



COURT FILE NUMBER S-174308

COURT SUPREME COURT OF BRITISH COLUMBIA

JUDICIAL CENTRE VANCOUVER REGISTRY

PLAINTIFF INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

DEFENDANTS WEDGEMOUNT POWER LIMITED PARTNERSHIP, WEDGEMOUNT POWER (GP) INC., AND WEDGEMOUNT POWER INC.

DOCUMENT **SECOND REPORT OF THE COURT APPOINTED RECEIVER AND MANAGER OF WEDGEMOUNT POWER LIMITED PARTNERSHIP, WEDGEMOUNT POWER (GP) INC., AND WEDGEMOUNT POWER INC.**

DATED DECEMBER 5, 2019

PREPARED BY DELOITTE RESTRUCTURING INC.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Counsel

McMillan LLP
1055 W Georgia St
Royal Centre
Suite 1500
Vancouver, BC V6E 4N7

Attention: Vicki Tickle
Telephone/Facsimile: 236-826-3022 / 604-685-7084
Email: Vicki.Tickle@mcmillan.ca

Receiver

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

Attention: Paul Chambers
Telephone/Facsimile: 604-640-3368 / 604-685-0395
Email: pachambers@deloitte.ca

TABLE OF CONTENTS

INTRODUCTION	1
Purpose of the Second Report.....	2
Terms of Reference	2
BACKGROUND	3
POWERS OF THE RECEIVER.....	3
RECEIVER’S ACTIVITIES RELATED TO BCH AND THE EPA.....	4
PROJECT PERMITTING AND CONSTRUCTION	5
Interconnection	5
First Nations.....	7
Negotiations with 28165 Yukon Inc.	8
SALE PROCESS	9
Initial Interest and Phase I of the Sales Process	9
Phase II – Binding Offers	9
Phase III – Potential Stalking Horse Bidder	10
Phase IV – Final Bid Process	11
Proposed Transaction	12
Transaction Conclusions.....	14
CREDITORS AND SECURED CHARGES	15
Holdback Accounts	15
Unsecured Creditors	15
STATEMENT OF RECEIPTS AND DISBURSEMENTS	16
CONCLUSIONS AND RECOMMENDATIONS	16

APPENDICES

Appendix “A” – Interconnection Route Map

Appendix “B” – Teaser and Final Bid Procedure

Appendix “C” – Redacted Concord APA

Appendix “D” – Concord APA Amending Agreement

Appendix “E” – Receiver’s Statement of Receipts and Disbursements for the period from the Date of Receiviership (May 12, 2017) to November 15, 2019

INTRODUCTION

- 1) Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated May 12, 2017 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**"), without security, of all assets, undertakings and properties of Wedgemount Power Limited Partnership ("**Wedgemount LP**"), Wedgemount Power (GP) Inc. ("**Wedgemount GP**") and Wedgemount Power Inc. ("**Wedgemount Power**") (collectively, the "**Wedgemount Entities**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
- 2) The Receivership Order provides, among other things, that all rights and remedies against the Wedgemount Entities, the Receiver or affecting the assets, undertakings and properties of the Wedgemount Entities are stayed and suspended (the "**Stay**").
- 3) The Receivership Order was granted pursuant to an application by Industrial Alliance Insurance and Financial Services Inc. ("**IA**") in which IA stated that it was owed approximately \$21,951,066 by Wedgemount LP at the Date of Receivership. IA holds various registered security over all of Wedgemount LP's and Wedgemount GP's present and after-acquired real and personal property, along with various other corporate and personal guarantees (collectively, the "**IA Security**").
- 4) The Receiver's independent legal counsel, McMillan LLP ("**McMillan**"), has performed an independent review of the validity and enforceability of the IA Security and has advised that it is valid and enforceable and ranks in priority to the unsecured creditors of the Wedgemount Entities (the "**Security Opinion**").
- 5) On March 29, 2018, the Receiver issued its First Report to Court (the "**First Report**"). The First Report was filed in response to the application of British Columbia Hydro and Power Authority ("**BCH**") filed on January 19, 2018 (the "**BCH Lift Stay Application**") seeking leave of the Court to lift the Stay and exercise its termination rights under the EPA (as that term is defined in paragraph 21 of this Report). The First Report was also filed to, among other things, support the Receiver's application filed on April 3, 2018 (the "**Receiver's April 3 Application**") for a declaration that BCH was not entitled to terminate the EPA on the basis of any ground or fact then existing.
- 6) A confidential supplement to the First Report dated March 29, 2018 (the "**First Confidential Report**") was filed in support of the Receiver's April 3 Application and was sealed in the Court file. The First Confidential Report provided, among other things, an overview of the offers received following Phase II of the Receiver's sale process for the assets of the Wedgemount Entities.
- 7) This is the Receiver's second report to the Court (the "**Second Report**" or "**this Report**"). Unless otherwise provided, all capitalized terms used but not defined in this Second Report are as defined in the Receivership Order.
- 8) In addition to this Second Report, the Receiver has prepared a confidential supplement to the Second Report dated December 5, 2019 (the "**Second Confidential Report**") which the Receiver is seeking to be sealed in the Court file.
- 9) An overview of the outcome of the BCH Lift Stay Application and the Receiver's April 3 Application is discussed in this Report, starting from paragraph 28.

- 10) The Receivership Order, together with the notices to creditors and the First Report have been posted on the Receiver's website at <http://www.insolvencies.deloitte.ca/en-ca/Pages/wedgemount.aspx>. The Second Report will also be posted to the Receiver's website after it has been filed with the Court.

Purpose of the Second Report

- 11) The purpose of this Second Report is as follows:
- a) To report on the marketing and sale process undertaken by the Receiver to realize the assets of the Wedgemount Entities (the "**Sale Process**"); and
 - b) To report on the asset purchase agreement entered into on November 18, 2019 (the "**Concord APA**") between the Receiver and Concord Wedgemount Creek General Partnership acting through its general partners 11739484 Canada Inc. and 11739522 Canada Inc. (collectively, the "**Purchaser**"), which are members of the Concord Green Energy Inc. group of companies ("**Concord**"), as amended by the amending agreement dated December 5, 2019 (the "**Concord APA Amending Agreement**", and together with the Concord APA, the "**Amended Concord APA**"); and
 - c) To support the Receiver's applications filed December 5, 2019 for:
 - i) an order (the "**Vesting Order**") approving the transactions contemplated by the Amended Concord APA (the "**Transaction**"), and
 - ii) an order (the "**Sealing Order**") that the Second Confidential Report be filed under seal pending further order of this Court.
- 12) The purpose of the Second Confidential Report is to provide the Court with an overview of the offers received from bidders during the Sale Process, and to outline the discussions and negotiations undertaken by the Receiver in respect of those offers.
- 13) This Second Report has also been filed to provide the Court with an update on the Receiver's activities since the First Report and the Receiver's receipts and disbursements from the Date of Receivership to November 15, 2019 (the "**Receiver's R&D**").

Terms of Reference

- 14) In preparing this Report, the Receiver has relied upon unaudited financial and other information prepared by the Wedgemount Entities' former directors, the books and records of the Wedgemount Entities', and discussions with former directors and consultants.
- 15) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.
- 16) All dollar amounts in this Second Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

- 17) Wedgemount LP is a privately owned limited partnership established in the Province of British Columbia ("**BC**") and is the owner and developer of a partly-constructed 5.4 megawatt run-of-river hydro power facility located on Wedgemount Creek, near Whistler, BC (the "**Project**").
- 18) Wedgemount GP is incorporated in the Province of BC and is the general partner of Wedgemount LP. Wedgemount GP was set-up to manage the day-to-day operations of the Project once it had been completed and commissioned pursuant to an Operating Management Agreement among the Wedgemount Entities dated March 25, 2015.
- 19) Pursuant to the Operating Management Agreement, Wedgemount Power was retained as the manager to assist Wedgemount GP with respect to the day-to-day operations of the Project.
- 20) Mr. David Ehrhardt and Mr. Brent Hardy acted as directors of both Wedgemount GP and Wedgemount Power. The Wedgemount Entities were operated from, and maintained their books and records at, Mr. Hardy's personal residence in Burnaby, BC.
- 21) The Project was developed with the intention that it would generate electricity that would then be sold to BCH. Wedgemount LP, by its general partner Wedgemount GP, and BCH entered into an Electricity Purchase Agreement dated March 6, 2015 (the "**EPA**").
- 22) Pursuant to the terms and conditions of the EPA, BCH agreed to purchase electricity generated by the Project upon its completion and once it was connected to the BCH electrical grid via the construction of an electrical distribution line (known as the "interconnection").
- 23) Prior to the Date of Receivership, Wedgemount LP had experienced permitting difficulties and cost issues associated with determining an economic and technically feasible route for the interconnection. These problems led to significant Project development delays, additional costs and potential environmental risks related to the integrity of the temporary diversion channel and drainage control on the Project site.
- 24) Despite efforts to refinance the Project, negotiations between Wedgemount LP and IA broke down in April of 2017. On May 9, 2017, IA commenced an action to appoint a receiver over the Wedgemount Entities to ensure environmental risks at the Project site were properly managed and to protect the value of the assets for all the creditors of the Wedgemount Entities.
- 25) Subsequently, on May 12, 2017, the Honourable Mr. Justice Steeves granted the Receivership Order.
- 26) A detailed Project description is outlined in the First Report, along with an overview of the assets of the Wedgemount Entities and the construction status of various elements of the Project at the Date of Receivership.

POWERS OF THE RECEIVER

- 27) The Receiver's powers are detailed in paragraph 2 of the Receivership Order and include, among others, the power to take and maintain possession and control of the assets of the Wedgemount Entities; the power to manage, operate and carry on the

business of the Wedgemount Entities; and, the power to market and sell the assets of the Wedgemount Entities (subject to Court approval if any one transaction exceeds \$50,000 or if the aggregate of transactions exceeds \$250,000).

RECEIVER'S ACTIVITIES RELATED TO BCH AND THE EPA

- 28) On January 19, 2018, BCH filed the BCH Lift Stay Application seeking to lift the Stay in order to exercise its termination rights under the EPA. This initiated a period of approximately seven (7) months in which BCH filed various applications and appeals in Court, and both the Receiver and IA were required to respond with materials, affidavits and counter-applications in order to preserve the EPA and the value of the Wedgemount Entities' assets for the benefit of stakeholders in the Receivership Proceedings (collectively, the "**BCH Litigation**").
- 29) It is not the intent of this Report to provide the full details of the BCH Litigation. However, a summary follows of the significant applications and Orders made by the Court so as to inform the Court on the outcome of the BCH Litigation and the activities of the Receiver during the relevant period.
- 30) On April 3, 2018, the Receiver filed the Receiver's April 3 Application for a declaration that BCH was not entitled to terminate the EPA on the basis of any ground or fact then existing.
- 31) On April 3, 2018, BCH also filed an application pursuant to the *Arbitration Act* for a stay of the Receiver's April 3 Application, on the basis that the EPA includes certain provisions that require disputes in relation to the EPA to be dealt with via an arbitration process (the "**BCH Arbitration Application**").
- 32) On April 6, 2018, the Court heard the BCH Lift Stay Application and Madam Justice Fitzpatrick pronounced an Order dismissing the BCH Lift Stay Application. BCH remains stayed from issuing a notice of termination of the EPA, with liberty to reapply.
- 33) On May 3, 2018, the Court heard the BCH Arbitration Application and on May 4, 2018 Mr. Justice Butler pronounced an order dismissing the BCH Arbitration Application (the "**May 4 Order**"). This allowed the Receiver's April 3 Application to be heard on May 4, 2018.
- 34) Mr. Justice Butler gave his oral reasons for judgement in relation to the Receiver's April 3 Application on May 18, 2018 (the "**May 18 Order**"). In summary, the Court held that it was unable to grant the broad declaration sought by the Receiver, but it did make a declaration that BCH may not terminate the EPA because of a breach of section 8.1(a) of the EPA on the basis of any existing ground or fact. It is noted that section 8.1(a) of the EPA relates to a purported termination right of BCH if the commercial operation date ("**COD**") for the Project was not achieved by September 30, 2017.
- 35) On June 1, 2018, BCH filed notices of appeal in relation to the May 4 Order and the May 18 Order (together, the "**Appeals**"). The Receiver and IA filed various written responses and affidavits with the Court in relation to the Appeals. In particular, IA applied to Court to quash the Appeals on the basis that BCH filed the Appeals outside of the ten-day period required under the *Bankruptcy and Insolvency Act* ("**BIA**"). BCH argued that the abbreviated limitation period for appeals under the BIA did not apply. In the alternative, it sought to convert the notices of appeal to applications for leave to appeal, and sought an extension of time for filing the leave applications.

- 36) On July 9, 2018, Mr. Justice Groberman gave his oral reasons for judgement in relation to the Appeals. Mr. Justice Groberman held that the appeal period and appeal rights in respect of the May 4 Order and the May 18 Order were governed by the BIA. Mr. Justice Groberman directed that the notices of appeal be converted to applications for leave to appeal. However, the applications for extensions of time for filing the leave applications were denied and the Appeals were dismissed.
- 37) Despite the May 4 Order, May 18 Order, and the dismissal of the Appeals, in correspondence sent to the Receiver, BCH continued to assert that it intended to exercise any termination rights that it had at its earliest opportunity, and that if the Receiver proceeded with completion or sale of the Project, it did so at its own risk. BCH also pointed out to the Receiver that pursuant to the terms of the EPA, BCH was required to consent to an assignment of the EPA. As an alternative, BCH indicated that it would be willing to enter into discussions with the Receiver in an attempt to settle the ongoing disputes with respect to the EPA.
- 38) Based on communications with potential buyers of the Project and related assets ("**Interested Parties**") throughout the Sale Process, it became clear that resolution of the issues relating to the EPA would be a condition of any sale transaction. In particular, Interested Parties required clarity on a revised target COD and confirmation that BCH would consent to an assignment of the EPA.
- 39) In the absence of a resolution with respect to these issues, it was apparent that the perceived risk of further BCH litigation and/or a lack of cooperation from BCH to progress the design and construction of interconnection would materially and adversely impact the purchase price that Interested Parties would be prepared to pay for the Project. Accordingly, following discussions with IA, the Receiver entered into discussions with BCH to reach a resolution of the issues in connection with BCH and the EPA.
- 40) These discussions continued for the next eleven (11) months, among the Receiver, IA and BCH and their respective counsel.
- 41) In early May 2019, BCH, the Receiver and IA resolved the issues in connection with BCH and the EPA. BCH agreed to support the Receiver's application to approve a sale of the Project and the assignment of the amended EPA ("**Amended EPA**") to a qualified new proponent, subject to BCH's customary diligence of the proposed new proponent.

PROJECT PERMITTING AND CONSTRUCTION

Interconnection

- 42) Since the date of the First Report, and throughout the period of discussions with BCH, the Receiver and its consultants have continued to advance the design and permitting of the Project's interconnection.
- 43) The interconnection route for the Project follows Highway 99 north from Rainbow Substation ("**Section 1**") to the point of crossing of Highway 99 to follow the Wedge Forest Service Road to the point of interconnection ("**POI**") with the BC Hydro grid ("**Section 2**"). From the POI, the overhead distribution line continues to follow Wedge Forest Service Road to the edge of the WedgeWoods residential subdivision ("**Section 3**"). At this point, the distribution line is routed underground through ducting

underneath or close to Riverside Drive and through the WedgeWoods subdivision to the powerhouse ("**Section 4**"). This interconnection route is referred to as the "**FSR Route**". Refer to Appendix "**A**" of this Report for a high-level map of Sections 2, 3 and 4 of the FSR Route.

- 44) Sections 1 and 2 of the interconnection to the POI will be constructed and owned by BCH. Sections 3 and 4 of the interconnection will be constructed and owned by Wedgemount LP.
- 45) Due to the multiple stakeholders affected by the interconnection route, the topography of the route, and the location of certain components of the Project and interconnection infrastructure, the Receiver and its consultants have spent considerable time engaged in activities necessary for the advancement of the Project and the preservation of its value, including the following:
 - a) Developing, reviewing and preparing various plans, technical drawings, reports and other documents;
 - b) Obtaining permits from, and meeting and liaising with representatives of:
 - i) BCH;
 - ii) the Lil'wat Nation and the Squamish Nation (together, the "**Nations**");
 - iii) the Ministry of Transportation and Infrastructure ("**MOTI**");
 - iv) Canadian National Railway Company ("**CN**");
 - v) the Province of British Columbia (FrontCounter BC);
 - vi) the Ministry of Forests, Lands and Natural Resource Operations ("**MFLNRO**");
 - vii) the Department of Fisheries and Oceans;
 - viii) NavCanada;
 - ix) Transport Canada;
 - x) the Ministry of the Environment;
 - xi) the Squamish-Lillooet Regional District; and
 - xii) the owners of the lands on and under which certain Project components are located;
 - c) Organizing and conducting assessments and engineering services to ensure the structural integrity of Project and interconnection infrastructure; and
 - d) Preparing and submitting updated Crown land tenure applications for tenure for certain Crown lands required for Sections 2 and 3 of the interconnection and related documentation.
- 46) Following these efforts, the engineering design and permitting for the interconnection is now materially completed.

- 47) In particular, the following milestones in connection with the Project have been achieved, among others:
- a) Issuance of land tenure offer packages by MFLNRO to the Receiver and BCH in early November 2019;
 - b) Finalization of an updated Interconnection Facilities Study and Project Plan (the "**Interconnection Project Plan**") in June 2019;
 - c) Execution of a Distribution Generator Interconnection Agreement (the "**DGIA**") in late July 2019;
 - d) Payment by the Receiver to BCH of \$57,000 plus GST in respect of the estimated revenue metering costs in connection with the Project, including a 15% contingency (the "**Revenue Metering Costs**"), as contemplated by the Interconnection Project Plan, on August 1, 2019;
 - e) Provision by IA to BCH of a letter of credit by way of security in the amount of \$5,046,300 in respect of the estimated cost of construction of Sections 1 and 2 of the interconnection, including a 15% contingency (the "**Network Upgrade Costs**"), as contemplated by the Interconnection Project Plan, on August 6, 2019;
 - f) Construction of Section 1 of the overhead line was completed in November 2019. Due to delays in receipt of Crown tenure and the approaching winter weather conditions, it was not possible to complete construction of Section 2 of the interconnection; therefore, construction of Sections 2 and 3 is now scheduled to take place in spring 2020.

First Nations

- 48) Certain components of the Project are located on or travel across lands of cultural significance to the Nations.
- 49) The Nations and Wedgemount Power entered into an Impacts and Benefits Agreement dated August 1, 2014 (the "**Initial IBA**"). Wedgemount Power assigned all of its rights and obligations in and under the Initial IBA to Wedgemount LP and the Nations consented to that assignment in an Assumption and Acknowledgement Agreement dated November 25, 2014 (together with the Initial IBA, the "**IBA**").
- 50) Due to certain permitting challenges, subsequent to the parties executing the IBA the proposed interconnection route for the Project was revised and the FSR Route was identified as a viable alternative. The FSR Route passes through certain unresolved Crown lands that are designated as a cultural heritage area of the Squamish Nation (the "**Reserve**"), which was of some concern to the Squamish Nation.
- 51) The Province is able to grant tenure in the Reserve, but has a duty to consult with the affected Nations regarding the proposed changes in land use.
- 52) Given the concerns raised by Squamish Nation, the Receiver entered into dialogue and correspondence with the Nations and FrontCounter BC, regarding permitting requirements for the FSR Route.
- 53) On September 12, 2017 a proposal was made by the Nations to the Receiver in respect of the terms on which the Nations would consider supporting the FSR Route for the interconnection, including an increase to the royalty stream contemplated by the IBA.

- 54) Following further negotiations among the Receiver, the Nations and the Nations' respective legal counsel, in late September 2017, the terms of a draft Amending Agreement to the IBA (together with the IBA, the "**Amended IBA**") were agreed to in principle with the Nations, subject to Chief and Council ratification.
- 55) After the Receiver had resolved the issues related to the EPA with BCH, the Amended IBA was ratified by Chief and Council of both Nations, and the Amended IBA was executed on September 12, 2018. Pursuant to the Amended IBA, both Nations provided letters of support of the Project in connection with the Crown land tenure applications for the FSR Route as the preferred route of interconnection.
- 56) The Receiver has continued to liaise with the Nations by providing Project status updates.

Negotiations with 28165 Yukon Inc.

- 57) Section 4 of the Project's interconnection runs from the edge of Crown lands to the Project's powerhouse through the WedgeWoods residential subdivision (the "**Subdivision**"). The distribution line will pass through ducting buried under land within and adjacent to the Provincial Public Highway right of way known as Riverside Drive.
- 58) The Subdivision was developed and originally owned by 28165 Yukon Inc. ("**Yukon**"). It is noted that Yukon was represented in negotiations with the Receiver by Mr. David Ehrhardt, a director of both Wedgemount GP and Wedgemount Power.
- 59) Wedgemount LP entered into a Reparations Agreement with Yukon, among other parties, dated February 13, 2015 (the "**Reparations Agreement**"). As consideration for the powerhouse being situated on, and the interconnection running through, the Subdivision, the Reparations Agreement provided for a royalty payment to Yukon based on a percentage of the Project's net revenue.
- 60) Yukon undertook construction works in the Subdivision related to the installation of the ducting, with a purported cost as at the Date of Receivership of approximately \$419,000, excluding taxes. Yukon advised the Receiver that certain portions of this ducting had been installed within certain Yukon owned lands, for which Wedgemount LP would require a new right of way (the "**New RoW**") to be granted by Yukon. Accordingly, without the reaching an agreement with Yukon to obtain the New RoW, the Project would have no right of access to the ducting running through the Subdivision, and the interconnection to the powerhouse could not be completed.
- 61) Over the course of the Receivership Proceedings, the Receiver, the Receiver's counsel and IA's counsel entered into lengthy negotiations with Yukon and its legal counsel in an effort to reach an agreement that would enable the completion of the ducting through the Subdivision and the granting of the New RoW to the Wedgemount Entities.
- 62) Following extensive negotiations, the Receiver and IA entered into a mutual release and settlement agreement with Yukon and various other related parties on April 30, 2019 (the "**Yukon Settlement Agreement**"), and the terms of the agreement have been satisfied.

SALE PROCESS

Initial Interest and Phase I of the Sales Process

- 63) In the first few weeks of the Receiver's appointment, the Receiver and IA were contacted by several parties that were potentially interested in acquiring the Project.
- 64) Owing to the partly constructed status of the Project at the Date of Receivership, the Receiver did not compile any form of bid package for the marketing of the Project, nor did it run a formal sale process at the outset of the Receivership Proceedings. However, in response to enquiries and indications of interest from numerous Interested Parties, and given the Receiver's desire to assess the level of interest in and potential value of the Project in its current state, the Receiver undertook an informal sale process in respect of the Project and related assets. On or about June 20, 2017, the Receiver:
- (a) established a data room for Interested Parties to review information pertaining to the Project, including the EPA, various other agreements and contracts, engineering reports and financial information. All Interested Parties were required by the Receiver to enter into a binding non-disclosure agreement ("**NDA**") with the Receiver before being granted access to the data room. The NDA sets out various customary terms and controls to ensure that information in the data room is kept strictly confidential by the Interested Parties; and
 - (b) invited Interested Parties to submit non-binding letters of intent ("**LOIs**") for the purchase of the Project and related assets, including Wedgemount LP's right, title and interest in and under the EPA, by July 14, 2017.
- 65) Initial non-binding LOIs were received from nine Interested Parties. However, the LOIs were submitted using various different assumptions related to timing of COD, assignment of debt, and acquisition structure. Based on an assessment of the LOIs received, the Receiver requested four of the Interested Parties to submit revised LOIs by July 31, 2017, after providing clarification on potential timing of COD and various other matters.
- 66) On July 31, 2017, revised non-binding LOIs were received from each of the four selected Interested Parties. In early August 2017 following discussions with IA, and based on an assessment of the LOIs received, the Receiver determined the need to impose more structure on the Sale Process. Three preferred bidders were selected to move to the second phase of the Sale Process ("**Phase II**") and undertake detailed due diligence in respect of the Project.

Phase II – Binding Offers

- 67) On August 14, 2017, the Receiver requested that the preferred bidders deliver binding offers for the acquisition of the Project and related assets on a cash-free, debt-free basis by September 15, 2017. Offers were to be submitted on an "as-is, where-is" basis, with no representations or warranties to be provided by the Receiver.
- 68) During Phase II of the Sale Process, the data room remained open to all Interested Parties who had executed NDAs. Given the Project had not been formally marketed by the Receiver, if new parties expressed an interest in the Project, they were also provided access to the data room upon execution of an NDA and were informed as to the status of the Sale Process.

- 69) Throughout Phase II, the Receiver continued to advance various aspects of the Project, including an engineering peer review, interconnection design and permitting, discussions with Yukon, and the intake construction. In addition, the Receiver received and responded to multiple information requests and queries from Interested Parties related to various aspects of the Project via updates to the data room.
- 70) On September 14, 2017 the deadline for submission of binding offers was extended to October 2, 2017 since the Receiver was working on providing various information to the Interested Parties related to the engineering design and intake.
- 71) On October 2, 2017 binding offers were received from two Interested Parties, and non-binding offers were received from a further four Interested Parties. The nature of these offers is outlined in more detail in the First Confidential Report.
- 72) Following discussions with IA in relation to the LOIs received, the Receiver had planned to enter into discussions with a preferred bidder in the first two weeks of October 2017, with the view to negotiating and executing a definitive asset purchase agreement by the end of October, subject to discussions with key stakeholders in relation to the proposed transaction and obtaining the support required to facilitate the transaction.
- 73) However, in late September and early October 2017, the Receiver had the first indication from BCH that it intended to rely on its termination rights pursuant to the EPA. Despite efforts over the following weeks to reach a resolution with BCH with respect to its stated concerns, those discussions ultimately were unsuccessful and on January 19, 2018, the BCH Lift Stay Application was filed.
- 74) As a result, and given the importance of the EPA to the viability of the Project, the Sale Process was effectively put on hold from early October 2017 to May 2019.

Phase III – Potential Stalking Horse Bidder

- 75) After reaching a settlement with BCH in relation to the EPA, in early May 2019 the Receiver began to give consideration to relaunching a sale process for the Project. As a result of the resolution of the dispute with BCH, entry into the Yukon Settlement Agreement, and the significant progress the Receiver had made during the period from October 2017 to May 2019 in connection with the necessary licences and permits for the Project, the risk profile associated with completion of the Project had been materially reduced.
- 76) Given the partly-constructed and partly-permitted status of the Project at the time, the Receiver was of the view that the likely acquirer would be a strategic buyer with similar run-of-river assets located in the vicinity of the Project, the ability to mobilize a local team to complete the construction, and knowledge of the BC permitting process. In light of the significant interest received in the first two phases of the Sale Process, the Receiver was confident that the opportunity to acquire this Project was well known to these types of potential buyers (and more broadly).
- 77) In May 2019, the Receiver began discussions with the party that had submitted the highest and most qualified bid in Phase II of the Sale Process ("**Bidder A**"). An overview of the offers received in Phase II of the Sale Process is more fully described in the First Confidential Report.
- 78) Following discussions with IA, and subsequently with Bidder A, the Receiver decided to explore the option of a stalking horse bid procedure for the Project. This strategy

was pursued owing to the strength of Bidder A's offer in Phase II, and to provide some certainty regarding a floor price for the Project.

- 79) A potential stalking horse bid procedure was also explored in an attempt to accelerate the sale process, so as to preserve Project value and potential timing of COD for the Project. Under this type of sale procedure, a stalking horse bidder is chosen to submit an advanced offer that acts as an effective reserve bid, over and above which other Interested Parties must bid.
- 80) Through the course of May and June 2019, Bidder A undertook various additional Project diligence, including a further site inspection. On June 7, 2019, Bidder A submitted a binding offer to acquire the Project by way of a stalking horse bid. Following further negotiations, an improved offer was accepted by the Receiver, subject to Bidder A completing its final diligence, and negotiation of a mutually acceptable asset purchase agreement ("**Stalking Horse APA**") and stalking horse bid procedure.
- 81) Unfortunately, despite extensive negotiations between the Receiver and Bidder A, the parties were unable to come to terms on a Stalking Horse APA, and on or around August 21, 2019, the Receiver, in consultation with IA, moved ahead with an accelerated bid process (the "**Final Bid Process**").
- 82) The offer submitted by Bidder A and the subsequent negotiations related to the Stalking Horse APA are more fully described in the Second Confidential Report.

Phase IV – Final Bid Process

- 83) From May 2019 to August 2019, Interested Parties that had executed NDAs continued to have access to the data room and the Receiver posted various updates to the data room related to Project developments and documentation.
- 84) The Receiver also provided updates to other Interested Parties on an ad-hoc basis, as it received calls and enquiries. Interested parties were informed that the Project would be formally marketed in due course via a relatively short duration sale process and were encouraged to review the updates to the data room and to start work on Project diligence.
- 85) On August 21, 2019, the Receiver sent a teaser document outlining the current status of the Project and key investment highlights ("**Teaser**"), along with guidelines for the submission of final binding bids ("**Final Bid Procedure**") including the form of asset purchase agreement to be used as the basis of offers (the "**Bid Process APA**"), by email to all parties that had previously expressed an interest in the Project through the various stages of the Sale Process. Copies of the Teaser and Final Bid Procedure are attached as Appendix "**B**" to this Report.
- 86) The Final Bid Procedure and the Teaser were also sent to a number of other potential strategic buyers that Deloitte's infrastructure advisory practice determined may have an interest in acquiring the Project. The Receiver made phone calls to these parties to provide a comprehensive update on the status of the Project and to answer any questions in relation to the Final Bid Procedure.
- 87) The Receiver also marketed the Project by way of a notice in "Insolvency Insider", a weekly email publication sent to approximately 4,700 subscribers, including Licensed Insolvency Trustees, insolvency counsel, lenders, private equity companies, high net worth individuals and other companies interested in insolvency/distressed situations.

- 88) Following publication of the notice in "Insolvency Insider", and general word of mouth, the Receiver executed a number of additional NDAs and allowed access to the data room to these Interested Parties.
- 89) In total, the Teaser and Final Bid Procedure were sent to approximately forty-four (44) different Interested Parties. Through the course of the Sale Process, the Receiver executed NDAs with thirty-six (36) Interested Parties to allow access to the data room, and site visits were undertaken with thirteen (13) Interested Parties.
- 90) Pursuant to the Final Bid Procedure, Interested Parties were invited to submit binding offers for the Project by noon PDT on September 20, 2019. Based on requests from Interested Parties for additional time to undertake due diligence, this deadline was subsequently extended to 12am midnight PDT on September 25, 2019.
- 91) In total, as part of the Final Bid Process, proposals/offers were received from four (4) Interested Parties. An overview of the offers received and subsequent negotiations with bidders is provided in the Second Confidential Report.
- 92) After discussions with IA, on October 31, 2019 the Receiver notified Concord that it had been selected as the successful bidder with a view to negotiating the terms of an asset purchase agreement. On November 1, 2019, the Receiver received payment of \$1,000,000 from Concord as a good faith deposit, creditable against the final purchase price on closing of the Transaction.

Proposed Transaction

- 93) On November 18, 2019, the Receiver entered into the Concord APA. A redacted copy of the Concord APA is attached as Appendix "C" to this Report. On December 5, 2019, the Receiver entered into the Concord APA Amending Agreement. A copy of the Concord APA Amending Agreement is attached as Appendix "D" to this Report.
- 94) Pursuant to the Amended Concord APA, the Purchaser has agreed to purchase, and the Receiver has agreed to sell, all of the Wedgemount Entities' right, title, and interest in and to the Purchased Assets (as defined in the Amended Concord APA), free and clear of all encumbrances (other than certain permitted encumbrances), for cash consideration of \$12,750,000 plus applicable taxes (the "**Purchase Price**").
- 95) Pursuant to the terms of the Amended Concord APA, closing of the Transaction is scheduled to occur on the fifth business day following the date on which the Vesting Order is granted by the Court, or as otherwise agreed upon by the Receiver and Purchaser ("**Closing**").
- 96) Conditions precedent to Closing are stipulated in sections 18 to 20 of the Amended Concord APA. The most material closing conditions are summarized as follows:
 - a) Granting of the Vesting Order by the Court;
 - b) Payment of the balance of the Purchase Price by the Purchaser to the Receiver;
 - c) Assignment of the Amended IBA to, and assumption of Wedgemount LP's obligations pursuant to the Amended IBA by, the Purchaser;
 - d) Assignment of the Amended EPA to the Purchaser;

- e) IA and the Purchaser having entered into a credit agreement for the financing in respect of the Project and all conditions to funding thereunder having been satisfied (the "**Financing CP**");
 - f) Receipt by the Receiver of evidence that BCH has accepted an offer of tenure from MFLNRO related to Section 2 of the interconnection; and
 - g) The Receiver having provided the Required Notices (as defined in the Amended Concord APA) and, in the case of the Final DGIA, no objection having been raised by BC Hydro within 15 business days of receipt of such Required Notice.
- 97) With respect to the assignment of the Amended IBA to the Purchaser (and related assumption of Wedgemount LP's obligations), the Receiver notes that the Nations have consented to the assignment, and have provided executed copies of the IBA Agreement (as defined in the Amended Concord APA), to be held in escrow pending Closing.
- 98) With respect to the assignment of the Amended EPA to the Purchaser, the Receiver notes that BCH has completed its customary diligence in relation to the Purchaser and has confirmed its consent to the assignment, subject to Court approval of the Transaction.
- 99) With respect to the financing to be provided by IA, the Receiver has reviewed an executed copy of the relevant financing term sheet, pursuant to which IA will provide acquisition and construction financing in a maximum amount of \$20,237,000. The terms of the financing are customary of a transaction of this nature.
- 100) The Receiver understands that the Purchaser and IA and their respective counsel are making good progress with respect to a definitive credit agreement and related financing documentation, and that they expect this to be completed with all conditions met on or before December 20, 2019 and in any case by February 14, 2019 (the date on which the Purchaser or Receiver may terminate the Amended Concord APA if any one of the applicable conditions precedent has not been satisfied or waived). Furthermore, the Receiver has reviewed financial statements of the Purchaser's holding company which indicate sufficient liquidity to meet the Purchaser's equity contribution requirements under the financing term sheet.
- 101) The Receiver has had discussions with BCH related to its review of the tenure offer from MFLNRO for Section 2 of the interconnection. This process is ongoing, but BCH has not raised any material concerns related to the tenure offer, and the review process is expected to be completed by mid-December 2019.
- 102) With respect to the notice provided to BCH regarding assignment of the Final DGIA to the Purchaser, the Receiver notes that BCH has confirmed its consent to the assignment. Counsel for BCH and the Receiver are in the process of drafting a suitable assignment and assumption agreement, and it is expected that this can be completed prior to Closing.
- 103) With respect to Closing, time is of the essence given the ongoing requirement to keep advancing the permitting and construction of the Project in order to achieve a mid- to late summer COD. For example, it will be necessary to apply for a work permit and licence to carry out vegetation clearance along the FSR Route. This needs to occur quickly so that vegetation clearance can be undertaken before heavy snowfall arrives and to allow construction over Sections 2 and 3 of the interconnection to begin as soon as possible in Spring 2020. The DGIA also includes certain project milestone dates that

must be achieved. The value of the Project will be diluted if COD is delayed owing to higher carrying costs and a delay in the timing of when the Project will first generate revenues.

- 104) While the Receiver may be able to take some of the necessary actions to progress the Project over the coming weeks, its activities would result in additional professional costs which may have to be borne by the Receiver. Therefore, the sooner the Transaction can be completed and the Receiver is able to pass responsibility for these actions to the Purchaser, the greater the benefit to all stakeholders of the Project.
- 105) In addition, the existing insurance coverage with respect to the Project expires on December 31, 2019 and the Receiver has been advised by the underwriter that it is not willing to extend insurance coverage beyond that date. As a result, if the Transaction does not close before December 31, 2019, the Receiver would have to arrange alternative coverage. This may be difficult given the status and nature of the Project, and would likely include a costly minimum coverage period of 3 months.
- 106) Given the upcoming holiday season, it will be extremely difficult to close the Transaction by year end if Closing does not take place by December 20, 2019.

Transaction Conclusions

- 107) Concord is an experienced operator of renewable energy assets. Its portfolio includes several wind, hydroelectric and utility scale solar assets, along with the 25MW Skookum Creek hydroelectric project located in Squamish, BC (related to which Concord has an energy purchase agreement with BCH).
- 108) While the Purchase Price is lower than initially indicated by Interested Parties following Phase II of the Sale Process, there is a history of challenges associated with the Project, and there remain some technical engineering and construction solutions to be developed related to the penstock (outlined in the engineering peer review made available to Interested Parties). This has led Interested Parties to include relatively prudent construction cost contingencies in their valuation models.
- 109) In addition, the highest offers received during Phase II of the Sale Process included several material conditions precedent to closing, and Interested Parties subsequently carried out further Project and legal diligence prior to submission of offers in the Final Bid Process.
- 110) The Sale Process in this matter has been robust and has engaged many Interested Parties, including strategic buyers, financial buyers and high net worth investors. While the Final Bid Process was relatively short in duration, this was required in order to preserve Project value, and followed an extensive and prolonged Sale Process throughout the course of the Receivership Proceedings. The Project has been exposed to the market for some time.
- 111) The principal secured creditor, IA, is supportive of the Transaction. In addition, several other stakeholders in the Project stand to benefit from the Project being sold to a capable developer and operator, including the Nations (through the royalty stream contemplated by the IBA and Amending Agreement), the owners of the WedgeWoods subdivision (through having a completed, rather than part-finished, powerhouse on the subdivision's common property), the guarantors of the original financing for the Project, and the many professionals and contractors working on the Project.

- 112) In summary, the Receiver is of the opinion that the terms of the Transaction are reasonable and appropriate under the circumstances and will maximize the value of the Wedgemount Entities' assets.

CREDITORS AND SECURED CHARGES

- 113) IA is the principal secured creditor of the Wedgemount Entities, and was owed \$16,000,000 in principal at the Date of Receivership pursuant to a credit agreement (the "**Credit Agreement**") dated June 30, 2015 among Wedgemount LP, IA and Travelers Capital Corporation (as agent), and pursuant to a construction loan note dated June 30, 2015. IA has valid and enforceable security (as reported in the Security Opinion).
- 114) In August 2019, IA advanced a further \$500,000 to the Receiver to fund the ongoing Receivership Proceedings and development of the Project. Accordingly, IA is now owed \$16,500,000 ("**IA Principal Amount**") plus interest, which continues to accrue. IA has also directly funded certain protective disbursements to preserve the value of the Project.
- 115) In the event that the Court approves the Transaction, the anticipated net realizations in the Receivership Proceedings are expected to be lower than the IA Principal Amount. Accordingly, IA is expected to suffer a deficit in respect of the IA Principal Amount.
- 116) IA has advised the Receiver that as at September 30, 2017, it was owed a further \$5.6 million in relation to a make whole (prepayment) fee pursuant to the Credit Agreement. The validity and enforceability of this prepayment fee has not been fully considered by the Receiver, and is not expected to be relevant given the deficit IA is anticipated to suffer in respect of the IA Principal Amount.

Holdback Accounts

- 117) Shortly after the Date of Receivership, the Receiver arranged for the transfer of balances held in four holdback accounts related to certain construction contracts entered into by the Wedgemount Entities prior to the Date of Receivership. The accounts held balances totalling \$578,155.
- 118) The Receiver was contacted by three contractors requesting the release of monies held in the respective holdback accounts. Following a review of claims made pursuant to the *Builders Lien Act*, the Receiver made payment in full of the balance held in two of the holdback accounts (including accrued interest) and a partial payment in respect of a third account.
- 119) The Receiver expects to investigate the nature of the fourth holdback account and related construction contract in due course, and may, if appropriate, seek the direction of the Court regarding distribution of the balance held in the remaining holdback account.

Unsecured Creditors

- 120) As at the Date of Receivership, the available books and records of Wedgemount LP reported unsecured creditors with claims of approximately \$6.2 million. Several creditors have contacted the Receiver to advise that their claims were understated in the Wedgemount LP books and records, and did not include invoices submitted close to the Date of Receivership.

- 121) The directors of Wedgemount GP and Wedgemount Power were not able to provide financial statements for these entities, and advised the Receiver that there are no known unsecured creditors.
- 122) Given that IA, the secured creditor, is expected to suffer a shortfall on the IA Principal Amount, the Receiver has not reviewed the claims of the unsecured creditors. The Receiver has, however, provided ad-hoc updates on the status of the Receivership Proceedings to certain unsecured creditors as and when it was contacted.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 123) Attached as Appendix "E" to this Report is a Statement of Receipts and Disbursements reflecting the administration of the Receivership Proceedings for the period from the Date of Receivership to November 15, 2019.
- 124) As at November 15, 2019, the Receiver's gross receipts amounted to \$4,828,744, primarily relating to the cash on hand at the Date of Receivership in the amount of \$2,543,670, the balances in the holdback accounts, the Purchaser's deposit of \$1,000,000, and additional IA funding in the amount of \$500,000.
- 125) During the same period, the Receiver has made disbursements totalling \$3,650,535 including, among other items, engineering and environmental consulting fees, BCH interconnection design and planning costs, Revenue Metering Costs, payment to TELUS Communications Inc. ("**TELUS**") in the amount of \$172,750 plus GST in respect of the Wedgemount Entities' contribution towards TELUS' costs for the relocation of certain fibre optic lines, the cost of the intake construction works, road remediation, powerhouse winterization, legal fees and the Receiver's fees.
- 126) The Receiver has invoiced and been paid approximately \$693,359 in fees and costs (before taxes) covering the period from the Date of Receivership to June 30, 2019. The Receiver has incurred additional fees and costs for the period to October 31, 2019 amounting to \$98,736 which have not yet been paid.
- 127) The Receiver has disbursed \$348,611 to McMillan in fees and costs (before taxes) covering the period from July 21, 2019 to June 30, 2019. McMillan has incurred additional fees and costs for the period to October 31, 2019 amounting to \$80,748.54 (before taxes) which have not yet been paid.
- 128) In addition, the Receiver has disbursed \$68,861 to Gowling WLG LLP in respect of legal fees and costs (before taxes). The legal services provided by Gowling WLG LLP to the Receiver relate to the initial stages of the Receivership Proceedings prior to the involvement of McMillan as the Receiver's independent counsel.
- 129) The net cash balance held by the Receiver at November 15, 2019 was \$120,308 (excluding the holdback accounts and Purchaser deposit).

CONCLUSIONS AND RECOMMENDATIONS

- 130) Based on the foregoing, the Receiver respectfully requests that the Court:
 - a) Grant an order that the Second Confidential Report be filed under seal pending further order of the Court; and
 - b) Grant the Vesting Order.

All of which is respectfully submitted at Vancouver, BC this 5th day of December, 2019.

DELOITTE RESTRUCTURING INC.

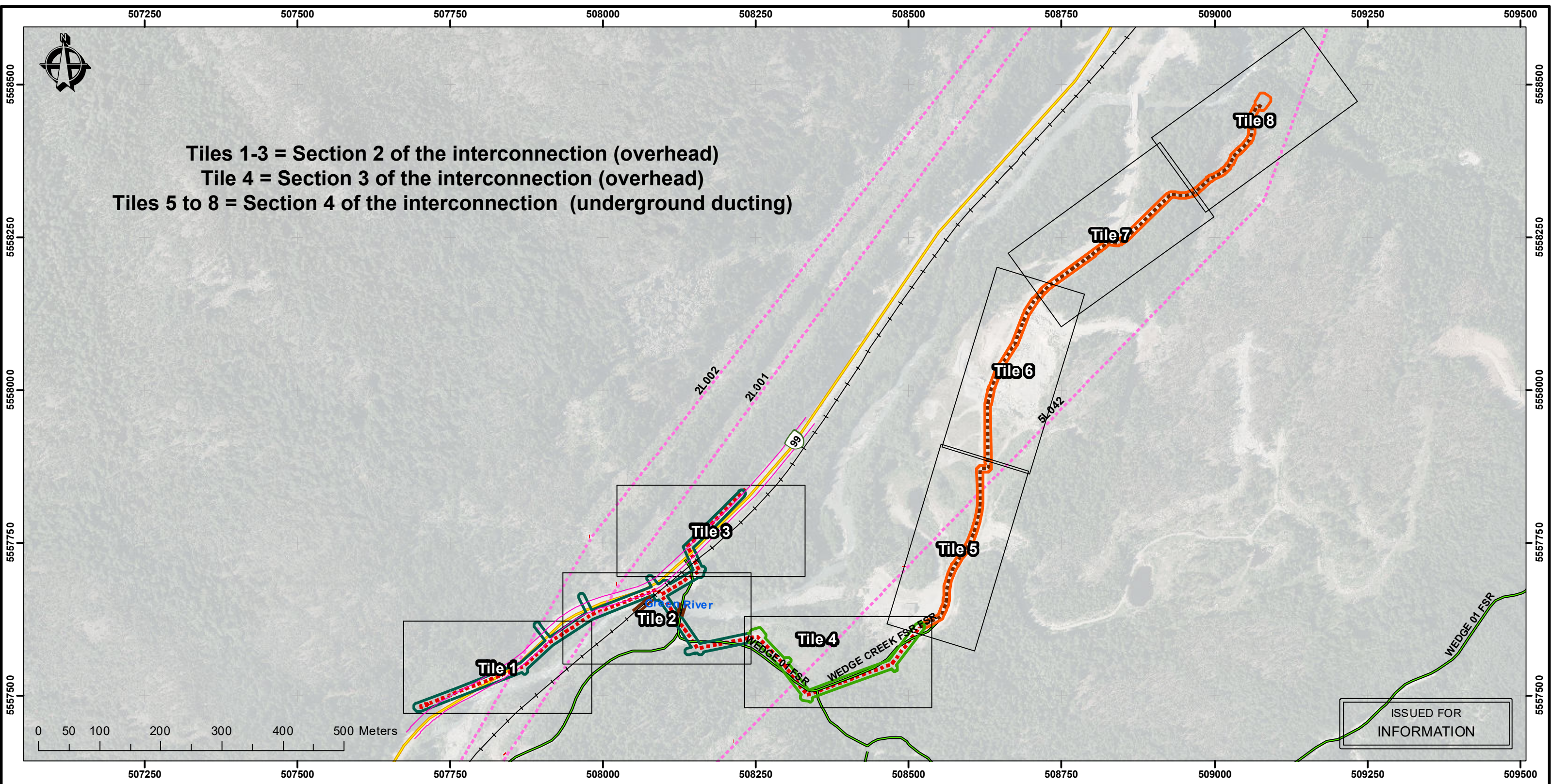
In its capacity as Court-Appointed Receiver and Manager of
Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc., and Wedgemount
Power Inc., and not in its personal capacity



Per: Paul Chambers, CIRP, LIT
Senior Vice-President

Appendix "A"

Interconnection Route Map



Tiles 1-3 = Section 2 of the interconnection (overhead)
 Tile 4 = Section 3 of the interconnection (overhead)
 Tiles 5 to 8 = Section 4 of the interconnection (underground ducting)



Legend	
	Highway
	Forest Road
	Railroad
	Bridge
	MOTIROW boundary
	Proposed Distribution Centerline
	Existing BC Hydro Transmission Line
	Aproximative Existing Underground Alligment
	BC Hydro Power ROW Clearing Boundary
	Wedgemount Power ROW Clearing Boundary
	Wedgemount Power Underground ROW Boundary
	Mapping Tiles

Coordinate System: NAD 1983 UTM Zone 10N

CLIENT		Wedgemount Power		SEAL
DATE	Jan 15/2019			
DESIGN	PC			
DRAWN	AS			
CHECKED	MP			
APPROVED	PC			

Wedgemount Distribution Interconnection 25kV Distribution Line OVERVIEW ROUTE MAP		
PROJECT No.	DRAWING No.	REV.
1383.2	1383.2-T-1900 - 1	B

Appendix "B"

Teaser and Final Bid Procedure

Wedgemount Power LP et al., in receivership

Acquisition Opportunity Overview

- Deloitte Restructuring Inc. is the Court-appointed receiver and manager (the “**Receiver**”) of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc., and Wedgemount Power Inc. (together, “**Wedgemount Power**”).
- Wedgemount Power is the owner and developer of a partly-constructed 5.4MW run-of-river hydro power facility located on Wedgemount Creek, near Whistler, British Columbia (the “**Project**”).
- The Receiver is seeking binding offers for the acquisition of the Project and Wedgemount Power’s right, title and interest in the associated contracts. The **offer deadline** is **noon PDT on September 20, 2019**.

Project Overview and Investment Highlights

Location	Near Whistler, British Columbia
Expected COD	2020
Installed Capacity	5.4 MW
LTA Generation	20.0 GWh
Technology	Rainpower Two Jet Pelton Turbine TES Synchronous Generator 4.16kV Eaton Cooper Two Winding Step-up Transformer
Head	591 m
Design Flow	1.14 m ³ /s
EPA	40 year \$108.42/MWh (2004\$) 50% CPI escalator
Offtaker / Rating	BC Hydro / Aaa (Moody’s)
Ownership	100%
Powerhouse	Located on bank of Wedgemount Creek, approx. 50 m upstream of confluence with Green River

- Construction of the Project significantly advanced, with Commercial Operation Date (“COD”) anticipated in 2020
- 40 year Energy Purchase Agreement in place with BC Hydro under the Standing Offer Program – COD must be achieved by no later than August 1, 2022
- 40 year Distributed Generator Interconnection Agreement and finalized Facilities Study and Project Plan in place with BC Hydro, including milestones timeline and costing for the BC Hydro owned portion of the interconnection
- Impact Benefits Agreement, support letters and revenue-sharing royalty in place with Squamish and Lil’Wat First Nations
- Construction of the interconnection by BC Hydro’s contractor commencing in August 2019
- Design and permitting for the interconnection substantially complete. License of Occupation in place for the Project intake/penstock. Crown land tenure application for certain sections of the interconnection successfully through the public comment period and into the approvals process with MFLNRO
- Powerhouse and underground ducting for the interconnection located on WedgeWoods residential subdivision with requisite statutory right of ways in place
- Engineering peer review carried out by Sigma Engineering and available for review
- Midgard Consulting Inc. acting as the Receiver’s technical advisor, and available for site visits

Source: Wedgemount Power records

British Columbia Market Overview

- The majority of renewable resources in B.C. are contracted with the provincially owned BC Hydro
- B.C. has a long history of strong environmental policy, and has historically produced a large portion of its electricity from clean sources
- In B.C.’s Climate Leadership Plan (2016), the province restated its long-held goal to produce 100% of electricity from clean or renewable sources by 2025 – in order to meet this ambitious goal, it is anticipated that BC Hydro will need to re-contract with all existing renewable resources post-EPA
- Run-of-river hydro has an advantage over other renewable resources such as solar and wind as it can provide baseload, firm generation

All inquiries concerning the Project should be directed to the Receiver. Under no circumstances should the management, officers, or suppliers/engineers of Wedgemount Power be contacted directly. Inquiries regarding the transaction should be directed only to the following:

Deloitte.
 Restructuring Inc.

Paul Chambers
 Director
 (604) 640-3368
pachambers@deloitte.ca

Dominic Davis
 Senior Analyst
 (604) 640-4905
domindavis@deloitte.ca

IMPORTANT NOTICE - The information contained herein has not been verified for accuracy by the Receiver, and the Receiver expressly disclaims any and all responsibility for the information contained herein and makes no representations or warranties, expressed or implied, regarding the information contained in, or omitted from, this document or any other written or oral communications transmitted or made available. Any party wishing to pursue this opportunity must rely on its own inspection and due diligence.

Binding Offer Submission Guidelines

Introduction

Pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") dated May 12, 2017, Deloitte Restructuring Inc. was appointed as receiver and manager (the "**Receiver**"), without security, of all assets, undertakings, properties and legal and beneficial ownership interests (the "**Property**") of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc. (collectively, the "**Group**"), comprising, acquired for or used in relation to the development and construction of the Wedgemount Creek Hydroelectric power project near Whistler, British Columbia (the "**Project**").

Binding Offer Guidelines

The proposal should be executed by an authorized representative of your company in conformity with the guidelines set forth below and should consist of: (i) a binding executed offer (the "**Offer**"); addressing the issues and containing the information requested herein; (ii) a copy of the draft asset purchase agreement ("**APA**") and related exhibits electronically marked and blacklined with any proposed changes ("**Modified APA**"); (iii) the information specified in the Bidder Qualification Requirements, attached as Schedule "A"; and (iv) a good faith deposit of CDN\$1,000,000 (the "**Deposit**") in the form of certified cheque or bank draft made payable to "Wedgemount Power Limited Partnership", to be held by the Receiver in trust.

The Receiver provides the following guidance for the submission of your Offer:

- i) **Contents of the Offer:** Your Offer should reflect the best and final proposal that you are prepared to make, including with respect to price, terms and conditions. You should not assume that you will be given an opportunity to rebid, renegotiate, or improve the terms of your Offer.
- ii) **Transaction Structure:** Offers should be submitted on the basis of acquiring the Property, subject to Court approval, on an "as is, where is" basis without any representations, expressed or implied, as to the description, condition, suitability for purpose, or value of the Property, with a target closing date for the transaction of early October 2019, or as soon as possible thereafter. You should specify the full legal identity of the purchaser(s), including any entity specially formed for the purpose of effecting the contemplated transaction (the "**Acquisition Entity**"), and confirm that the Offer is made as principal and for each purchaser's own account.
- iii) **Purchase Price:** The cash consideration that you are prepared to pay in Canadian Dollars at closing for the Property, and assignment of material contracts required for the completion and operation of the Project. For the avoidance of doubt, your Offer should be submitted on the basis of acquiring the Property, excluding any cash funds currently held by the Receiver, debt free. The Purchase Price should be expressed as a specific figure and not a range. You shall assume that the assets will be conveyed to the potential purchaser by way of an order of the Court, free and clear of all claims, liens and security interests.
- iv) **APA:** The APA will be made available in the electronic data room. Clarifications and questions regarding the APA should be directed to the Receiver. If required, the Receiver can arrange access to its legal counsel. An unsigned, clean copy, and an electronically marked and blacklined copy, of the Modified APA are required to be submitted along with your Offer.

The Receiver's preference is that no significant modifications be made to the APA. Please note that the Receiver will consider the extent and nature of your revisions to the APA in evaluating your Offer. Any modifications that are made must include specific proposed language changes to be considered. Each bidder should indicate in its Offer that it is prepared to promptly execute the Modified APA. Please ensure that all bullets have been completed and that all square brackets have been removed, where possible, and all exhibits, schedules and ancillary agreements have been included.

- v) **Financing:** Include details of the sources of funding contemplated by your Offer. Your Offer should not be contingent on financing. If financing will be coming from external sources, the Offer should include all relevant financing documentation including binding commitment letters and should specify the names and telephone numbers of the lending institutions and/or equity participants involved (including the appropriate individuals) so that the Receiver may contact them to verify financing. If financing will be coming from internally available funds, the Offer should include evidence of such available funds.
- vi) **Due Diligence:** Include confirmation that you have completed all necessary due diligence required to promptly execute the Modified APA and complete the transaction shortly thereafter. Your Offer should not be contingent on any additional due diligence requirements. The Receiver will continue to be available throughout the period leading to the Offer Deadline (defined below) to provide you with the opportunity to complete your due diligence.
- vii) **Authorizations/Approvals:** Include confirmation that you have obtained all required internal approvals, including authorization and approval of your Board of Directors or equivalent authority, prior to submitting your Offer and that no additional approvals are required (including shareholder approval) to implement your Offer. Also set out any regulatory approvals or other consents under applicable laws in connection with the acquisition that you will require to be obtained or complied with prior to closing and details regarding your anticipated handling and timing of such approvals/consents (if any). While the Receiver will provide reasonable assistance in connection with regulatory approvals and other consents, it cannot provide any guarantee that such consents and approvals will be forthcoming and ultimately the obtaining of all necessary consents and approvals shall be the sole responsibility of the prospective purchaser.
- viii) **Conditions:** You should provide your Offer with no or limited conditions except for receipt of an order of the Court conveying the Property and assigning (to the extent permissible by law) the material contracts and licences for the completion and operation of the Project to the purchaser free and clear of all claims, liens and security interests.

Offers with no or minimal other closing conditions will be considered more favourably by the Receiver. Include details of any conditions to which your Offer is subject and the timing for fulfilling any such conditions. Include a description of any other factors that you believe should be taken into consideration in reviewing your Offer.

- ix) **Contact information:** Please include the names, titles, telephone numbers and email addresses (the "**Contact Information**") of those persons who will be available to discuss or clarify any aspects of your Offer. Please also include the Contact Information of those representatives of your company and any financial, legal, or other advisors who will be responsible for and committed to working towards consummating the proposed transaction expeditiously.

- x) **Irrevocable Offer:** Include a statement that your Offer is irrevocable until the earlier of (i) the selection of the Successful Bidder (defined below) and (ii) thirty (30) days following the Offer Deadline, provided that if you are selected as the Successful Bidder, your Offer shall remain irrevocable until the closing of the sale, notwithstanding any negotiation of the Offer or counter offers by the Receiver following receipt of your Offer.
- xi) **Other:** Include any material elements of your Offer that are not covered within the above headings.
- xii) **Deposits:** Deposits shall be held in an account of the Receiver. Deposits of all bidders, other than the Successful Bidder, shall be returned within three (3) business days of the selection of the Successful Bidder, and by no later than fourteen (14) days following the Offer Deadline. The Deposit of the Successful Bidder shall be applied to the purchase price on closing of the transaction with the Successful Bidder. If a Successful Bidder fails to consummate an approved sale because of its breach or failure to perform, the Receiver shall be entitled to retain the Deposit of the Successful Bidder as part of the Receiver's damages resulting from the breach or failure to perform by the Successful Bidder.

Delivery of Documents to the Receiver

Please send your Offer to the Receiver via email by **no later than noon PDT on September 20, 2019 (the "Offer Deadline")** in care of:

Paul Chambers, Vice President
Deloitte Restructuring Inc.
Tel: (604) 640 3368
Email: pachambers@deloitte.ca

Dominic Davis, Senior Associate
Deloitte Restructuring Inc.
Tel: (604) 640 4905
Email: domindavis@deloitte.ca

Deposits in the form of a certified cheque or bank draft must be delivered by the Offer Deadline to the Receiver at 2800 – 1055 Dunsmuir Street, Vancouver, BC, Canada V7X 1P4, Attention: Paul Chambers, in a sealed envelope marked:
WEDGEMOUNT POWER LIMITED PARTNERSHIP, ATTN: PAUL CHAMBERS.

All communications on the foregoing should be delivered to the above contacts. Under no circumstances should you contact directly any of the shareholders, directors, officers, employees, agents, customers, suppliers or competitors of the Group with respect to the transaction.

Procedures Following Receipt of Offers

The Receiver and its advisors will evaluate all Offers received by the Offer Deadline. You and your team may be contacted after the submission of your Offer in order for the Receiver to clarify any terms or conditions of your Offer.

Upon review of the Offers, the Receiver, in its sole discretion, will determine the process by which it will move forward. It is currently contemplated that the Receiver will enter into an exclusivity arrangement with a single preferred bidder (the "**Successful Bidder**") to swiftly finalize a definitive APA and determine timing for Court approval of the transaction.

Prospective purchasers should note that the Receiver is under no obligation to respond to or accept any Offer, and completion of any transaction will be subject to the approval of the Court.

Qualifications Regarding the Sale Process

The Receiver is not obliged to accept any Offer, nor to accept the highest Offer if any Offer is accepted, and may amend, modify or change the procedures outlined herein at any time. The Receiver reserves its right, in its sole and absolute discretion and without explanation, to evaluate all Offers, negotiate their terms, reject any or all Offers, amend the transaction process, terminate discussions with any interested party, and initiate negotiations related to the transaction with one or more interested parties.

Interested parties are responsible for all costs and expenses incurred in connection with the investigation of this opportunity, their respective Offers, and the negotiation and execution of the definitive APA (where applicable).

Neither the Receiver nor any of its representatives makes any representations or warranties as to the accuracy or completeness of any information provided to you, and no responsibility or liability is or will be accepted by the Receiver or its representatives in relation to the accuracy or completeness of such information or any other written or oral information made available to any interested party or its advisors in connection with any further investigation of the Group and the Property. Interested parties must rely solely on their own independent due diligence. The Receiver reserves the right, but shall have no obligation, to amend the information contained within the electronic data room or any other written material furnished or information orally transmitted to an interested party. No information, representations or opinions set out or expressed will form the basis of any contract, agreement or understanding.

The Receiver reminds interested parties that: (i) the non-disclosure agreement ("**NDA**") entered into between interested parties and the Receiver continues in full force and effect; (ii) the existence and contents of this letter and its attachments, as well as the existence, contents and status of any Offer you may submit, are all subject to the NDA; and (iii) the Receiver will coordinate all meetings and information requests. As such, all communications, inquiries or requests for further information should be directed to Paul Chambers at the number or email address provided above.

This document does not constitute an offer or firm commitment by the Receiver to execute, enter into or perform any transaction. Any binding obligation in respect of a potential transaction will be subject to the duly authorized and executed final documentation, and approval of the Court.

SCHEDULE A

BIDDER QUALIFICATION REQUIREMENTS

GENERAL INSTRUCTIONS

The Bidder Qualification Requirements should be organized to follow the numbering system and the headings set out below. If a particular heading is inapplicable, retain the number and heading and insert "Not applicable".

Bidders should be fully responsive to each instruction. If a bidder is in any doubt as to the requirements contained in this Schedule A, it may contact the Receiver for further information.

The Receiver shall review all Bidder Qualification Requirements received from a bidder to determine, in its reasonable discretion, whether:

- (a) it is reasonably likely that the bidder will be able to consummate a transaction if selected as the Successful Bidder; and
- (b) it is reasonably likely that the bidder could successfully complete the due diligence process of British Columbia Hydro and Power Authority ("**BC Hydro**") related to the assignment of the Energy Purchase Agreement ("**EPA**").

1. BIDDER DESCRIPTION

1.1 Bidder Identity

- (a) For both the bidder, and if applicable, the Acquisition Entity, state the full legal name, form of organization (corporation, general partnership, limited partnership, joint venture, etc.), jurisdiction in which it is incorporated or formed, and any incorporation or similar identifying number, if applicable, the street and mailing address(es) of the principal place of business, its general telephone and fax number and its website address, if any.
- (b) Except in the case of a limited partnership, if the bidder or Acquisition Entity is a general partnership, joint venture or otherwise consists of two or more legal entities, provide the information described in 1.1(a) for each such entity.
- (c) If the bidder or Acquisition Entity is a limited partnership, provide the information described in 1.1(a) for the partnership and the general partner only.

1.2 Bankers, Auditors and Advisors

- (a) State the name and address of the bidder's principal financial institution(s).
- (b) State the name of the bidder's auditors, or if financial statements are not subject to audit, state the name of the bidder's principal external accountant, if any.
- (c) State the name and address of the bidder's principal legal advisor. Include the name and location of the firm and/or in-house legal department and the lawyer primarily responsible for advising the bidder on the Modified APA and the EPA.

2. FINANCIAL CAPACITY AND CREDIT WORTHINESS

- (a) Written evidence upon which the Receiver may reasonably conclude that the bidder has the necessary financial ability to close the contemplated transaction and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction, including access to sufficient financial capability and creditworthiness to develop and operate the Project in accordance with the terms of the EPA. Such information may include, among other things, the following:
- (i) Recent financial statements, if available;
 - (ii) Contact names and numbers for verification of financing sources;
 - (iii) Evidence of the bidder's internal resources and proof of any debt or equity financing commitments that are needed to close the contemplated transaction;
 - (iv) Any such other form or financial disclosure or credit-quality support information demonstrating that such bidder has the ability to close the contemplated transaction.

3. SUPPLEMENTARY INFORMATION

3.1 Project Plan

- (a) With reference to the Distributed Generator Interconnections Agreement (the "**DGIA**") (particularly Attachment 4, "Milestones"), the Interconnection Facilities Study and Project Plan, and the EPA, in the event of becoming the Successful Bidder, please describe in general terms any changes you would propose to make to the following items (if any):
- (i) Project footprint.
 - (ii) Energy output of the facility.
 - (iii) Proposed plans for the construction.
 - (iv) Proposed operation of the facility.

Bidders should note that the response to points 3.1(a)(i) to (iv) will form part of BC Hydro's assessment of whether to consent to the assignment of the EPA and that any material proposed changes to the above items may adversely impact that process and the Receiver's evaluation of the Offer.

3.2 Other Data

The bidder is invited to provide any other information concerning the bidder and/or the Project: (i) which is not addressed above; and (ii) which the bidder believes is relevant and may impact the Receiver's assessment of the bidder's Offer and/or BC Hydro's assessment of whether to consent to the assignment of the EPA.

Appendix "C"

Redacted Concord APA

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 18TH day of NOVEMBER, 2019,

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity, having an office at 2800 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P4

(the “**Vendor**”)

AND:

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., a corporation established under the *Canada Business Corporations Act* (number: 1173948-4), and 11739522 Canada Inc., a corporation established under the *Canada Business Corporations Act* (incorporation number: 1173952-2) and having an office at 9th Floor, 1095 West Pender Street, Vancouver, British Columbia V6E 2M6

(the “**Purchaser**”)

BACKGROUND

- A. Wedgemount Power Limited Partnership (“**Wedgemount LP**”) in connection with Wedgemount Power (GP) Inc. (“**Wedgemount GP**”) and Wedgemount Power Inc. (“**Wedgemount Power**”, and collectively with Wedgemount LP and Wedgemount GP, the “**Wedgemount Entities**”) is an independent power producer that, in connection with the other Wedgemount Entities, was developing and constructing the Wedgemount Creek Hydroelectric power project, a 5.4MW run-of-river hydro power facility consisting of approximately a 2.405 kilometer penstock, 595.67 meters of gross head, a maximum plant flow of 1.13 m³/s and an average annual production capacity of approximately 19.3 GWh (the “**Project**”) near Whistler, British Columbia;
- B. Pursuant to an Order (the “**Receivership Order**”) of the Supreme Court of British Columbia (the “**Court**”) made on May 12, 2017, in Action Number S-174308, Vancouver Registry (the “**Receivership Action**”), the Court appointed the Vendor as the receiver and manager of all of the current and future assets, undertakings and properties of the Wedgemount Entities, with the power and authority to, among other things, sell the Purchased Assets (as defined below); and

- C. Subject to the issue of the Vesting Order (as defined below) and other terms and conditions of this Agreement, the Vendor wishes to sell, and the Purchaser wishes to purchase, all of the Wedgemount Entities' right, title, and interest in and to the Purchased Assets.

TERMS OF AGREEMENT

In consideration of the premises and the covenants, agreements, representations, warranties and payments contained in this Agreement, the Parties agree with one another as follows:

1. Definitions

The following terms have the following meanings:

(a) **“Adjustments”** means the adjustment to the Purchase Price for any amounts due or accruing from and after the date of this Agreement, in respect of expenses incurred in the ordinary course, in respect of the Project, including but not limited to insurance premiums, utilities, property taxes, and water licence rentals/fees, and as determined pursuant to Section 8, such that:

(i) any such expenses accruing for the period prior to the Closing Date shall be for the account of the Vendor and to the extent paid by the Purchaser shall result in a decrease to the Purchase Price; and

(ii) any such expenses accruing for the period from and after the Closing Date shall be for the account of the Purchaser, and to the extent paid by the Vendor shall result in an increase to the Purchase Price,

and for the avoidance of doubt excludes the Pre-Closing Expenses;

(b) **“Agreement”** means this asset purchase agreement, including all Schedules, as made as of the date first written above;

(c) **“Amended EPA”** means the amended EPA in the form attached as Appendix “A” to the BC Hydro Assignment;

(d) **“Applicable Law”** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directions and orders of Governmental Entities, including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such Person, property or circumstance;

(e) **“Application”** has the meaning ascribed thereto in Section 26.2(b);

(f) **“Assumed Obligations”** means:

- (i) the obligations and liabilities of the Wedgemount Entities (or the Vendor) under or in connection with the Purchased Assets to the extent such obligations and liabilities accrue from and after the Closing Date; and
 - (ii) all Network Upgrade Costs (notwithstanding that some or all the Network Upgrade costs accrue prior to the Closing Date),
- and, for the avoidance of doubt, shall not include the Excluded Obligations;
- (g) “**BC Hydro**” means British Columbia Hydro and Power Authority;
 - (h) “**BC Hydro Assignment**” means the agreement among the Vendor, the Purchaser and BC Hydro to amend the EPA and assign the Amended EPA and any EPA-related documents to the Purchaser, substantially in the form attached as Schedule “A”;
 - (i) “**BC Hydro Letter of Credit**” means an irrevocable letter of credit in favour of BC Hydro in compliance with the requirements set out in Article 4 of the DGIA in the amount of \$5,046,300;
 - (j) “**Business Day**” means any day other than a Saturday, a Sunday or any other statutory holiday in British Columbia;
 - (k) “**Closing**” means the successful completion of the transactions contemplated in this Agreement;
 - (l) “**Closing Date**” means the fifth (5th) Business Day following the date on which the Vesting Order is granted by the Court, or as otherwise agreed upon in writing by the Vendor and the Purchaser;
 - (m) “**Closing Time**” means 10:00 am, Vancouver, British Columbia time on the Closing Date;
 - (n) “**Conditions Precedent**” means the conditions precedent set forth in Sections 18 to 20 of this Agreement;
 - (o) “**Contract Holdbacks**” means those holdbacks or other similar retention funds required pursuant to the *Builders Lien Act* (British Columbia) in regard to any agreement to which the Wedgemount Entities (or any of them) are party that is not a Contract;
 - (p) “**Contracts**” means the agreements listed in Schedule “B”;
 - (q) “**Court**” has the meaning ascribed thereto in Recital B;
 - (r) “**Deposit**” has the meaning ascribed thereto in Section 7.3(a);
 - (s) “**Deposit Return Event**” means the occurrence of any of the following:

- (i) the Parties mutually agree in writing that either of the conditions set forth in Section 20.1 have not been satisfied or are incapable of being satisfied on or prior to the Outside Date;
 - (ii) this Agreement is validly terminated pursuant to Subsection 22.1(a) or Subsection 22.1(d);
 - (iii) this Agreement is validly terminated by the Vendor pursuant to Section 19.3, provided that, at the time of such termination, the Purchaser is not in material breach of any of its covenants under this Agreement;
 - (iv) this Agreement is validly terminated by the Purchaser pursuant to Section 18.3, provided that, at the time of such termination, the Purchaser is not in material breach of any of its covenants under this Agreement; and
 - (v) this Agreement is automatically terminated pursuant to Section 22.3, provided that, at the time of such termination, the Purchaser is not in material breach of any of its covenants under this Agreement;
- (t) “**DGIA**” means the Distribution Generator Interconnection Agreement dated July 30, 2019 between the Vendor and BC Hydro;
- (u) “**EPA**” means the Electricity Purchase Agreement dated March 6, 2015 between Wedgemount LP, acting by its general partner Wedgemount GP, and BC Hydro;
- (v) “**Encumbrance**” means any encumbrance or interest against or in the Purchased Assets of any kind whatsoever and includes, without limitation, a security interest, mortgage, lien, hypothec, pledge, assignment, charge, title retention agreement, option, trust or deemed trust (whether contractual, statutory or otherwise arising), debt, licence and any covenant or other agreement, restriction or limitation relating to the Purchased Assets or the transfer of the Purchased Assets to the Purchaser pursuant to this Agreement;
- (w) “**Equipment**” means the machinery, equipment spare parts, and control systems owned by the Wedgemount Entities and used in the business of the Wedgemount Entities or in connection with the Project (including the construction of the Project) and located at the Project site, including the Equipment listed in Schedule “C”, together with any other equipment located on the areas covered by the Real Property Interests and/or the penstock lay down area;
- (x) “**ETA**” means the *Excise Tax Act* (Canada);
- (y) “**Excluded Assets**” means, notwithstanding anything to the contrary contained in this Agreement, all property and assets of the Wedgemount Entities other than the Purchased Assets, including the following property and assets of the Wedgemount Entities pertaining to its business and all documents, books, accounts, records and other information relating to those assets:

- (i) all cash currently held by the Vendor, bank balances, money in possession of banks and other depositories, term or time deposits and similar cash or cash equivalents of, owned or held by or for the account of the Wedgemount Entities' business, including the Contract Holdbacks;
 - (ii) all the corporate, financial and other records of the Wedgemount Entities not pertaining to the operation of its business;
 - (iii) all tax credits receivable by or refundable to the Vendor, income tax installments paid by the Vendor and the right to receive any refund of taxes paid by the Vendor; and
 - (iv) all contracts that are not expressly listed in Schedule "B";
- (z) **"Excluded Obligations"** means:
- (i) the Revenue Metering Payment;
 - (ii) the Telus Payment;
 - (iii) the Final BC Hydro Payment;
 - (iv) the obligations and liabilities of the Wedgemount Entities (or the Vendor) under or in connection with the Purchased Assets to the extent such obligations and liabilities accrue prior to the Closing Date (unless expressly and specifically assumed by the Purchaser in this Agreement); and
 - (v) any obligations and liabilities of the Wedgemount Entities (or the Vendor) under or in connection with the Excluded Assets regardless of whether such obligations and liabilities accrue prior to, on or after the Closing Date;
- (aa) **"Final Adjustment"** has the meaning ascribed thereto in Section 8.1;
- (bb) **"Final Adjustment Date"** has the meaning ascribed thereto in Section 8.1;
- (cc) **"Final BC Hydro Payment"** means the payment to BC Hydro in the amount of \$142,126.41 in respect of BC Hydro's costs related to design, definition and permitting of the interconnection incurred up to and including the date of the DGIA and, for the avoidance of doubt, does not include the Network Upgrade Costs;
- (dd) **"General Conveyance"** means the form attached as Schedule "D" hereto and required to effect the transfer of the Real Property Interests to the Purchaser;
- (ee) **"General Partners"** means together 11739484 Canada Inc., and 11739522 Canada Inc.;
- (ff) **"Governmental Entity"** means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal or local governmental authority, quasi-

governmental authority, instrumentality, court, government or self-regulatory organization, bureau, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing having jurisdiction under or for the account of the foregoing, the Purchased Assets or any other matter that is the subject of this Agreement;

(gg) “**GST**” means the goods and services or harmonized sales tax payable pursuant to the ETA, and any applicable federal or provincial regulations associated therewith, as may be amended from time to time;

(hh) “**IBA Agreement**” has the meaning ascribed thereto in Section 12.3(a);

(ii) “**Impacts and Benefits Agreement**” means the Impacts and Benefits Agreement dated August 1, 2014 between Wedgemount Power, Lil’Wat Nation and Squamish Nation, with the interest of Wedgemount Power having been assigned to Wedgemount LP, as amended by the Amendment Agreement to Impacts and Benefits Agreement dated September 12, 2018 between Wedgemount LP, Lil’Wat Nation and Squamish Nation;

(jj) “**Initial Adjustment**” has the meaning ascribed thereto in Section 8.1;

(kk) “**Intangibles**” means the choses in action and other similar rights or claims directly related to the Purchased Assets;

(ll) “**MFLNRO**” means the Ministry of Forests, Lands, Natural Resource Operations and Rural Development;

(mm) “**MOTI**” means the Ministry of Transportation and Infrastructure;

(nn) “**Nations**” means the Lil’Wat Nation and the Squamish Nation;

(oo) “**Network Upgrade Costs**” means the network upgrade costs as defined and set out in the DGIA payable to BC Hydro, and secured by the BC Hydro Letter of Credit, thereunder;

(pp) “**Outside Date**” means February 29, 2020;

(qq) “**Party**” means either the Vendor or the Purchaser, as applicable, and “**Parties**” means both the Vendor and the Purchaser;

(rr) “**Permits**” means all authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges issued or granted by any Governmental Entity to the Wedgemount Entities in respect of the Purchased Assets listed including, but not limited to, those as described in Schedule “E” hereto;

(ss) “**Permitted Encumbrances**” means the permitted Encumbrances (if any) listed and described in Schedule “F”, which shall be accepted and/or assumed on Closing by the Purchaser;

- (tt) “**Person**” means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, association, joint-stock company, trust, society, incorporated organization or any other similar entity;
- (uu) “**Pre-Closing Expenses**” has the meaning ascribed thereto in Section 9.1;
- (vv) “**Project Assets**” means the powerhouse, intake, penstock, and any other constructed or partially constructed assets comprising the Project and all parts and equipment installed thereon or incorporated therein, and any drawings, concepts, reports, environmental studies, data and information in relation to the Project that are in the possession of the Vendor whether or not provided under any of the Contracts;
- (ww) “**PST**” means any provincial retail sales tax payable under the PST Act and its regulations, as amended from time to time;
- (xx) “**PST Act**” means the *Provincial Sales Tax Act* (British Columbia);
- (yy) “**Purchase Price**” has the meaning ascribed thereto in Section 7.1;
- (zz) “**Purchased Assets**” means all of the right, title, and interest of the Wedgemount Entities or the Vendor in and to the Contracts, Equipment, Intangibles, Project Assets, Real Property Interests, Permits, and Wedgemount Applications, but specifically excludes the Excluded Assets;
- (aaa) “**Real Property Interests**” means those grants, licences, easements, statutory rights of way, and other like interests which grant real property interests to the Wedgemount Entities or the Vendor in respect of the Project, listed and as described in Schedule “G”;
- (bbb) “**Receivership Action**” has the meaning ascribed thereto in Recital B;
- (ccc) “**Receivership Order**” has the meaning ascribed thereto in Recital B;
- (ddd) “**Regulatory Approvals**” means any approval, consent, ruling, authorization notice or acknowledgement from any Governmental Entity pursuant to Applicable Law or required to convey, assign and transfer the right, title and interest of the Wedgemount Entities in and to the Purchased Assets to the Purchaser, including to assign the Real Property Interests to the Purchaser;
- (eee) “**Required Consents**” has the meaning ascribed thereto in Section 16.6;
- (fff) “**Required Notices**” has the meaning ascribed thereto in Section 16.6;
- (ggg) “**Revenue Metering Payment**” means the payment in the amount of \$59,850 made by the Vendor to BC Hydro pursuant to the DGIA;
- (hhh) “**Sales Taxes**” means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other

governmental charges of any kind, and includes without limitation additions by way of penalties, interest and other amounts with respect thereto, including PST and GST;

(iii) “**Statement of Adjustments**” has the meaning ascribed thereto in Section 8.1;

(jjj) “**Telus Payment**” means the payment in the amount of \$181,300.46 made by the Vendor to TELUS Communications Inc. in respect of the Wedgemount Entities’ contribution towards TELUS Communications Inc.’s construction costs for the relocation of outside plant communication facilities;

(kkk) “**Vendor’s Certificate**” means a certificate executed by an officer of the Vendor in substantially the form attached hereto as Schedule “H”;

(lll) “**Vendor’s Solicitors**” means the firm of McMillan LLP, Royal Centre, 1055 West Georgia Street, Suite 1500, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, Telephone No. 604.689.9111, Fax No. 604.685.7084;

(mmm) “**Vesting Order**” means an order of the Court in the Receivership Action substantially in the form attached as Schedule “I”, approving the entry into this Agreement by the Vendor and the consummation of the transactions contemplated hereby, and vesting in the Purchaser or its nominee(s) all right, title and interest in and to the Purchased Assets free and clear of all Encumbrances, except for the Permitted Encumbrances, upon payment of the Purchase Price;

(nnn) “**Wedgemount Applications**” has the meaning ascribed thereto in Section 26.2(b); and

(ooo) “**Yukon Documents**” means those documents listed in Schedule “J”.

2. Currency and Form of Payment

2.1 All references to currency shall mean Canadian Dollars unless otherwise expressly provided.

2.2 Subject to Section 7.3, all payments to be made by the Purchaser to the Vendor to effect the transactions set out in this Agreement are to be payable by certified cheque, bank draft or wire transfer to the Vendor’s Solicitors, “In Trust”.

3. Purchase and Sale of Purchased Assets

3.1 Subject to the timely fulfillment or waiver of all of the conditions precedent herein, including the granting of the Vesting Order, the Vendor agrees to sell, assign and transfer to the Purchaser, free and clear of all Encumbrances, except for the Permitted Encumbrances, and the Purchaser agrees to purchase from the Vendor, all right, title and interest in and to the Purchased Assets, upon the terms hereof.

4. “As is, Where is”

4.1 The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an “as is, where is” basis as they exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted or will have conducted such inspections of the condition of and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality, assignability or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell them save and except as expressly represented or warranted in this Agreement. The description of the Purchased Assets contained in this Agreement is for purposes of identification only.

4.2 The Purchaser hereby agrees to assume and comply with all obligations, responsibilities and liabilities arising from and in connection with the Purchased Assets, provided however that, and except as otherwise specified herein, such assumption and compliance shall apply only to obligations and liabilities that accrue from and after the Closing Date, without any recourse whatsoever against the Vendor therefor. Without limiting the generality of this Section, the Purchaser acknowledges and agrees with the Vendor that:

(a) the Purchaser is entering into this Agreement relying entirely upon its own inspections and there are no representations, warranties or covenants or conditions, whether direct or collateral, or express or implied, which induced the Purchaser to enter into this Agreement or on which reliance is placed by the Purchaser, or which affect this Agreement or the Purchased Assets, other than as expressly set out in this Agreement; and

(b) the Purchaser is relying on its own due diligence in reviewing the documents and other materials in respect of the Purchased Assets made available to it by the Vendor and that such documents and other materials are not intended to constitute a representation or warranty as to any of the contents thereof on the part of the Vendor.

4.3 The Vendor shall have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Purchased Assets or the condition thereof, save as otherwise expressly provided in or contemplated by this Agreement.

4.4 This Section 4 shall survive Closing and shall be restated or incorporated by reference, where applicable, in the closing documents.

5. Assumed Obligations

5.1 Subject to Section 5.2, in connection with its acquisition of the Purchased Assets, the Purchaser covenants and agrees to assume all of the Vendor’s and the Wedgemount Entities’ right, title and interest in and to the Purchased Assets, as well as the Assumed Obligations, but no other assets, obligations or liabilities. For greater certainty, the Purchaser shall not be responsible for any of the Excluded Obligations.

5.2 Notwithstanding Section 5.1, the Purchaser covenants and agrees that it shall assume all of the Vendor's and the Wedgemount Entities' responsibilities and obligations in regard to the Network Upgrade Costs, notwithstanding that some or all of the Network Upgrade Costs accrue before the Closing Date.

5.3 The Purchaser acknowledges that the Vendor will have no responsibility whatsoever for curing any defaults, paying any arrears, or performing any obligations under or with respect to the Assumed Obligations, save and except as otherwise specified herein.

6. Excluded Assets

6.1 Notwithstanding anything to the contrary in this Agreement, the Excluded Assets shall not form part of the purchase and sale contemplated in this Agreement and the Purchaser shall not assume or be responsible for any claim, liability or obligation in relation to or arising out of the Excluded Assets.

7. Purchase Price and Payment

7.1 The aggregate cash consideration payable by the Purchaser to the Vendor for the Purchased Assets is \$12,750,000.00 (the "**Purchase Price**"), plus all applicable Sales Taxes.

7.2 The Parties acknowledge and agree that the Purchase Price shall be allocated among the Purchased Assets in accordance with Schedule "K" and the Vendor and the Purchaser will report the sale and purchase of the Purchased Assets for all tax purposes in a manner consistent with such allocation and shall not file any return that is inconsistent with such allocation.

7.3 Subject to the terms and conditions of this Agreement, the Purchase Price shall be paid as follows:

- (a) by the Purchaser delivering to the Vendor, in trust, at the time that Vendor accepts the Purchaser as the successful bidder, the amount of \$1,000,000 (the "**Deposit**"), to be held in trust and released only in accordance with the terms of this Agreement; and
- (b) the balance of the Purchase Price, after crediting the Deposit, by payment at or prior to the Closing Time to the Vendor or as it may otherwise direct in writing by way of certified cheque, bank draft or wire transfer.

8. Purchase Price Adjustment

8.1 Adjustments to the Purchase Price shall be made as of the Closing Date pursuant to a statement of adjustments (the "**Statement of Adjustments**") to be prepared by the Vendor and agreed by the Purchaser. If the final cost or amount of any item which is to be adjusted cannot be determined at the Closing Date, then an initial estimated adjustment for such item shall be made at the Closing Date (the "**Initial Adjustment**"), such amount to be estimated by the Vendor and agreed by the Purchaser as of the Closing Date on the basis of the best evidence available and being commercially reasonable at Closing as to what the final cost or amount of such item will be. The Initial Adjustment shall be finally adjusted on a final post-closing basis

within 30 days from the Closing Date (the “**Final Adjustment Date**”) upon mutual agreement by the Parties (the “**Final Adjustment**”). If the Parties are unable to come to a mutual agreement regarding the Statement of Adjustments, the Initial Adjustment or the Final Adjustment, then the dispute shall be submitted to a mutually appointed independent accountant for final determination, the costs, charges and expenses for which shall be paid equally by each of the Parties. Any amount payable by one Party to the other pursuant to the Statement of Adjustments or the Final Adjustment shall be paid within five Business Days of the mutual agreement or other determination of that amount and in any case by no later than 30 days after the Final Adjustment Date.

9. Pre-Closing Expenses

9.1 In addition to any adjustments pursuant to Section 8.1, the Purchase Price shall be increased by the total or the agreed portion of any amounts paid by the Receiver prior to the Closing Date:

(a) at the request or direction of the Purchaser, including in respect of any Application, as pre-approved by the Receiver, such approval not to be unreasonably withheld or delayed; or

(b) which the Receiver considers reasonably necessary to advance the Project and are pre-approved by the Purchaser, such approval not to be unreasonably withheld or delayed, including without limitation, interconnection of the Project to the BC Hydro grid,

(collectively, the “**Pre-Closing Expenses**”).

10. Deposit

10.1 The Deposit shall be non-refundable and shall not be returned to the Purchaser under any circumstances unless a Deposit Return Event has occurred, in which case the Vendor shall transfer the Deposit and any interest earned thereon to the Purchaser within three (3) Business Days of the occurrence of the Deposit Return Event.

10.2 If this Agreement is terminated by either the Vendor pursuant to section 19.3 or the Purchaser, but a Deposit Return Event has not occurred, the Vendor shall be entitled to keep the Deposit and any interest earned on the basis that such amount is a genuine pre-estimate of damages suffered by the Vendor and is not a penalty.

11. Taxes

11.1 The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. The Purchaser will be solely liable for and shall pay all Sales Taxes, including, without limitation, PST and GST payable upon and in connection with the sale and transfer of the Purchased Assets by the Vendor to the Purchaser, and will file all necessary documentation with respect to such Sales Taxes when due. If the Vendor is required under any Applicable Law to pay or remit any such Sales Taxes, the Purchaser shall promptly reimburse the Vendor the full amount of such Sales Taxes upon delivery to the Purchaser of copies of receipts showing

payment or remittance of such Sales Taxes. In any event, the reimbursement shall be made within ten Business Days of delivery of the receipts of Sales Taxes.

11.2 The Parties will, on the Closing Date, elect jointly under Subsection 167(1)(b) of the ETA, in the prescribed form and containing the prescribed information to permit the Purchased Assets to be conveyed without GST being payable in respect of the purchase and sale thereof hereunder, and the Parties will jointly complete the election forms in respect of such election. The Purchaser shall file the joint election with the Canada Revenue Agency on or before the due date for filing its GST return for its reporting period in which, in the absence of making this joint election, would be the earliest date on which GST would become payable on the sale of the Purchased Assets under this Agreement. The Parties agree that they will cooperate and use commercially reasonable efforts, as may be advisable under Applicable Laws, to mitigate, reduce or eliminate any PST that may be applicable or imposed in respect of the sale of the Purchased Assets under this Agreement, including the Purchaser providing to the Vendor, at or prior to the time of Closing, a duly completed, signed and dated Certificate of Exemption - Production Machinery and Equipment (FIN 492) for any production machinery and equipment eligible for exemption under Part 5 in the Provincial Sales Tax Exemption and Refund Regulation under the PST Act, and a duly completed, signed and dated Certificate of Exemption - General (FIN 490) for any penstock machinery, equipment, apparatus and parts eligible for exemption under section 31 of the said Regulation. To the extent that no exemption from PST is available on the sale of the Purchased Assets, the Purchaser will self-assess and pay any applicable PST to the BC Ministry of Finance by filing a Casual Remittance Return – FIN 405 on or before the last day of the month immediately following the month in which Closing occurs. The Purchaser agrees to provide proof of such self-assessment within five Business Days of doing so. Notwithstanding the foregoing or anything else in this Agreement, the Purchaser shall indemnify the Vendor, and save the Vendor harmless from, any GST, PST, interest, penalties and any other amounts assessed by the Canada Revenue Agency, BC Ministry of Finance or any other applicable Governmental Entity in respect of the sale of the Purchased Assets under this Agreement, except to the extent arising from a Sales Tax liability accruing prior to the Closing Date, which would be an Excluded Obligation. This indemnity shall extend to any costs of investigating and/or disputing any such assessment or proposed assessment of Sales Taxes. The indemnification shall be paid by the Purchaser to the Vendor within three Business Days of the Purchaser receiving delivery from the Vendor of a copy of any such assessment, or as applicable, evidence of such reasonable costs (such as a copy of a supplier's invoice). This indemnity shall survive the completion of the transactions under this Agreement and the Closing indefinitely.

12. Impacts and Benefits Agreement

12.1 For the purposes of this Section 12, all capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to them in the Impacts and Benefits Agreement.

12.2 The Purchaser hereby acknowledges that the Receivership Order provides, among other things that the Vendor may only sell or assign the interest of Wedgemount LP in the Impacts and Benefits Agreement, pursuant to the terms and conditions set out in the Impacts and Benefits Agreement.

12.3 The Purchaser acknowledges and agrees that, at Closing, it shall:

- (a) agree in writing to be bound by the obligations under the Impacts and Benefits Agreement, in accordance with section 19 of the Impacts and Benefits Agreement, substantially in the form attached as Schedule “L” (the “**IBA Agreement**”);
- (b) pay the transfer fee of \$30,000 to or to the order of the Nations, in accordance with section 20 of the Impacts and Benefits Agreement (the “**IBA Transfer Fee**”); and
- (c) enter into any and all agreements and other documents and do such further and other things as may be necessary to carry out and give effect to the Purchaser’s assumption of the interest of Wedgemount LP in and to the Impacts and Benefits Agreement.

13. Representations and Warranties of the Vendor

13.1 The Vendor represents and warrants to the Purchaser that with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the purchase and sale contemplated by this Agreement:

- (a) subject to the Vesting Order being granted, the Vendor has the power, authority and capacity to enter into this Agreement and to complete the transactions contemplated therein, subject to the terms of this Agreement;
- (b) none of the Wedgemount Entities is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (c) Wedgemount LP is registered for purposes of the GST under Part IX of the ETA and the Vendor will provide the registration number for Wedgemount LP prior to the Closing Date; and
- (d) to the best of the Vendor’s knowledge, each of the Wedgemount Entities is not registered for PST under the PST Act.

13.2 Except as expressly warranted by the Vendor in this Agreement, the Purchaser shall be deemed to have relied solely and entirely upon its own investigations and inspections of and with respect to the Purchased Assets and to the extent that the Vendor has provided any information to the Purchaser, the Vendor makes no representation whatsoever with respect to the accuracy of any such information.

14. Representations and Warranties of the Purchaser

14.1 The Purchaser represents and warrants to the Vendor as follows, with the intent that the Vendor will rely on these representations and warranties in entering into this Agreement, and in concluding the purchase and sale contemplated by this Agreement:

- (a) the Purchaser is a general partnership duly established, validly existing and in good standing under the jurisdiction of its establishment and in accordance with

applicable legislation governing partnerships in the jurisdiction of its establishment, and has the power and capacity to enter into this Agreement, by and through the General Partners, and carry out its terms;

(b) each General Partner is a corporation duly incorporated, validly existing and in good standing under the jurisdiction of its incorporation and in accordance with applicable legislation governing corporations in the jurisdiction of its incorporation, and has the power and capacity to enter into this Agreement and carry out its terms on behalf of the Purchaser;

(c) the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid and binding obligation of the Purchaser;

(d) except for the Vesting Order, no authorization or approval or any other action by, and no notice to or filing with, any Governmental Entity or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Purchaser of this Agreement;

(e) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained in this Agreement;

(f) the Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and is not a non-Canadian person for the purposes of the *Investment Canada Act* (Canada);

(g) the Purchaser is registered for GST under Part IX of the ETA;

(h) the Purchaser is not registered for PST under the PST Act; and

(i) the Purchaser is not a person who is excluded under section 115 of the Provincial Sales Tax Exemption and Refund Regulation from purchasing or acquiring production machinery and equipment exempt from PST under Part 5 of the said Regulation.

15. Survival of Representations

All representations and warranties made by the Vendor and the Purchaser in Sections 13 and 14, respectively, shall survive the Closing and shall continue for a period of six months after the Closing and after such period neither Party shall have any further liability hereunder with respect to such representations and warranties except with respect to any claims made by the other Party within such period or in the case of fraud.

16. Covenants of the Vendor

16.1 Upon payment of the Purchase Price by the Purchaser at the Closing Time, and subject to the terms of this Agreement, the Vendor will sell, transfer and assign to the Purchaser all of the Vendor's and the Wedgemount Entities' (as applicable) right, title and interest in and to the Purchased Assets free and clear of all Encumbrances, except for the Permitted Encumbrances, in accordance with the terms of this Agreement and the Vesting Order.

16.2 Subject to the terms of this Agreement, the Vendor will use all commercially reasonable efforts to take or cause to be taken all other actions, and do or cause to be done all other things, necessary or appropriate to obtain the Vesting Order and to consummate the transactions contemplated by this Agreement.

16.3 From the date of this Agreement until completion of the transactions contemplated herein the Vendor covenants to maintain the Purchased Assets in a commercially reasonable manner.

16.4 From the date of this Agreement until completion of the transactions contemplated herein, and except as contemplated by this Agreement, the Vendor will not sell, transfer or otherwise dispose of, or agree to sell, transfer, pledge, lease, encumber or otherwise dispose of, any Purchased Assets, or enter into any agreement or transaction which would result in the creation of any Encumbrance on any of the Purchased Assets.

16.5 From the date of this Agreement until completion of the transactions contemplated herein, the Vendor covenants to promptly disclose to the Purchaser prior to Closing the occurrence of any material adverse event or change relating to the Project or any of the Purchased Assets.

16.6 The Vendor shall provide reasonable assistance and such information as it has in its possession or can obtain using commercially reasonable efforts to the Purchaser to facilitate those authorizations, consents, approvals, filings, waivers, exemptions or other actions and Regulatory Approvals listed in Schedule "M" (collectively, the "**Required Consents**"). The Vendor will provide such notice in connection with the Purchased Assets as is required, being those notices listed in Schedule "N" (collectively, the "**Required Notices**").

17. Covenants of the Purchaser

17.1 On the Closing Date, the Purchaser will assume the Assumed Obligations.

17.2 The Purchaser shall provide all assistance and information reasonably necessary to facilitate the Required Consents, the Required Notices and the Applications, and the transfer of the Purchased Assets to the Purchaser, and any associated out-of-pocket expenses shall be the sole obligation of the Purchaser.

17.3 Except as expressly provided in this Agreement, the Purchaser hereby expressly acknowledges that: (i) if any consents of any Person are required to effect the transfer of any of the Purchased Assets to the Purchaser pursuant to this Agreement, then it is the sole responsibility of the Purchaser to obtain any such consents, and the granting of any such consents

shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price; and (ii) all out of pocket expenses associated with such consents are the sole obligation of the Purchaser.

17.4 The Purchaser hereby acknowledges that: (i) another prospective purchaser may make an offer for the Purchased Assets; (ii) the Vendor is duty bound to consider any such offers; and (iii) the Vendor may have a duty to bring such other offer to the attention of the Court. The Purchaser hereby acknowledges that it has been advised by the Vendor that, in order to protect its interests, the Purchaser should retain legal counsel to appear at the hearing of the application for the Vesting Order, including to make an amended or further offer for the Purchased Assets should that prove necessary.

18. Conditions Precedent in favour of the Purchaser

18.1 The obligations of the Purchaser to complete the transactions contemplated under this Agreement are subject to the fulfillment of all of the following conditions precedent:

- (a) each of the representations and warranties of the Vendor set forth in Section 13.1 shall be true and correct as if restated on and as of the Closing Date;
- (b) the covenants and obligations contained in this Agreement to be complied with by the Vendor on or before the Closing Date shall have been complied with to the extent required and not been breached in any material respect;
- (c) on or before the Closing Date, the Vendor will have delivered all items which it is required to deliver to the Purchaser pursuant to Section 24.3;
- (d) the existing secured creditor of the Project Assets and the Purchaser have entered into a credit agreement for the financing in respect of the Project and all conditions to funding thereunder have been satisfied;
- (e) the Vendor shall have received evidence that BC Hydro has accepted an offer of land tenure from MFLNRO (application no. 2911932) in connection with the overhead distribution line from Highway 99 to the point of interconnection (Section 2 of the interconnection) and provided a copy of the same to the Purchaser;
- (f) the Vendor shall have provided the Required Notices and, in the case of the DGIA, no objection shall have been raised by BC Hydro within 15 Business Days of receipt of such Required Notice.

18.2 The Purchaser may, in its sole discretion, waive any of the foregoing conditions. Any waiver by the Purchaser must be in writing and delivered to the Vendor's Solicitors.

18.3 If any one of the conditions precedent contained in Section 18.1 has not been satisfied or waived by the Purchaser on or before February 14, 2020, the Purchaser may terminate this Agreement by written notice to the Vendor.

19. Conditions Precedent in favour of the Vendor

19.1 The obligations of the Vendor to complete the transactions contemplated under this Agreement are subject to the fulfillment of all of the following conditions precedent:

- (a) each of the representations and warranties of the Purchaser set forth in Section 14.1 shall be true and correct as if restated on and as of the Closing Date;
- (b) the covenants and obligations contained in this Agreement to be complied with by the Purchaser on or before the Closing Date shall have been complied with to the extent required and not been breached in any material respect; and
- (c) on or before the Closing Date, the Purchaser will have delivered all items which it is required to deliver to the Vendor pursuant to Section 24.2.

19.2 The Vendor may, in its sole discretion, waive any of the foregoing conditions. Any waiver by the Vendor must be in writing and delivered to the Purchaser.

19.3 If any one of the conditions precedent contained in Section 19.1 has not been satisfied or waived by the Vendor on or before February 14, 2020, the Vendor may terminate this Agreement by written notice to the Purchaser.

20. Mutual Conditions Precedent

20.1 Notwithstanding anything herein contained, the obligations of the Parties under this Agreement are subject to the fulfilment of all the following mutual conditions precedent:

- (a) the Vesting Order having been granted by the Court and not having been stayed or set aside on appeal, and the appeal period for making such appeal having expired; and
- (b) there shall be in effect no order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of the Court or other court of competent jurisdiction or of a relevant Governmental Entity prohibiting the consummation of the transactions contemplated hereby and which has not been withdrawn or terminated.

20.2 The Parties may agree to amend or waive any the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to one another in accordance with Section 27.

21. Efforts to Fulfill Conditions Precedent

21.1 Each Party shall proceed diligently and in good faith and use commercially reasonable efforts to satisfy and comply with and assist in the satisfaction of and compliance with their respective conditions precedent contained herein as soon as possible after the date of this Agreement and in any event.

21.2 Each Party shall give notice to the other, in accordance with Section 27, that a Condition Precedent has been satisfied as soon as possible after becoming aware of that fact.

22. Termination

22.1 This Agreement may be terminated prior to or at the Closing Time as follows:

- (a) by mutual written agreement of the Parties;
- (b) by the Vendor in accordance with Section 19.3;
- (c) by the Purchaser in accordance with Section 18.3; or
- (d) upon closing of a transaction with respect to the Purchased Assets with a party other than the Purchaser.

22.2 Each Party's right of termination under this Section 22 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in this Section 22 limits or affects any other rights or causes of action any Party may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement. If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

22.3 If any Condition Precedent is not satisfied or waived in accordance with this Agreement on or before the Outside Date then this Agreement shall automatically terminate without any further action by either Party (except Sections 27 (Notices), 29 (Entire Agreement), 32 (Time of the essence), and 33 (Applicable Law and Court Jurisdiction) which shall remain in full force and effect) and no Party shall have any claim against the other except for any prior breach of this Agreement.

23. Risk

23.1 The Purchased Assets will be at the Vendor's risk until the completion of the transaction contemplated herein on the Closing Date and thereafter at the Purchaser's risk.

24. Closing

24.1 Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent in Sections 18 through 20, the purchase and sale of the Purchased Assets will be completed at the Closing Time at the offices of the Vendor's Solicitors.

24.2 At the Closing Time, the Purchaser will deliver, or cause to be delivered to the Vendor:

- (a) the Purchase Price (as adjusted pursuant to Sections 8.1 and 9.1), less the Deposit, plus all applicable Sales Taxes;

- (b) a certificate of a senior officer of the Purchaser dated the Closing Date, confirming that (i) all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date; and (ii) the covenants and obligations contained in this Agreement to be complied with by the Purchaser on or before the Closing Date have been complied with to the extent required and have not been breached in any material respect;
- (c) the IBA Agreement executed by the Purchaser, in accordance with Section 12.3(a);
- (d) the IBA Transfer Fee, in accordance with Section 12.3(b);
- (e) the BC Hydro Letter of Credit;
- (f) the BC Hydro Assignment duly executed by the Purchaser;
- (g) a duly executed General Conveyance; and
- (h) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

24.3 At the Closing Time, the Vendor shall deliver, or cause to be delivered to the Purchaser:

- (a) all of the Wedgemount Entities' right, title and interest in and to the Purchased Assets free and clear of all Encumbrances, except for the Permitted Encumbrances, in accordance with the Vesting Order;
- (b) a Court-certified copy of the Vesting Order;
- (c) an executed copy of the Vendor's Certificate;
- (d) a receipt for the Purchase Price and all applicable Sale Taxes;
- (e) the BC Hydro Assignment duly executed by the Vendor and BC Hydro;
- (f) the Yukon Documents;
- (g) a duly executed General Conveyance; and
- (h) all such assignments, instruments of transfer, deeds, assurances, consents, registrations and other documents executed by the Vendor as requested by the Purchaser in respect of the purchase and transfer of the Purchased Assets to the Purchaser and registrations in connection therewith, and the Purchaser shall be entitled to possession of the Purchased Assets, in accordance with the Vesting Order, upon payment of the Purchase Price in accordance with this Agreement; provided however that, no such document shall be required to be delivered at the Closing Time in relation to any of the Applications.

25. Limitations of Liability

25.1 The Purchaser hereby expressly acknowledges and agrees that the Vendor is acting only in its representative capacity as court-appointed receiver and manager of the assets, undertakings and properties of the Wedgemount Entities and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement except in such capacity and without limitation to the generality of the foregoing the Vendor shall have no liability under or as a result of entering into or carrying out of such transaction in its personal or corporate capacity.

26. Further Assurances

26.1 The Parties will execute such further and other documents, do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement and give possession of the Purchased Assets to the Purchaser.

26.2 In particular, following Closing the Vendor shall:

(a) deliver up any and all keys, passcodes or information that are in the possession of the Vendor;

(b) at the request of the Purchaser, facilitate the introduction of the Purchaser to the relevant Governmental Entity or other party in connection with any necessary applications for:

(i) MFLNRO occupant licence to cut and/or work permit;

(ii) MFLNRO land tenure application no. 2411948 to be granted to the Wedgemount Entities in connection with the overhead distribution line from the south end of Riverside Drive to the point of interconnection; and

(iii) extension of MFLNRO Conditional Water Licence No. C131218;

(collectively, the “**Wedgemount Applications**”, and each a “**Wedgemount Application**”); and

(iv) MOTI highway crossing permit to be granted to BC Hydro in connection with the Project’s overhead distribution line crossing Highway 99;

(v) MFLNRO land tenure application no. 2411932 to be granted to BC Hydro in connection with the overhead distribution line from Highway 99 to the point of interconnection;

(vi) Squamish-Lillooet Regional District building permit in connection with the powerhouse; and

(vii) MOTI permit to be granted to the Purchaser in relation to the underground distribution line ducting installed within the vicinity of Riverside Drive,

(collectively, the “**Applications**” and each an “**Application**”), provided however that any associated out-of-pocket expenses shall be the sole obligation of the Purchaser; and

(c) to the extent permissible by Applicable Law, sell, assign and transfer to the Purchaser in accordance with the terms of this Agreement, any permit or licence that is granted to the Vendor pursuant to a Wedgemount Application, and such permit or licence shall be deemed to be a Purchased Asset.

26.3 If and to the extent that any regulatory or administrative process necessary to facilitate the transfer of any of the Purchased Assets to the Purchaser pursuant to this Agreement has not been completed by the Closing Date, the Vendor agrees that it shall hold the relevant Purchased Asset(s) in trust for the Purchaser until the earlier of such time as the applicable regulatory or administrative process has been completed or the Vendor is discharged as receiver and manager of the assets, undertakings and properties of the Wedgemount Entities.

26.4 Nothing in this Section 26 shall create any obligation on the part of the Vendor to take any action after the date that is 60 days after the Closing Date unless not less than five Business Days prior to that date, the Purchaser delivers written notice to the Vendor of the reasonable specific actions it requires the Vendor to take and provided that the costs associated therewith (including but not limited to the expenses and hourly charges of the Vendor and its counsel in connection with the ongoing appointment of the Vendor as receiver and manager of the assets, undertakings and properties of the Wedgemount Entities, and all applicable taxes) shall be the obligation of the Purchaser and the Purchaser agrees to pay such costs within 10 Business Days following delivery by the Vendor to the Purchaser of an invoice itemizing such costs.

27. Notice

27.1 Any notice, direction or other communication (each a “**Notice**”) given regarding the matters contemplated by this Agreement, other than in any Notice required by Section 21.2 must be in writing, sent by personal delivery or courier (but not by facsimile or electronic mail) and addressed:

(a) to the Vendor at:

Deloitte Restructuring Inc.
2800 – 1055 Dunsmuir Street
Vancouver, British Columbia, V7X 1P4
Attention: Jeff Keeble / Paul Chambers

with a copy to:

McMillan LLP
Royal Centre, Suite 1500
1055 West Georgia Street
Vancouver, British Columbia V6E 4N7
Attention: Vicki Tickle

(b) to the Purchaser at:

Concord Green Energy Inc.
9th Floor, 1095 West Pender Street
Vancouver, British Columbia V6E 2M6
Attention: Cliff McCracken

with a copy to:

Lawson Lundell LLP
1600 – 925 West Georgia Street,
Vancouver, British Columbia V6C 3L2
Attention: Mandeep Dhaliwal

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 5:00 p.m. (local time in place of receipt) and otherwise on the next Business Day or (iii) if sent by overnight courier, on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. The failure to send a copy of a Notice to legal counsel in accordance with the foregoing shall not invalidate any Notice given to a Party in accordance with this Section.

27.2 Any Notice required by Section 21.2 must be in writing and may be delivered by electronic email addressed:

(a) to the Vendor at:

jkeeble@deloitte.ca and pachambers@deloitte.ca

with a copy to :

vicki.tickle@mcmillan.ca

(b) to the Purchaser at:

dyoung@s2ses.com

with a copy to:

mdhaliwal@lawsonlundell.com

28. Legal Advice

28.1 The Purchaser has consulted with and been advised by its own legal, tax and other professional advisors before entering into this Agreement, has read same and understands the contents thereof.

29. Entire Agreement

29.1 This Agreement constitutes the entire agreement between the Parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

30. Amendment

30.1 No supplement, modification, amendment, waiver, discharge or termination of this Agreement will be binding unless made in writing and signed by both Parties. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

31. Assignment

31.1 This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto.

32. Time of the Essence

32.1 Time is of the essence of this Agreement.

33. Applicable Law and Court Jurisdiction

33.1 This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, and the Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia in relation to any matter relating to this Agreement.

34. Successors and Assigns

34.1 This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

35. Headings

35.1 The headings appearing in this Agreement are inserted for convenience of reference only and will not affect the interpretation of this Agreement.

36. Severability

36.1 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof and each provision is hereby declared to be separate, severable and distinct. To the extent that any provision is found to be invalid, illegal or unenforceable, the Parties shall act in good faith to substitute for such provision, to the extent possible, a new provision with content and purpose as close as possible to the provision so determined to be invalid, illegal or unenforceable.

37. Counterparts

37.1 This Agreement may be signed in counterparts and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by facsimile, email or any other form of electronic transmission.

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

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first above written.

DELOITTE RESTRUCTURING INC. in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity

Per: Paul Chambers
Name: PAUL CHAMBERS
Title: SENIOR VICE PRESIDENT

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., and 11739522 Canada Inc.

11739484 Canada Inc.

Per: _____
Name:
Title:

11739522 Canada Inc.

Per: _____
Name:
Title:


AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first above written.

DELOITTE RESTRUCTURING INC. in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity

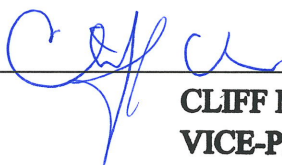
Per: _____
Name:
Title:

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., and 11739522 Canada Inc.

11739484 Canada Inc.

Per:  _____
Name: **CLIFF MCCRACKEN**
Title: **VICE-PRESIDENT**

11739522 Canada Inc.

Per:  _____
Name: **CLIFF MCCRACKEN**
Title: **VICE-PRESIDENT**

**SCHEDULE “A”
BC HYDRO ASSIGNMENT**

REDACTED

SCHEDULE “B”

CONTRACTS

- 1) The Amended EPA.
- 2) The Impacts and Benefits Agreement.
- 3) The DGIA.
- 4) Mitigation Letter Agreement dated February 21, 2019 between MFLNRO and the Vendor.
- 5) Contract between United Building Systems Design Ltd. and the Vendor dated August 17, 2017.
- 6) Contract between Roy Campbell Ltd and the Vendor dated August 30, 2017.
- 7) Contract between Clean Energy Consulting Inc. and the Vendor dated June 8, 2017.
- 8) Contract between Sigma Engineering Ltd. and the Vendor dated July 17, 2017.
- 9) Contract between Cascade Environmental Resource Group Ltd. and the Vendor dated June 26, 2017, as amended by Addendum Letter dated September 14, 2018.
- 10) Contract between Geopacific Consultants Ltd. and the Vendor dated September 25, 2017.
- 11) Contract between Northwest Hydraulic Consultants Ltd. and the Vendor dated September 11, 2018.

SCHEDULE “C”

EQUIPMENT

All materials and equipment currently stored inside or adjacent to the powerhouse including but not limited to:

- a. Rainpower two jet horizontal pelton turbine and TES generator
- b. Pelton runner
- c. UEE 25kV Switchgear, Protection, and Control System
- d. Main power transformer
- e. Station service transformer
- f. Current transformers
- g. Battery Charger
- h. AC and DC electrical distribution and protection panels
- i. Lighting and HVAC systems
- j. MCC control panel
- k. Water cooling system
- l. Oil lubrication/cooling system
- m. HPU system
- n. Wires, cabling, hydraulic lines, water system

Remaining equipment or material stored in the outdoor laydown area, or the penstock and intake area, including but not limited to:

- o. Penstock pipe, flanged and/or grooved for assembly
- p. Mechanical coupling devices
- q. Expansion joints and related fittings
- r. Valves or gates
- s. Electrical conduit
- t. Electrical cable

Gauging/hydrology equipment onsite or in Wedgemount Creek

SCHEDULE “D”
GENERAL CONVEYANCE

GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT is made the ____ day of November, 2019,

BETWEEN:

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., a corporation established under the *Canada Business Corporations Act* (incorporation number: 1173948-4), and 11739522 Canada Inc., a corporation established under the *Canada Business Corporations Act* (incorporation number: 1173952-2) and having an office at 9th Floor, 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6

(the “**Assignee**”)

AND:

DELOITTE RESTRUCTURING INC., in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity, having an office at 2800 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P4

(the “**Assignor**”)

WHEREAS:

(A) The Assignor and the Assignee have entered into an Asset Purchase Agreement dated November 9, 2019 (the “**Asset Purchase Agreement**”);

(B) Pursuant to the Asset Purchase Agreement, the Assignor has agreed to sell, assign and transfer the Purchased Assets to the Assignee, and the Assignee has agreed to purchase, acquire and accept the assignment of the Purchased Assets from the Assignor and assume all of the Assumed Obligations, all for the consideration and upon the terms and subject to conditions set forth in the Asset Purchase Agreement; and

(C) Pursuant to the Asset Purchase Agreement, the Assignor and the Assignee have agreed to enter into this General Conveyance, Assignment and Assumption Agreement (this “**Agreement**”) with respect to the Purchased Assets and the Assumed Obligations.

NOW THEREFORE in consideration of the payment by the Assignee to the Assignor of the Purchase Price and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by the Assignor and the Assignee, and the assumption of the Assumed Liabilities by the Assignee, the Assignor and the Assignee each hereby covenant and agree as follows:

1. Definitions

Unless otherwise defined in this Agreement, capitalized terms used herein (including the recitals hereto) have the meanings given to them in the Asset Purchase Agreement.

2. Transfer of Assets

Pursuant to the Asset Purchase Agreement, effective as of the Closing Time, the Assignor hereby sells, assigns and transfers to the Assignee all of the Assignor's property, title, rights and interests in and to the Real Property Interests for the use of the Assignee absolutely, free and clear of all Encumbrances other than Permitted Encumbrances, all in accordance with and subject to the terms and conditions of the Asset Purchase Agreement, to have and to hold, all and singular, with full power to the Assignee to take such measures for the full recovery and enjoyment of the rights in the same manner as the Assignor, but for this Agreement, may have itself taken.

3. Assumption of Liabilities

Pursuant to the Asset Purchase Agreement, effective as of the Closing Time, the Assignee hereby assumes and will be responsible for and pay, satisfy, discharge, perform and fulfil the Assumed Obligations with respect to the use and ownership of the Purchased Assets from and after the Closing Time.

4. Subject to the Asset Purchase Agreement

Nothing in this Agreement shall supersede, amend, alter or modify (nor shall it be deemed or construed to supersede, amend, alter or modify) any of the terms or conditions of the Asset Purchase Agreement in any manner whatsoever. In the event of any conflict between the provisions of this Agreement and the provisions of the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall control and prevail.

5. Limitations of Liability

The Assignee hereby expressly acknowledges and agrees that the Assignor is acting only in its representative capacity as court-appointed receiver and manager of the assets, undertakings and properties of the Wedgemount Entities and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement except in such capacity and without limitation to the generality of the foregoing the Assignor shall have no liability under or as a result of entering into or carrying out of such transaction in its personal or corporate capacity.

6. Further Assurances

The Assignor and the Assignee shall execute and deliver all further documents and perform all other acts as may be necessary or desirable to give effect to the terms of this Agreement.

7. Enurement

This Agreement shall enure to the benefit of and shall be binding upon the Assignor and the Assignee and each of their successors and assigns.

8. Governing Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the parties hereby attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

9. Severability

Each provision of this Agreement is hereby declared to be separate, severable and distinct. If any provision of this Agreement is determined to be invalid, illegal or unenforceable in any respect, the remainder of this Agreement will not be affected thereby and will be applied and construed as if such invalid, illegal or unenforceable provision had been omitted unless such provision or provisions are so material that its or their invalidity, illegality or unenforceability would materially change the purchase and sale under this Agreement so as to make it unreasonable and contrary to the intentions of the parties.

10. Counterparts

This Agreement may be executed in any number of counterparts and delivered, in original form or by electronic facsimile or transmission, each of which will together, for all purposes, constitute one and the same instrument as if the parties hereto had executed the same document, and all counterparts will be construed together and constitute one and the same instrument.

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

IN WITNESS WHEREOF the Assignor and the Assignee have executed and delivered this Agreement as of the day and year first above written.

DELOITTE RESTRUCTURING INC., in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity

Per:

Name:

Title:

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, acting through its general partners 11739484 Canada Inc. and 11739522 Canada Inc.

Per:

Name:

Title:

Per:

Name:

Title:

SCHEDULE “E”

PERMITS

1. Leave To Commence Construction issued by MFLNRO on October 17, 2014.
2. Fisheries and Oceans Canada letter dated October 28, 2013.
3. Road Use and Logging Cost Agreement with Cheakamus Community Forest Society dated September 12, 2012, as amended on October 17, 2013 and January 10, 2015.
4. Conditional Water Licence No. C131218 issued May 29, 2014 by MFLNRO, as amended June 27, 2014.

SCHEDULE "F"
PERMITTED ENCUMBRANCES

Any and all security and other encumbrances in favour of Industrial Alliance Insurance and Financial Services Inc. or any related entity in connection with the financing provided to the Purchaser in respect of the Project.

SCHEDULE “G”

REAL PROPERTY INTERESTS

1. Licence of Occupation No. 242603 granted by MFLNRO on April 14, 2014.
2. Statutory Right of Way No. CA3110108.
3. Statutory Right of Way No. CA6923911

SCHEDULE “H”
VENDOR’S CERTIFICATE

TO: ●, by its general partner, ●, ● (the “**Purchaser**”)

RE: Asset Purchase Agreement dated ●, 2019 (the “**Agreement**”) between Deloitte Restructuring Inc. in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc. (collectively, the “**Wedgemount Entities**”) and not in its personal or corporate capacity (the “**Vendor**”) and the Purchaser.

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the “**Certificate**”).

I, ●, a Senior Vice President of Deloitte Restructuring Inc., hereby certify that as of the date of this Certificate:

1. I am personally familiar with the matters hereinafter mentioned.
2. Each of the representations and warranties of the Vendor contained in Section 13 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of the Vendor contained in the Agreement to be performed prior to or at the Closing Time have been timely performed in all material respects.
4. This Certificate is made by Deloitte Restructuring Inc. solely in its capacity as the receiver and manager of the assets, undertakings and properties of the Wedgemount Entities and not in its personal or corporate capacity, and is binding upon the Vendor.
5. This Certificate is made with full knowledge that the Purchaser is relying on the same for the closing of the transactions contemplated by the Agreement.

IN WITNESS WHEREOF I have executed this Certificate this ____ day of _____, 2019.

DELOITTE RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity

Per: _____
Name:
Title:

**SCHEDULE “I”
VESTING ORDER**

No. S174308
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

PLAINTIFF

AND:

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

DEFENDANTS

ORDER MADE AFTER APPLICATION

BEFORE))))))	THE HONOURABLE JUSTICE))))))), 2019
--------	----------------------------	---------------------------	----------------------------	---------

ON THE APPLICATION OF Deloitte Restructuring Inc., in its capacity as Court-appointed Receiver (in such capacity, the “**Receiver**”) of certain assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc. (collectively, the “**Debtors**”) coming on for hearing at Vancouver, British Columbia

on [day], [year], 201[year] and on hearing [year], counsel for the Receiver, and those other counsel listed in Schedule “A” hereto, and no one appearing for any of the other parties of record, although duly served; AND UPON READING the material filed, including the [year] Report of the Receiver filed [year], 2019 (the “[year] Report”);

THIS COURT ORDERS AND DECLARES that:

1. The sale transaction (the “**Transaction**”) contemplated by the Asset Purchase Agreement dated [year], 2019 (the “**Sale Agreement**”) between the Receiver and [year], acting through its general partner [year] (the “**Purchaser**”), a copy of which is attached hereto as Schedule “[year]”, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the “**Purchased Assets**”).
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “[year]” hereto (the “**Receiver’s Certificate**”), all of the Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated May 12, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule “[year]” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “[year]” hereto), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. Upon presentation for registration in the Land Title Office for the Land Title District of Vancouver of a certified copy of this Order, together with a letter from McMillan LLP, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
 - a) enter [year] the registered owner of the Real Property Interests as identified in Schedule “[year]” hereto (collectively, the “**Real Property Interests**”), together with all of the Debtors’ buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licences, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements, appurtenances to the said

hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in respect of the Real Property Interests, and this court declares that it has been proved to the satisfaction of the Court on investigation that the title of [●] in and to the Real Property Interests is a good and safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and

- b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Real Property Interests all of the registered Encumbrances except for those listed in Schedule “●”.
4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
 5. The Receiver is to file with the Court a copy of the Receiver’s Certificate forthwith after delivery thereof.
 6. Subject to the terms of the terms of the Sale Agreement, vacant possession of the Purchased Assets shall be delivered by the Receiver to the Purchaser at 12:00 p.m. on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule “●”.
 7. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
 8. Notwithstanding:
 - a) these proceedings;
 - b) any applications for a bankruptcy order in respect of the Debtors, or any of them, now or hereafter made pursuant to the Bankruptcy and Insolvency Act and any bankruptcy order issued pursuant to any such applications; and
 - c) any assignment in bankruptcy made by or in respect of the Debtors, or any of them,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors or any of them, and shall not be void or voidable by creditors of the Debtors or any of them, nor shall it constitute or be deemed to be a transfer at undervalue, a fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it

constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
10. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
11. Endorsement of this Order by counsel appearing, other than counsel for the Receiver, is hereby dispensed with.

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 Deloitte Restructuring Inc.

BY THE COURT

REGISTRAR

SCHEDULE "A" TO VESTING ORDER

List of Counsel

Name of Counsel	Party Represented

SCHEDULE “B” TO VESTING ORDER

Form of Receiver’s Certificate

No. S174308
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

PLAINTIFF

AND:

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

DEFENDANTS

RECEIVER’S CERTIFICATE

RECITALS:

- A. Pursuant to an Order of the Supreme Court of British Columbia (the “**Court**”) dated May 12, 2017, Deloitte Restructuring Inc. was appointed as the receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc. (collectively, the “**Debtors**”).
- B. Pursuant to an Order of the Court dated ♦, 2019 (the “**Approval and Vesting Order**”), the Court approved the asset purchase agreement dated ♦, 2019 (the “**Sale Agreement**”).

between the Receiver and ◆ (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections ◆, ◆ and ◆ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Approval and Vesting Order or the Sale Agreement, as applicable.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing set out in sections ◆, ◆ and ◆ of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

Deloitte Restructuring Inc., in its capacity as Receiver of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal capacity

Per: _____
Name:|
Title:

SCHEDULE “C” TO VESTING ORDER

Encumbrances

British Columbia Personal Property Registry (“**BCPPR**”) Base Registration No. 683926I dated June 24, 2015 in favour of Travelers Capital Corporation.

BCPPR Base Registration No. 999441J dated May 11, 2017 in favour of Her Majesty the Queen in Right of the Province of British Columbia.

BCPPR Base Registration No. 999451J dated May 11, 2017 in favour of Her Majesty the Queen in Right of the Province of British Columbia.

BCPPR Base Registration No. 683867I dated June 24, 2015 in favour of Travelers Capital Corporation.

BCPPR Base Registration No. 249488H dated March 20, 2013 in favour of 28165 Yukon Inc., Paradise Investment Trust and Sunny Paradise Holdings Inc.

[NTD: To be confirmed at time of application for Vesting Order – including any Encumbrances registered against title to Statutory Right of Way CA3110108.]

SCHEDULE “D” TO VESTING ORDER

Permitted Encumbrances

[NTD: To include particulars of security in favour of Industrial Alliance in connection with the financing of the Project.]

SCHEDULE "E" TO VESTING ORDER

Real Property Interests

Statutory Right of Way No. CA3110108

Statutory Right of Way No. CA6923911

[NTD: This reflects the interests that the Registrar of Land Titles will be directed to register in the name of the GPs.]

SCHEDULE “J”
YUKON DOCUMENTS

1. Reparations Termination Confirmation
2. Irrevocable Acknowledgement re Ducting and Lien Payment
3. Consent, Authorization and Acknowledgement – Mountain Adventure Ltd.

SCHEDULE "K"

PURCHASE PRICE ALLOCATION

1. Plant assets (meaning the improvements (including the intake, penstock and powerhouse), Equipment, Intellectual Property, Contracts and Permits required for the operation and maintenance of the Project), detailed as follows:	CA\$12,749,900.00
2. Plant lands (meaning the Real Property Interests excluding the intake, penstock and powerhouse)	CA\$100.00
Total (Purchase Price):	CA\$12,750,000.00

SCHEDULE "L"

IBA AGREEMENT

ACKNOWLEDGEMENT AND AGREEMENT

THIS AGREEMENT is dated for reference the ____ day of _____, 2019.

BETWEEN:

Concord Wedgemount Creek General Partnership, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., a corporation established under the *Canada Business Corporations Act* (incorporation number: 1173948-4), and 11739522 Canada Inc., a corporation established under the *Canada Business Corporations Act* (incorporation number: 1173952-2), and having an office at 9th Floor, 1095 West Pender Street, Vancouver, British Columbia, V6E 2MG

(the "**Purchaser**")

AND:

LIL'WAT NATION, also known as the Mount Currie Indian Band, a band within the meaning of section 2(1) of the *Indian Act* as represented by its Council, with administrative offices at 82 IR 10 Road, Mount Currie, British Columbia, V0N 2K0, for and on behalf of itself and all its members

(**"Lil'Wat"**)

AND:

SQUAMISH NATION, also known as the Squamish Indian Band, a band within the meaning of section 2(1) of the *Indian Act* as represented by its Council, with administrative offices at 320 Seymour Boulevard, North Vancouver, British Columbia, V7J 2J3, for and on behalf itself and all its members

(**"Squamish"**, and together with Lil'Wat, the "**Nations**")

WHEREAS:

- A. The Nations and Wedgemount Power Inc. ("**WPI**") entered into the Impacts and Benefits Agreement dated August 1, 2014 (as amended, modified, restated or replaced from time, the "**Initial IBA**").
- B. WPI assigned all of its rights and obligations in and to the Initial IBA to Wedgemount Power Limited Partnership ("**WPLP**"), represented by its general partner Wedgemount Power (GP) Inc. ("**WPGP**"), and the Nations consented to same in the Assumption and Acknowledgement Agreement dated for reference and effective November 25, 2014 among WPI (as assignor), WPLP (as assignee) and the Nations (together with the Initial IBA the "**Assigned IBA**").

- C. Pursuant to an Order dated May 12, 2017 (the “**Receivership Order**”), Deloitte Restructuring Inc., was appointed as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of WPLP, WPGP and WPI (collectively, the “**Wedgemount Entities**”).
- D. By the Amendment Agreement to Impacts and Benefits Agreement, dated for reference September 12, 2018, among, WPLP, represented by its general partner WPGP and by the Receiver, and the Nations, the Assigned IBA was amended (as so amended, the “**Amended IBA**”).
- E. The Receiver, in exercise of its Court-granted powers, has entered into an asset purchase agreement with the Purchaser, for the sale of certain of the assets of the Wedgemount Entities, including the Amended IBA. The sale contemplated by the asset purchase agreement represents a Disposition for the purposes of the Amended IBA.

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Nations and the Purchaser (together, the “**Parties**”), the Parties agree as follows:

- 1. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Amended IBA.
- 2. Pursuant to paragraph 19 of the Amended IBA, the Purchaser hereby acknowledges and agrees, in favour of the Nations, to assume and be bound by the obligations of WPLP, represented by its general partner, under the Amended IBA including, without limitation, the obligation to make payment of the Royalty and the transfer obligations specified in paragraph 21 of the Amended IBA.
- 3. Lil’Wat and Squamish each hereby acknowledge and agree in favour of the Purchaser as follows:
 - (a) the Amended IBA is in full force and effect as of the date hereof;
 - (b) to the best of their knowledge, there is no breach or default under the Amended IBA;
 - (c) there are no payments due and outstanding under the Amended IBA as of the date of this agreement; and
 - (d) for greater clarity, the Royalty payable under section 16 of the Amended IBA is to be paid to the Nations.
- 4. This agreement will be governed in accordance with the laws applicable in the Province of British Columbia.
- 5. This agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by

facsimile, electronic mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

[Signatures on the following page]

IN WITNESS WHEREOF the Parties have duly executed this agreement as of the date set out above.

**CONCORD WEDGEMOUNT CREEK
GENERAL PARTNERSHIP**, by its general
partners 11739484 Canada Inc. and 11739522
Canada Inc.

Name:
Title:

Name:
Title:

LIL'WAT NATION, as represented by its Chief
and Council

Name:
Title:

SQUAMISH NATION, as represented by its
Council

Name:
Title:

SCHEDULE "M"

REQUIRED CONSENTS

1. Consent of Cheakamus Community Forest Society pursuant to agreement dated September 21, 2012, as amended October 17, 2013 and January 10, 2015.
2. Consent of MFLNRO regarding Licence of Occupation No. 242603

SCHEDULE “N”

REQUIRED NOTICES

1. Notice to BC Hydro pursuant to the DGIA.
2. Notice to MFLNRO regarding assignment of Licence of Occupation No 242603 granted by MFLNRO dated April 14, 2014.
3. Notice to Roy Campbell Ltd. pursuant to contract dated August 30, 2017.
4. Notice to Clean Energy Consulting Inc. pursuant to contract dated June 8, 2017.
5. Notice to Sigma Engineering Ltd. pursuant to contract dated July 17, 2017.
6. Notice to Cascade Environmental Resource Group Ltd. pursuant to contract dated June 26, 2017, as amended by Addendum Letter dated September 14, 2018.
7. Notice to Northwest Hydraulic Consultants Ltd. pursuant to contract dated September 11, 2018.

Appendix "D"

Concord APA Amending Agreement

AMENDING AGREEMENT

THIS AGREEMENT is made as of the 5th day of DECEMBER, 2019,

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity, having an office at 2800 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1P4

(the “**Vendor**”)

AND:

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., a corporation established under the *Canada Business Corporations Act* (number: 1173948-4), and 11739522 Canada Inc., a corporation established under the *Canada Business Corporations Act* (incorporation number: 1173952-2) and having an office at 9th Floor, 1095 West Pender Street, Vancouver, British Columbia V6E 2M6

(the “**Purchaser**”)

BACKGROUND

- A. The Vendor and the Purchaser are parties to an Asset Purchase Agreement dated November 18, 2019 (the “**Concord APA**”), pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, certain of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc. (collectively, the “**Wedgemount Entities**”), as more comprehensively described in the Concord APA.
- B. The Vendor and the Purchaser wish to amend the Concord APA on the terms set out in this Agreement.

TERMS OF AGREEMENT

In consideration of the premises and the covenants, agreements, representations, warranties and payments contained in the Concord APA, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree with one another as follows:

1. Amendments to Concord APA

1.1 Schedule “B” (Contracts) to the Concord APA shall be amended by adding the following:

“12) Contract between True North Energy o/a 1169417 Ontario Inc. and the Vendor dated as of July 14, 2017.”

1.2 Schedule “N” (Required Notices) to the Concord APA shall be amended by adding the following:

“8. Notice to True North Energy o/a 1169417 Ontario Inc. pursuant to contract dated as of July 14, 2017.”

2. Limitations of Liability

2.1 The Purchaser hereby expressly acknowledges and agrees that the Vendor is acting only in its representative capacity as court-appointed receiver and manager of the assets, undertakings and properties of the Wedgemount Entities and shall have no personal or corporate liability under or as a result of entering into this Agreement except in such capacity.

3. Assignment

3.1 This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto.

4. Time of the Essence

4.1 Time is of the essence of this Agreement.

5. Applicable Law and Court Jurisdiction

5.1 This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein, and the Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia in relation to any matter relating to this Agreement.

6. Successors and Assigns

6.1 This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

7. Headings

7.1 The headings appearing in this Agreement are inserted for convenience of reference only and will not affect the interpretation of this Agreement.

8. Severability

8.1 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof and each provision is hereby declared to be separate, severable and distinct. To the extent that any provision is found to be invalid, illegal or unenforceable, the Parties shall act in good faith to substitute for such provision, to the extent possible, a new provision with content and purpose as close as possible to the provision so determined to be invalid, illegal or unenforceable.

9. Counterparts

9.1 This Agreement may be signed in counterparts and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by facsimile, email or any other form of electronic transmission.

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

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first above written.

DELOITTE RESTRUCTURING INC. in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity

Per: Paul Chambers
Name: PAUL CHAMBERS
Title: SENIOR VICE PRESIDENT

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., and 11739522 Canada Inc.

11739484 Canada Inc.

Per: _____
Name:
Title:

11739522 Canada Inc.

Per: _____
Name:
Title:

AS EVIDENCE OF THEIR AGREEMENT the Parties have executed this Agreement as of the day and year first above written.

DELOITTE RESTRUCTURING INC. in its capacity as court-appointed receiver and manager of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership, Wedgemount Power (GP) Inc. and Wedgemount Power Inc., and not in its personal or corporate capacity

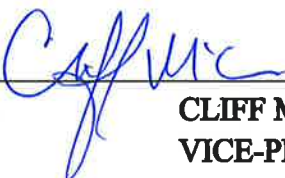
Per: _____
Name:
Title:

CONCORD WEDGEMOUNT CREEK GENERAL PARTNERSHIP, a general partnership established under the *Partnership Act*, acting through its general partners 11739484 Canada Inc., and 11739522 Canada Inc.

11739484 Canada Inc.

Per:  _____
Name: **CLIFF MCCRACKEN**
Title: **VICE-PRESIDENT**

11739522 Canada Inc.

Per:  _____
Name: **CLIFF MCCRACKEN**
Title: **VICE-PRESIDENT**

Appendix "E"

**Receiver's Statement of Receipts and Disbursements for the period from
The Date of Receviership (May 12, 2017) to November 15, 2019**

**In the Matter of the Receivership of
Wedgemount Power Limited Partnership, Wedgemount Power Inc., and
Wedgemount Power (GP) Inc.**

**Receiver's Interim Statement of Receipts and Disbursements
For the Period of May 12, 2017 to November 22, 2019**

Description	Wedgemount Power Limited Partnership	Wedgemount Power (GP) Inc.	Wedgemount Power Inc.	Total
Receipts				
Cash in bank	\$ 2,543,670	\$ -	\$ -	\$ 2,543,670
Advance from secured creditor	500,000	-	-	500,000
Trust funds (holdback accounts)	590,038	-	-	590,038
Trust funds (Purchaser deposit)	1,000,000	-	-	1,000,000
Recoverable expenses	-	70	70	140
GST/Tax refunds	139,953	-	-	139,953
Interest	54,943	-	-	54,943
Total receipts	4,828,604	70	70	4,828,744
Disbursements				
Filing fees to Receiver General	70	70	70	210
Bank charges	368	-	-	368
Contractor services:				
Forestry and crown tenure consulting	80,115	-	-	80,115
Engineering consulting	873,355	-	-	873,355
Environmental consulting	18,721	-	-	18,721
Construction works and site remediation/winterization	268,518	-	-	268,518
BC Hydro interconnection costs	297,358	-	-	297,358
TELUS line relocation cost contribution	172,750	-	-	172,750
MFLNRO licence fees and security deposit	11,923	-	-	11,923
Payment of trust funds (holdback accounts)	532,277	-	-	532,277
GST/PST paid	132,844	-	-	132,844
Insurance	98,503	-	-	98,503
Receiver's fees	693,359	-	-	693,359
GST on Receiver's fees	32,954	-	-	32,954
Legal fees	417,471	-	-	417,471
Misc. disbursements	19,948	-	-	19,948
Total disbursements	3,650,535	70	70	3,650,675
Excess of receipts over disbursements	\$ 1,178,069	\$ -	\$ -	\$ 1,178,069
Represented by:				
Cash in bank	120,308	-	-	120,308
Trust funds (holdback accounts)	57,761	-	-	57,761
Trust funds (Purchaser deposit)	1,000,000	-	-	1,000,000
Cash in bank	\$ 1,178,069	\$ -	\$ -	\$ 1,178,069