other expenses payable in relation to this sum.

6.4.2 In case of a voluntary prepayment, the Lender may request the Borrower to pay the Breakage Costs caused by such prepayment (if any), on the date of that prepayment.

6.4.3 Any amount prepaid under this Clause 6 may not be borrowed again.

7 INTEREST

7.1 Calculation and payment of interest

7.1.1 The outstanding amount of the Loan will bear interest at a rate per annum equal to the sum of :

(a) the Reference Rate, and

(b) the Margin.

7.1.2 Accrued interest on the outstanding amount of the Loan will be paid by the Borrower on the last day of each Interest Period (or if the Interest Period exceeds six months, every six months after the Commencement Date), in accordance with Clause 17 (*Payments and Calculations*).

7.2 Priority of interest and principal payment over dividend payment

7.2.1 Unless the Lender has given its prior written consent, the Borrower shall not pay any dividend to its shareholders as long as any interest and principal payments are outstanding under this Agreement.

7.3 Default interest

7.3.1 Any sum payable by the Borrower to the Lender under this Agreement which is not paid on its due date shall bear interest, from the relevant due date (inclusive) until its actual date of payment (exclusive), at a rate per annum equal to the interest rate which would be calculated in accordance with Clause 7.1 (*Calculation and payment of interest*) on the relevant due date, as if such sum were an amount of principal of the Loan, plus 2%.

7.3.2 Default interest pursuant to Clause 7.3.1 shall accrue automatically as of right and without need of notification (*mise en demeure*) by the Lender. The payment by the Borrower of default interest shall not constitute the grant of an extension of the due date for the overdue amount or any waiver of the Lender's rights under this Agreement in relation to such overdue amount, and Clause 16 (*Events of Default*) shall remain fully applicable.

7.4 All-in rate (*taux effectif global*)

7.4.1 The parties expressly acknowledge that as a result of the characteristics of this Agreement and in particular the reference to a variable rate, it is not possible to determine the All-in Rate on the date of execution of this Agreement.

7.4.2 For instance, assuming CDOR 3 months is equal to 0.897%% per annum on August 5, 2016, then the All in Rate would be 6.147% per annum before the loan utilisation fee of 0.35%.

7.4.3 If the all-in rate is less than zero, it will be deemed to be zero.

7.5 **Notification**

The Lender shall notify the Borrower, as soon as practicable of all interest rate determined pursuant to Clauses 7.1 and 7.3. Such interest rates will bind the Parties, save in case of manifest error.

8 INTEREST PERIODS

8.1 The Loan shall have interest periods of 3 months (each an "**Interest Period**"), provided that the first Interest Period shall start on the Commencement Date and end on the following earliest date: March 31st, June 30th, September 30th or December 31st.

8.2 If an Interest Period would end on a day which is not a Business Day, it will be extended to the following Business Day, unless such Business Day is in a different calendar month, in which case it will be shortened to the preceding Business Day.

8.3 If an Interest Period would end on a day which is past the Final Maturity Date, it will be automatically shortened so that there is no overrunning of the Final Maturity Date.

9 CHANGES TO THE CALCULATION OF INTEREST

9.1 If on a Quotation Day, the Lender determines that it is not possible, for any reason, to determine the Reference Rate as stated in Clause 1.1 (*Definitions*), it will immediately inform the Borrower and the following provisions of Clause 9 will apply.

9.2 The Lender and the Borrower shall enter into negotiations in order to determine, in good faith, a mutually acceptable substitution rate for the relevant Interest Period. If, within thirty days, the Borrower and the Lender have agreed on a substitute rate, it will apply retrospectively to the whole Interest Period.

9.3 If no agreement is reached within these thirty days, the applicable interest rate will be equal to the cost of funding of the Lender, plus the Margin.

10 UTILISATION FEE

10.1 The Borrower shall pay to the Lender an utilisation fee on the outstanding amount of the Loan, calculated *prorata temporis*, at the rate of 0.35% (zero point thirty five per cent) per annum.

10.2 The accrued utilisation fee shall be paid to the Lender on the last day of each Interest Period (or if the Interest Period exceeds six months, every six months after the Commencement Date) and for the last time on the Final Maturity Date, by debit of the Borrower's current account.

11 TAXES

11.1 All payments to be made by the Borrower under this Agreement shall be made net of any tax or deduction for or on account of any taxes, whether actual or future.

11.2 Without prejudice to the above provisions, if a tax withholding or deduction applies, the Borrower shall increase its payments so that the Lender receives, after making the relevant withholding or deduction, the amount it would have been entitled to receive, had no withholding or deduction been required.

12 INCREASED COSTS

12.1 If, after the Commencement Date, the Lender incurs any increased cost due to (i) the introduction of any new law or regulation, or (ii) any change in the interpretation of any existing law or regulation, or (iii) a change in the application of an existing law or regulation by any official authority, it shall notify the Borrower immediately and provide an estimate of the relevant increased cost and applicable indemnity. The Lender shall also deliver to the Borrower any evidence or receipts of the aforementioned calculation, as soon as practicable.

12.2 The following provisions shall then apply:

(a) the Borrower and the Lender will enter into good faith negotiations to avoid or mitigate those costs; and

(b) if no agreement is found within thirty days following the receipt of the written notice set forth in Clause 12.1 above, the Borrower shall be entitled to :

(i) either continue the Loan, and bear the increased costs applicable from the date of receipt of the written notice set forth in Clause 12.1 above; or

(ii) terminate this Agreement and within seven Business Days prepay all sums owed under this Agreement in principal, interest, fees and others expenses while bearing the increased costs until the prepayment date.

12.3 In this Agreement, "**increased cost**" means any reduction in the effective return of the Lender or any additional cost or charge incurred by the Lender as a result of maintaining the Loan.

13 INDEMNITIES

Without prejudice to the other provisions of this Agreement, the Borrower shall, upon documented request, indemnify the Lender for:

(a) all costs and expenses (including any legal fees, taxes and breakage costs) reasonably incurred by the Lender in connection with the enforcement of, or the preservation of any rights under this Agreement (including by reason of an Event of Default); and

(b) all costs and expenses reasonably incurred by the Lender in responding to, evaluating, negotiating or complying with any amendment requested by the Borrower.

14 REPRESENTATIONS AND WARRANTIES

The Borrower makes the following representations and warranties to the Lender.

14.1 Status

The Borrower is duly incorporated and validly existing as a company under the laws of Canada. It has the power to own its assets and carry on its business.

14.2 Powers and authority

It has the power to enter into and perform this Agreement and the transactions contemplated by this Agreement.

14.3 Legal validity

This Agreement constitutes its legal, valid and binding obligations enforceable in accordance with its terms.

14.4 Authorisations

All authorisations required in connection with the entry into, performance, validity and enforceability of this Agreement have been obtained or effected and are in full force and effect.

14.5 Non-conflict

The entry into this Agreement and performance of the transactions contemplated by this Agreement do not conflict (i) with any law or regulation applicable to it or (ii) with its constitutional documents or (iii) with any agreement or instrument binding upon it.

14.6 *Pari passu* ranking

Its payment obligations under this Agreement (provided that such obligations do not benefit from a priority of payment according to any security interest (sûreté) granted under this Agreement) rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

14.7 No default

No Default is outstanding or may result from the Loan.

14.8 No material adverse change

There has been no material adverse change in the condition of the Borrower (whether financial, commercial, legal or otherwise) or in the prospects of the Borrower since the end of its last fiscal year.

14.9 Repetition of representations and warranties

The representations and warranties set out in this Clause 14 will, except for Clause 14.2, be repeated at the beginning of each Interest Period.

15 UNDERTAKINGS

The undertakings in this Clause will remain in force from the Commencement Date for so long as any amount is outstanding under this Agreement.

15.1 Information

The Borrower shall:

(a) promptly upon becoming aware of it, notify the Lender of any Default, together with the details of such Default and the steps taken to remedy such Default;

(b) promptly upon becoming aware of it, notify the Lender of any event (and in particular, any litigation, arbitration or administrative proceedings which are current or pending) which could have a Material Adverse Effect; and

(c) provide the Lender with any information or document, which the Lender may request in accordance with its internal auditing or control procedures, or which is requested by any regulatory authority.

15.2 Status

The Borrower shall do all such things as are necessary to maintain its corporate existence and ensure that it has the right and is duly qualified to conduct its business.

15.3 Authorisations

The Borrower shall obtain or maintain any authorisations required, as the case may be, to enable it to perform this Agreement.

15.4 *Pari passu* ranking

The Borrower shall procure that its payment obligations under this Agreement (provided that such obligations do not benefit from a priority of payment according to any security interest granted pursuant to this Agreement) will rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

15.5 Compliance with law

The Borrower shall comply with any law or regulation which is or may become applicable to it.

16 EVENTS OF DEFAULT

Each of the events set out in this Clause is an Event of Default.

16.1 Non-payment

The Borrower does not pay on the due date any amount of principal, interest, commissions, fees or expenses payable by it under this Agreement.

16.2 Breach of other obligations

The Borrower does not comply with any provision of this Agreement or breaches any of its undertakings under this Agreement.

16.3 Misrepresentation

A representation made by the Borrower is incorrect when made or repeated.

16.4 Cross default

(a) The Borrower fails to pay on the due date (after expiry of any applicable grace period) any sum due in respect of any financial indebtedness.

(b) Any financial indebtedness of the Borrower is declared, or becomes capable of being declared, payable as a result of a default of the Borrower or any other condition or event (howsoever described).

(c) The action or omission of the Borrower has resulted in an event of default under the contract as a result of a default of the Borrower or any other condition or event (howsoever described in such contract).

16.5 Insolvency

The Borrower:

(a) takes steps for its winding up or liquidation;

(b) an involuntary or voluntary case is commenced against the under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian, *administrateur judiciaire* or other officer having similar powers over the Borrower or over all or a substantial part of its property, shall have been entered; or the involuntary or voluntary appointment of an interim receiver, trustee or other custodian of the Borrower or for all or a substantial part of its property occurs; or a warrant of attachment or execution is issued, or a similar process is initiated, against any substantial part of the property of the Borrower, ;

(c) is in a situation where a moratorium is declared in respect of any of its debts;

(d) suspends making payments on any of its debts or admits inability to pay its debts as they fall due;

(e) becomes insolvent for the purpose of any insolvency law; or

(f) begins negotiations with one or more creditors with a view to the readjustment or rescheduling of any its debts.

16.6 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower.

16.7 **Cessation of Business**

The Borrower ceases, or takes clear steps to cease, to carry on all or a substantial part of its business.

16.8 **Material adverse change**

Any event or series of events occurs which has a Material Adverse Effect.

16.9 **Acceleration**

On and at any time after the occurrence of an Event of Default, and whilst the same is continuing, the Lender may, by notice to the Borrower:

(a) cancel the Loan; and/or

(b) declare all sums owed under this Agreement in principal, interest, default interest, commissions, fees and other expenses immediately due and payable.

17 PAYMENTS AND CALCULATIONS

17.1 All sums due by the Borrower under this Agreement shall be paid by debit of the Borrower's current account opened in its name in the Lender's books, or by transfer to the Lender's bank account, references of which shall have been provided to the Borrower no later than 11.00 a.m. two Business Days before the date of payment.

17.2 Any payment made to the Lender shall be allocated in the following order:

(a) first, to the reimbursement of commissions;

(b) second, to the payment of any default interest;

(c) third, to the payment of any unpaid interest; and

(d) fourth, to the payment of any unpaid principal.

17.3 All payment under this Agreement shall be made on a Business Day. If a payment is due on a day which is not a Business Day, such payment will be deferred to the following Business Day, unless such Business Day is in a different calendar month, in which case the payment will be made on the preceding Business Day.

17.4 All payments under this Agreement shall be made in EUR unless otherwise expressly agreed.

17.5 Interest shall be capitalised on the sums which remain outstanding under this Agreement and interest will accrue on these sums in accordance with Clause 7.3 (*Default interest*).

17.6 Any interest, commission or fee will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

18 SET OFF

18.1 If any amount due to the Lender under this Agreement is not paid on the due date or in accordance with this Agreement, the Lender may recover that sum by way of set off.

18.2 Any sum due by the Borrower under this Agreement will be paid for its gross amount without set off.

19 CHANGES TO THE PARTIES

19.1 This Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Lender and their respective permitted successors and assigns.

19.2 The Borrower may not assign, transfer or dispose of any of its rights and/or obligations under this Agreement, including by way of merger or demerger, without the prior agreement of the Lender.

19.3 The Lender may at any time assign or transfer any of its rights and obligations, upon notice to the Borrower.

20 NOTICES

Any communication to be made under or in connection with this Agreement shall be made to the following addresses (or any other address notified under this Clause). A notice shall be deemed validly made on the date of its effective receipt by the addressee, i.e. the date mentioned on the acknowledgement of receipt.

For the Borrower:

Fort St. James Fuelco Limited Partnership
Attention: Andrew Rovansek, Director of Finance (Veolia North America, Municipal & Commercial Business - Canada)
Email: andrew.rovansek@veolia.com

For the Lender:

Veolia ES Canada, Inc.
Att: Treasurer
treasurysse@veolia.com and brian.sullivan@veolia.com

21 MISCELLANEOUS

21.1 Waivers and remedies cumulative

Failure by any Party to exercise or any delay in exercising its rights under this Agreement or under applicable law shall not operate as a waiver of these rights, and shall not be interpreted as such. The rights stipulated in this Agreement are cumulative with, and shall not prejudice, any other rights granted by law to the Parties.

21.2 Severability

In the event that any of the provisions of this Agreement is held to be void or unenforceable under applicable law, the other provisions of this Agreement will not be affected unless a Party can demonstrate that the relevant provision was essential in its decision to enter into this Agreement and it would not have entered in this Agreement without this provision.

22 APPLICABLE LAW – JURISDICTION

22.1 The Agreement shall be governed by the laws of Quebec, Canada.

22.2 Any dispute relating to its validity, construction or performance shall be exclusively settled by the by the courts of Montreal, Quebec.

[The signature page follows]

On August 15, 2016, in two originals,

Veolia ES Canada, Inc.

By: Brian Sullivan, Treasurer

Fort St. James Fuelco Limited Partnership
By: Prince George Fuelco, Inc., its General Partner

By: John Gibson, Chief Operating Officer

FIRST AMENDMENT TO THE LONG TERM LOAN AGREEMENT DATED AUGUST 15, 2016 BETWEEN VEOLIA ES CANADA, INC. AND FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

THIS First Amendment (the "**Amendment**") to the August 15, 2016, Long Term Loan Facility Agreement (the "**Agreement**") shall be effective as of January 1, 2018 among Veolia ES Canada, Inc. (**VESC - LENDER**) and Fort St. James Fuelco Limited Partnership (**FSJ - BORROWER**).

WITNESSETH:

WHEREAS

A. VESC and FSJ are parties to a Long Term Loan Facility dated August 15, 2016.

B. Pursuant to additional capital requirements at FSJ (the Borrower in which Veolia Environnement SA indirectly holds 70%), VESC (a wholly owned indirect subsidiary of Veolia Environnement S.A.) and FSJ wish to amend the Long Term Loan Agreement to increase the maximum value of funds available under the Long-Term Loan Amount by *CAD 7,500,000 (Seven Million Five Hundred Thousand Canadian Dollars)*;

NOW, THEREFORE, VESC and FSJ hereby agree as follows:

1. Definitions

Terms defined in the Long Term Loan Facility Agreement and not otherwise defined in this Amendment shall have the same meanings when used in this Amendment.

2. Amendments

2.1. *Clause-2 - Loan* shall be amended as follows:

*"**Loan**" means the maximum amount in principal of the funds made available by the Lender to the Borrower pursuant to this Agreement, i.e. CAD 15,000,000 (Fifteen Million Canadian Dollars), an increase of CAD 7,500,000 (Seven Million Five Hundred Thousand Canadian Dollars) from the August 15, 2016 amount, to the extent not reduced in accordance with Clause 5;*

2.2 Priority of interest and principal payment over dividend payment

2.2.1 As is the case in the initial Agreement dated August 15, 2016, the Borrower shall not pay any dividend to its shareholders as long as any interest and principal payments are outstanding under this Agreement, unless the Lender has given its prior written consent..

3. Ratification

Except as amended by this Amendment, the Long Term Loan Agreement remains in full force and effect and is hereby ratified and confirmed.

4. Counterparts

This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts (including by electronic transmission) and all of said counterparts shall be deemed to constitute one and the same instrument.

5. Governing Law and Jurisdiction

The Agreement shall be governed by the laws of Quebec, Canada.

Any dispute relating to its validity, construction or performance shall be exclusively settled by the by the courts of Montreal, Quebec.

[The signature page follows]

On January 1, 2018, in two originals,

Veolia ES Canada, Inc.

By: Brian Sullivan, Treasurer

Fort St. James Fuelco Limited Partnership
By: Prince George Fuelco, Inc., its General Partner

By: John Gibson, Chief Operating Officer

In two original copies

SECOND AMENDMENT TO THE LONG TERM LOAN AGREEMENT BETWEEN VEOLIA ES CANADA, INC. AND FORT ST. JAMES FUELCO LIMITED PARTNERSHIP

THIS Second Amendment (the "**Amendment**") to the August 15, 2016, Long Term Loan Facility Agreement (the "**Agreement**") shall be effective as of August 1, 2019 among Veolia ES Canada, Inc. (**VESC - LENDER**) and Fort St. James Fuelco Limited Partnership (**FSJ - BORROWER**).

WITNESSETH:

WHEREAS

A. VESC and FSJ are parties to a Long Term Loan Facility dated August 15, 2016 and the First Amendment of this Loan Facility effective January 1, 2018 as well as subsequent consents to increase the loan amounts

B. Pursuant to additional capital requirements at FSJ (the Borrower in which Veolia Environnement SA indirectly holds 70%), VESC (a wholly owned indirect subsidiary of Veolia Environnement S.A.) and FSJ wish to amend the Long Term Loan Facility to increase the maximum value of funds available *CAD 50,000,000 (Fifty Million Canadian Dollars)*;

NOW, THEREFORE, VESC and FSJ hereby agree as follows:

1. Definitions

Terms defined in the Long Term Loan Facility Agreement and not otherwise defined in this Amendment shall have the same meanings when used in this Amendment.

2. Amendments

2.1. *Clause-2 - Loan* shall be amended as follows:

*"**Loan**" means the maximum amount in principal of the funds made available by the Lender to the Borrower pursuant to this Agreement, i.e. CAD 50,000,000 (Fifty Million Canadian Dollars, to the extent not reduced in accordance with Clause 5;*

2.2 Priority of interest and principal payment over dividend payment

2.2.1 As is the case in the initial Agreement dated August 15, 2016, the Borrower shall not pay any dividend to its shareholders as long as any interest and principal payments are outstanding under this Agreement, unless the Lender has given its prior written consent.

3. Ratification

Except as amended by this Amendment, the Long Term Loan Agreement remains in full force and effect and is hereby ratified and confirmed.

4. Counterparts

This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts (including by electronic transmission) and all of said counterparts shall be deemed to constitute one and the same instrument.

5. Governing Law and Jurisdiction

The Agreement shall be governed by the laws of Quebec, Canada.

Any dispute relating to its validity, construction or performance shall be exclusively settled by the by the courts of Montreal, Quebec.

[The signature page follows]

On April 14, 2020, in two originals,

Veolia ES Canada, Inc.

Brian Sullivan (Apr 14, 2020)

By: Brian Sullivan, Treasurer

Fort St. James Fuelco Limited Partnership
By: Prince George Fuelco, Inc., its General Partner

Jason Salgo (Apr 15, 2020)

By: Jason Salgo, Chief Financial Officer

In two original copies

This is Exhibit "D" referred to in the Affidavit of Brian J. Clarke made before me this 23rd day of May 2022.

_____

A Commissioner for Taking Affidavits in the Province of British Columbia

VEOLIA

BY EMAIL

May 9, 2022

Fort St. James FuelCo Limited Partnership
3 Bentall Centre
PO Box 49314
Suite 2600- 595 Burrard Street
Vancouver, BC V7X 1L3
Attention: Stephane Jouzier
E-mail: stephane.jouzier@veolia.com

RE: Notice of Termination and Demand for Payment

Ladies and Gentlemen:

Reference is made to the *Long Term Loan Facility Agreement* dated August 15, 2016 (as amended, the "**Agreement**"), between Fort St. James FuelCo Limited Partnership (the "**Borrower**") and Veolia ES Canada Inc. (the "**Lender**"). Unless otherwise defined, all capitalized terms have the meaning ascribed to them in the Agreement.

The Lender is informed that the Borrower has effectively wound down and ceased its operations, a development which has a Material Adverse Effect and leads the Lender to believe that the amounts owing to it under the Agreement will not be paid in the foreseeable future. Moreover, the Lender will not advance additional funds to the Borrower, without which the Borrower will be unable to pay its liabilities as they become due. The Borrower is therefore clearly in default under sections 16.5 and 16.8 of the Agreement.

As of April 30, 2022, the total amount of indebtedness owing by the Borrower to the Lender under the Agreement in principal, interest, costs, and fees represented $62,899,190.65, plus continuing interest (the "**Indebtedness**").

Be advised that unless the totality of the Indebtedness is paid to the Lender by no later than May 19, 2022, the Lender will be entitled to and will immediately exercise its remedies without any further notice or delay, including all of the Lender's rights, remedies and recourses under the Agreement and at law. This Notice of Default and Demand for Payment is sent to you under reserve of the Lender's rights under the Agreement, including its right to raise additional defaults.

Yours Truly,

Brian Clarke, President and CEO
Veolia ES Canada Inc.