

NAIKUN WIND ENERGY GROUP INC.

As Vendor

- and -

NORTHLAND POWER B.C. OFFSHORE WIND INC.

As Purchaser

- Regarding -

NAIKUN WIND DEVELOPMENT INC.

SHARE PURCHASE AGREEMENT

March 27th, 2020

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SHARE PURCHASE AGREEMENT dated March 27, 2020.

BETWEEN:

NAIKUN WIND ENERGY GROUP INC.

As Vendor

- And -

NORTHLAND POWER B.C. OFFSHORE WIND INC.

As Purchaser

RECITALS:

- A. Naikun Wind Energy Group Inc. (the "**Vendor**") is a publically listed company on the TSX Venture Exchange ("**TSXV**") that is developing an offshore wind power project with potential capacity for multiple phases up to approximately 1.5GW to be located in the Specified Area in the Hecate Strait in British Columbia, Canada (the first phase of the 1.5GW project is currently estimated at 400MW and shall be referred to in this Agreement as the "**Project**").
- B. Naikun Wind Development Inc. ("**DevCo**"), is a corporation incorporated under the laws of Canada that is developing the Project.
- C. The Vendor owns all of the issued and outstanding shares of DevCo.
- D. Northland Power Inc. (the "**Parent**"), the direct parent of Northland Power B.C. Offshore Wind Inc. (the "**Purchaser**") is an independent power producer that is a publically listed company on the Toronto Stock Exchange ("**TSX**") with extensive experience developing, owning and operating offshore wind projects similar to the Project.
- E. The Vendor wishes to sell and the Purchaser wishes to purchase all of the shares of DevCo that are owned by the Vendor

THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement, including the Recitals to this Agreement, unless the context otherwise requires:

- (1) "**Accounts Receivable**" means, in relation to any Person, all accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to such Person, and the full benefit of any related security.
- (2) "**Affiliate**" means an affiliated body corporate within the meaning of the following:

- (a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person; and
- (b) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.

For purposes of this definition, a body corporate is controlled by a person or by two or more bodies corporate if (i) securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate, are held, other than by way of security only, by or for the benefit of that person or by or for the benefit of those bodies corporate; and (ii) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate. For the purposes of this definition, a body corporate is a subsidiary of another body corporate if (i) it is controlled by (A) that other body corporate, (B) that other body corporate and one or more bodies corporate each of which is controlled by that other body corporate, or (C) two or more bodies corporate each of which is controlled by that other body corporate; or (ii) it is a subsidiary of a body corporate that is a subsidiary of that other body corporate.

- (3) **"Agreement"** means this share purchase agreement, including all Schedules, Appendices and Exhibits to this share purchase agreement, as amended, supplemented, restated and replaced from time to time in accordance with its provisions.
- (4) **"Applicable Law"** means:
 - (a) any domestic (federal, provincial or municipal) or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, order-in-council, restriction or by-law (zoning or otherwise);
 - (b) any judgment, order, writ, injunction, directive, decision, ruling, decree or award;
 - (c) any regulatory policy, practice, standard or guideline;
 - (d) any published administrative position;
 - (e) any Securities Laws; or
 - (f) any Permit;

of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person or binding on or affecting an Employee Plan referred to in the context in which the term is used, and for greater certainty includes the Tax Act in respect of an Employee Plan that purports to qualify for a particular type of plan thereunder or that has or purports to have Tax-favoured treatment.

- (5) "**Approvals**" means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, Permits, and other permits and approvals.
- (6) "**Assets**" means all undertakings, property, assets, rights and interests of DevCo, including the following:
- (a) the Personal Property;
 - (b) the Real Property Interests;
 - (c) the Intellectual Property;
 - (d) all rights and interests of DevCo in and to all Contracts to which it is a party or by which any of the Assets or the Business is bound or affected;
 - (e) all Consultant Reports;
 - (f) all Wind Data;
 - (g) all Approvals issued to DevCo and all applications for Approvals;
 - (h) the Books and Records;
 - (i) all prepaid charges, deposits, sums and fees paid by DevCo before the Effective Time;
 - (j) all goodwill of DevCo, (excluding the present telephone numbers, internet domain addresses and other communications numbers and addresses of DevCo); and
 - (k) all proceeds of any or all of the foregoing received or receivable after the Effective Time.
- (7) "**Associate**", in respect of a relation with a Person, means:
- (a) a body corporate of which that Person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than 10% of the voting rights under all circumstances or by reason of the occurrence of an event that has occurred and is continuing, or a currently exercisable option or right to purchase those shares or those convertible shares;
 - (b) a partner of that Person acting on behalf of the partnership of which they are partners;
 - (c) a trust or estate in which that Person has a substantial beneficial interest or in respect of which that Person serves as a trustee or liquidator of the succession or in a similar capacity;

- (d) a spouse of that Person or an individual who is cohabiting with that Person in a conjugal relationship, having so cohabited for a period of at least one year;
 - (e) a child of that person or of the spouse or individual referred to in Section 1.1(7)(d); and
 - (f) a relative of that Person or of the spouse or individual referred to in Section 1.1(7)(d), if that relative has the same residence as that Person.
- (8) **"Balance Sheet"** means the balance sheet of DevCo as at the Financial Statements Date contained in the Financial Statements of DevCo for the financial year ended on that date.
 - (9) **"Books and Records"** means all books, records, files and papers of DevCo including title documentation, computer programs (including source codes and software programs), computer manuals, computer data, financial and Tax working papers, financial and Tax books and records, business reports, business plans and projections, sales and advertising materials, sales and purchases records and correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel and employment records, minute and share certificate books, all other documents and data (technical or otherwise, including the Wind Data) relating to DevCo, the Business or the Assets, and all copies and recordings of the foregoing.
 - (10) **"Business"** means the business carried on currently and prior to the date of this Agreement by DevCo consisting of the development of the Project.
 - (11) **"Business Day"** means any day, except Saturdays and Sundays, on which banks are generally open for non-automated business:
 - (a) for purposes of Section 9.13, in the place specified in that Section; and
 - (b) for all other purposes in this Agreement, in Vancouver, British Columbia.
 - (12) **"Claim"** has the meaning attributed to that term in Section 8.1(1).
 - (13) **"Class A Units"** has the meaning attributed to that term in the Project LP Agreement.
 - (14) **"Class B Units"** has the meaning attributed to that term in the Project LP Agreement.
 - (15) **"Closing"** means the completion of the Transactions on the Closing Date in accordance with this Agreement.
 - (16) **"Closing Certificates"** has the meaning attributed to that term in Section 5.4(a).
 - (17) **"Closing Date"** means a date that is no later than ten (10) days from the date on which all of the conditions of Closing have been satisfied or waived pursuant to Article 4 or such other date as may be agreed to by the Parties in writing but in any event shall be a date that is no later than December 1, 2020.

- (18) **"Commercial Operation Date"** means the date the Project reaches commercial operation as defined by a credit agreement to be entered into by the Project LP with one or more lenders to provide construction and term financing for the Project.
- (19) **"Confidential Communications"** means all privileged and confidential communications prior to and after Closing and arising out of or relating to the negotiation, documentation and consummation of this Agreement and the Other Agreements, and the completion of the Transactions hereby and thereby, among the Vendor and the Vendors' legal counsel.
- (20) **"Confidential Information"** has the meaning attributed to that term in Section 9.1
- (21) **"Constating Documents"** means, with respect to any Person, its notice of articles, articles or certificate of incorporation, amendment, amalgamation or continuance, memorandum and articles of association, letters patent, supplementary letters patent, by-laws, partnership agreement, limited liability company agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trusts, pooling agreements and similar Contracts, arrangements and understandings applicable to the Person's Equity Interests, all as amended, supplemented, restated and replaced from time to time.
- (22) **"Consultant Reports"** means any reports, studies, commissions, analyses, technical data, logs and information produced, prepared, authored or assembled by a third party and issued to, in the possession of, or requested by, the Vendor or DevCo that relate to the Project.
- (23) **"Contaminant"** means any substance, emission or thing, howsoever occurring, which has, or may have, an adverse effect on the environment, any ecological system or natural resource, the use or enjoyment of property, or human health or safety, and includes any "contaminant" or "pollutant" or any type of "waste", in each case which is regulated by any Applicable Law.
- (24) **"Contract"** means any agreement, contract, indenture, lease, occupancy agreement, deed of trust, licence, option, undertaking, promise or any other commitment or obligation, whether oral or written, express or implied, other than a Permit.
- (25) **"CRA"** means the Canada Revenue Agency or any successor agency.
- (26) **"DevCo"** has the meaning attributed to that term in the Recitals.
- (27) **"DevCo Permits"** has the meaning attributed to that term in Section 5.2(22).
- (28) **"Development Services Agreement"** means the agreement to be entered into between the Vendor and the Parent, in the form of SCHEDULE 1.1(28).
- (29) **"Effective Time"** 12:01 a.m. on the Closing Date.
- (30) **"Employee Plans"** has the meaning attributed to that term in Section 5.2(35)(a).

- (31) **"Employees"** means all employees of DevCo immediately prior to Effective Time, whether full-time, part-time, salaried, hourly, unionized or non-unionized.
- (32) **"Encumbrance"** means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, prior claim, adverse claim, exception, reservation, restrictive covenant, agreement, easement, lease, licence, right of occupation, option, right of use, right of first refusal, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing.
- (33) **"Environmental Laws"** means any and all Applicable Laws relating to: (i) the protection of the environment and any natural resource; (ii) the presence, release, discharge, handling, transportation, storage, remediation or disposal of Contaminants; (iii) the ownership, occupation, management, transfer or sale of contaminated sites; (iv) the exposure of workers to Contaminants in the workplace, and worker right-to-know legislation pertaining thereto; and (v) the manufacture, distribution, labelling, import, export or sale of products or product ingredients by virtue of their composition or any other physical properties.
- (34) **"Environmental Permits"** means any Permit which is issued under, or pursuant to any Environmental Law.
- (35) **"Equity Interests"** means, with respect to any Person, any and all present and future shares, units, trust units, partnership or other interests, participations or other equivalent rights in that Person's equity or capital, however designated and whether voting or non-voting.
- (36) **"ETA"** means the *Excise Tax Act* (Canada).
- (37) **"Financial Close"** has the meaning attributed to it in the Project LP Agreement.
- (38) **"Financial Statements"** means the financial statements of DevCo as at and for the financial years ended **2013 to 2019**, consisting of the balance sheet, income statement and statement of retained earnings and all notes, schedules and exhibits thereto, copies of which financial statements are attached as SCHEDULE 1.1(38).
- (39) **"Financial Statements Date"** means September 30, 2019.
- (40) **"Future Phase Option"** means the option of the Vendor to acquire up to ten percent (10%) of the Purchaser's equity interests of the project entity that owns a Future Project.
- (41) **"Future Project(s)"** means any additional offshore wind power project(s) that the Purchaser chooses to develop in the Specified Area beyond the Project up to a maximum size of 1.5 GW in the aggregate, inclusive of the Project.
- (42) **"GAAP"**, means generally accepted accounting principles as set forth in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with Accounting Standards for Private Enterprises/International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

- (43) **"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, body, organization or agency, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government, including the BC Utilities Commission, British Columbia's Minister of Environment and Climate Change Study, Minister of Energy, Mines and Petroleum Resources, Canadian Environmental Assessment Agency, Fisheries and Oceans Canada, Transport Canada, and Natural Resources Canada.
- (44) **"GST/HST"** means all taxes payable under Part IX of the *Excise Tax Act* (Canada) (including where applicable both the federal and provincial portion of those taxes) and under any provincial legislation imposing a similar value added or multi-staged tax.
- (45) **"GW"** means gigawatt.
- (46) **"IFRS"** means International Financial Reporting Standards, as amended or replaced from time to time.
- (47) **"Indigenous Contracts"** means those Contracts listed in SCHEDULE 5.2(45).
- (48) **"Indigenous Group Meetings"** means meetings to be held prior to Closing between Representatives of the Purchaser and the following Indigenous groups: (i) the Haida Gwaii and the Haida Power Authority; (ii) Metlakatla; (iii) Lax Kw'alaams; (iv) Gitxaala; (v) and any other Indigenous group that the Purchaser wishes to engage with prior to Closing.
- (49) **"Information Technologies"** means:
- (a) all computer equipment, including desktop and laptop computers, servers, peripheral devices, storage media and other hardware; and
 - (b) all computer software, including operating systems, application systems, and other software;
- that is owned, leased, or licensed by DevCo in connection with the Business.
- (50) **"Insurance Policies"** has the meaning attributed to that term in Section 5.2(18).
- (51) **"Intellectual Property"** means, individually and collectively, howsoever created and wherever located:
- (a) all domestic and foreign patents and applications thereof and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
 - (b) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data,

schematics and customer lists, and all documentation relating to any of the foregoing;

- (c) all copyrights, copyright registrations and applications thereof, and all other rights corresponding thereto throughout the world;
- (d) all trade names, domain names, corporate names, trade dress, distinguishing guises, logos, slogans, brand names, trade-marks (whether registered or common law and whether used with wares or services and including the goodwill attaching to such trade-marks) and registrations and applications for registration thereof;
- (e) all computer programs, applications, databases and software (both in source code and object code form) and any proprietary rights in those computer programs, applications, databases and software, including documentation and other materials related thereto;
- (f) all integrated circuit design, mask work, or topography registrations or applications thereof;
- (g) all industrial designs and applications for and registration of industrial designs, design patents and industrial design registrations;
- (h) other intellectual or industrial property whatsoever;
- (i) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any of the foregoing, including damages and payments for past or future infringements or misappropriations thereof; and
- (j) all rights to sue for past, present and future infringements or misappropriations of any of the foregoing;

that are owned or used by DevCo in connection with the Business.

- (52) "**Interim Period**" means the period from the date of this Agreement to the Closing Date.
- (53) "**Inventories**" means inventories, including all finished goods, works-in-progress, raw materials, spare parts, replacement parts, and all other materials and supplies to be used or consumed by DevCo in the production of finished goods.
- (54) "**IUP Permits**" means [the Investigative Licence Agreement dated May 9, 2013 between Her Majesty the Queen in Right of the Province of British Columbia and DevCo which expired on May 9, 2018 in respect of the Lands as defined therein and includes any permit, licence or agreement issued as a renewal or replacement thereof in connection with Crown Land Tenure Applications];
- (55) "**Losses**" has the meaning attributed to that term in Section 8.1(8).

(56) **"Material Adverse Change" or "Material Adverse Effect"** means, with respect to any event, matter or circumstance, any change or effect that:

- (a) individually or when taken together with all other changes or effects that have occurred during any relevant period of time before the determination of the occurrence of that change or effect, is or would reasonably be expected to be materially adverse to the Business, the Assets, and the operations, liabilities, capital, condition (financial or otherwise) or results of operation, of DevCo; or
- (b) materially adversely affects the ability of DevCo to conduct the Business after the Effective Time substantially as the Business has been conducted to the date of this Agreement,

but does not include any event, matter or circumstance, any change or effect that arises out of, results from or relates to:

- (c) any general economic, financial, currency exchange, securities or commodity market conditions, in Canada or elsewhere, including any changes in such markets or conditions or prices of commodities or prospects thereof;
- (d) any conditions generally affecting the market for renewable energy;
- (e) war, acts of terrorism, civil unrest or similar events or any political changes, in Canada or elsewhere;
- (f) any natural disaster or national emergency, in Canada or elsewhere;
- (g) changes in climate and weather;
- (h) any change in Applicable Laws or the interpretation, application or non-application of Applicable Laws;
- (i) the execution, announcement or performance of this Agreement or the Transactions; or
- (j) any change in GAAP or generally accepted accounting principles outside of Canada.

(57) **"Material Contract"** means

- (a) any exclusivity, distributor, sales, advertising, agency or similar Contract;
- (b) any continuing Contract for the purchase of materials, supplies, equipment or services which involves payment under that Contract of more than \$10,000 at any time now or upon any future event happening;
- (c) any employment or consulting Contract or any other written Contract with any officer, Employee or consultant (other than oral Contracts of indefinite hire

terminable by the employer without cause on reasonable notice) or any Contract in relation to any Employee Plan;

- (d) any trust indenture, mortgage, hypothec, promissory note, debenture, loan agreement, guarantee or other Contract for the borrowing of money or a leasing transaction of the type required to be capitalized in accordance with GAAP;
 - (e) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to, the liabilities, obligations, indebtedness, or commitments (whether accrued, absolute, contingent or otherwise) of any Person other than DevCo (except for cheques endorsed for collection);
 - (f) any Contract for charitable contributions or gifts of any of the Assets;
 - (g) any Contract for capital expenditures;
 - (h) any Contract for the sale of any of the Assets or any part of the Business;
 - (i) other than this Agreement and any Contract entered into with the Purchaser or any Affiliate thereof in relation to the Transactions, any confidentiality, secrecy or non-disclosure Contract (whether DevCo is a beneficiary or obligor thereunder) relating to any proprietary or confidential information or any non-competition or similar Contract;
 - (j) any Contract to which DevCo is a party or by which DevCo is bound or by which any of the Assets is subject, made in the Ordinary Course and which involves or may reasonably involve the payment to or by DevCo in excess of \$10,000 over the term of the Contract;
 - (k) any Contract that expires, or may expire if it is not renewed or extended at the option of any Person other than DevCo, more than one (1) year after the date of this Agreement; or
 - (l) any Contract entered into by DevCo other than in the Ordinary Course.
- (58) **"MEPP"** means a multi-employer pension plan within the meaning of the *Pension Benefits Standards Act* (British Columbia) or its equivalent within the meaning of any pension legislation adopted by the federal or any provincial government of Canada.
- (59) **"Met Mast Licence"** means the Renewable Energy Resource Survey License Agreement entered into by Her Majesty the Queen in Right of Canada and NaiKun Wind Development Inc. dated April 11, 2014, as extended on August 20, 2019 and February 28, 2020.
- (60) **"MW"** means megawatt.
- (61) **"NOL"** has the meaning attributed to that term in Section 5.2(29)(n).

- (62) **"Occupational Health and Safety"** means any obligation imposed on an employer pursuant to the *Workers Compensation Act* (British Columbia) and other applicable occupational health and safety legislation.
- (63) **"Option Agreement"** means the option agreement to be executed by the [Vendor and other parties to the Project LP Agreement], as amended from time to time in the form attached hereto as SCHEDULE 1.1(63).
- (64) **"Ordinary Course"** means, with respect to an action taken by a Person, that the action is consistent with the past practices of the Person and is taken in the normal day-to-day operations of the Person.
- (65) **"Other Agreements"** has the meaning attributed to that term in Section 9.6.
- (66) **"Parent"** has the meaning attributed to that term in the Recitals.
- (67) **"Parties"** means collectively, the Vendor and the Purchaser, and **"Party"** means either of them.
- (68) **"Permits"** means franchises, licences, qualifications, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority and any bonds, deposits, prepaid rents associated therewith.
- (69) **"Permitted Encumbrances"** means:
- (a) servitudes, easements, restrictions, rights-of-way and other similar rights in real property or any interest therein, provided that those servitudes, easements, restrictions, rights-of-way and other similar rights are not of such a nature as to materially adversely affect the use or value of the property subject thereto;
 - (b) undetermined or inchoate liens, charges and privileges incidental to current construction or current operations, except for liens, charges and privileges related to Taxes;
 - (c) statutory liens, charges, adverse claims, security interests or Encumbrances of any nature whatsoever claimed or held by any Governmental Authority that have not at the time been filed or registered against the title to the asset or served on DevCo or the Vendor pursuant to Applicable Law or that relate to obligations not due or delinquent, except for statutory liens, charges, adverse claims, security interests or Encumbrances related to Taxes;
 - (d) assignments of insurance provided to landlords or their mortgagees or hypothecary creditors pursuant to the terms of any lease and liens, security interests or rights reserved in or granted pursuant to any lease as security for payment of rent or for compliance with the terms of that lease;

- (e) security given in the Ordinary Course of the Business to any public utility or Governmental Authority in connection with the operations of the Business, other than security for borrowed money;
 - (f) the reservations in any original grants from the Crown of any real property or interest therein and statutory exceptions to title that do not materially detract from the value of the real property concerned or materially impair its use in the operation of the Business; and
 - (g) the Encumbrances described in SCHEDULE 1.1(69).
- (70) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a Governmental Authority, an executor or administrator or other legal or personal representative, or any other juridical entity.
- (71) "**Personal Information**" means any information about an identifiable natural person that was collected, used or disclosed and is being stored by or is otherwise under the control of DevCo in connection with the Business.
- (72) "**Personal Property**" has the meaning attributed to that term in Section 5.2(12).
- (73) "**Post-Closing Period**" means the taxation period of DevCo that is deemed pursuant to subsection 249(4) of the Tax Act to commence at the time Purchaser acquires control of DevCo and each subsequent taxation period, and with respect to a Straddle Period, the portion of such Tax period beginning on the Closing Date.
- (74) "**Pre-Closing Period**" means any taxation period that is not a Post-Closing Period, and with respect to a Straddle Period, the portion of such Tax period ending on the day prior to the Closing Date.
- (75) "**Privacy Law**" means any and all Applicable Law that regulates the collection use, disclosure and or storage of Personal Information, including the *Personal Information Protection Act* (British Columbia) and the *Personal Information Protection and Electronic Documents Act* (Canada).
- (76) "**Privacy Requirements**" means all of the obligations restrictions and prohibitions of or applicable to DevCo in connection with the Personal Information regardless of the authority under which they are imposed, including resolutions of the board of the directors of DevCo, policies, agreements and any and all Privacy Law to which DevCo is subject.
- (77) "**Proceeding**" means:
- (a) any suit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, charge, demand or prosecution, whether legal or administrative;
 - (b) any other proceeding; or

- (c) any appeal or application for review;
- at law or in equity or before or by any Governmental Authority.
- (78) "**Project**" has the meaning attributed to it in the Recitals.
- (79) "**Project LP**" means a limited partnership formed by the Purchaser and a general partner for the purpose of developing the Project, as governed by the terms of the Project LP Agreement.
- (80) "**Project LP Agreement**" means the limited partnership agreement to be executed by the limited and general partners of Project LP, as amended from time to time in the form attached hereto as SCHEDULE 1.1(80).
- (81) "**PST**" means taxes, interest, penalties and fines imposed under the applicable sales tax legislation of a province of Canada and the regulations made thereunder.
- (82) "**Purchase Price**" has the meaning attributed to that term in Section 2.2(1).
- (83) "**Purchased Shares**" means all of the issued and outstanding shares of any class in the capital DevCo.
- (84) "**Purchaser**" has the meaning attributed to that term in the Recitals.
- (85) "**Purchaser's Counsel**" means Borden Ladner Gervais LLP.
- (86) "**Real Property Interests**" means the IUP Permits and the Met Mast Licence.
- (87) "**Representatives**" means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, consultants, agents and other representatives and advisors.
- (88) "**Securities Act**" means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder.
- (89) "**Securities Laws**" means, collectively, the Securities Act and all other applicable provincial securities laws, rules and regulations thereunder in Canada.
- (90) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval.
- (91) "**Specified Area**" means the unalienated and unencumbered Crown land and Crown foreshore within Queen Charlotte and Range 5, Coast District as defined in the IUP Permits currently being renewed and the map attached hereto as SCHEDULE 1.1(91).
- (92) "**Statutory Plans**" means benefit plans that DevCo is required by domestic or foreign statutes to participate in or contribute to in respect of an employee, director or officer of DevCo or any beneficiary or dependent thereof, including the Canada Pension Plan and plans administered pursuant to applicable health, Tax, workplace safety insurance, workers' compensation and employment insurance legislation.

- (93) **"Straddle Period"** means any Tax period that includes the Closing Date, but does not begin on the Closing Date or end on the day prior to the Closing Date.
- (94) **"SubCo Note"** has the meaning attributed to that term in Schedule 1.1(96).
- (95) **"Tax Act"** or any reference to a specific provision thereof means the *Income Tax Act* (Canada) and legislation of any legislature of any province or territory of Canada and any regulations thereunder in force of like or similar effect.
- (96) **"Tax Reorganization"** means the tax-related reorganization relating to DevCo the steps of which are set out in SCHEDULE 1.1(96) .
- (97) **"Tax Returns"** means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports, and information returns and reports) and other documents of every nature whatsoever filed or required to be filed with any Governmental Authority with respect to any Taxes, together with all amendments and supplements thereto.
- (98) **"Taxes"** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof (including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, gains, capital stock, production, gift, wealth, environment, net worth, utility, sales, goods and services, harmonized sales, use, consumption valued-added, excise, stamp, withholding, premium, business, franchising, property, employer health, payroll, employment, health, social services, education and social security taxes, surtaxes, customs duties and import and export taxes, development, occupancy, social services, licence, franchise and registration fees and employment insurance, health insurance and Canada, and other government pension plan premiums or contributions), and **"Tax"** has a corresponding meaning.
- (99) **"Third Party Claim"** has the meaning attributed to that term in Section 8.1(11).
- (100) **"Transactions"** means the purchase and sale of the Purchased Shares and all other transactions contemplated by this Agreement.
- (101) **"TSXV Approval"** means the approval of the Transactions by the TSXV.
- (102) **"TSXV"** has the meaning attributed to that term in Section 5.1(12).
- (103) **"Vendor"** has the meaning attributed to that term in the Recitals.
- (104) **"Vendor's Counsel"** means Mogan Daniels Slager LLP.
- (105) **"Vendor Filings"** has the meaning attributed to that term in Section 5.1(12).
- (106) **"Vendor Shareholder Approval"** means the approval of the Transactions by the shareholders of the Vendor.

(107) **"Wind Data"** means all wind data, technical data, reports, third party reports, logs and information in respect of the Project, whether created by the Vendor, DevCo or otherwise.

1.2 Construction. This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

1.3 Certain Rules of Interpretation. In this Agreement:

- (a) the division into Articles and Sections and the insertion of headings and the Table of Contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (b) the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular portion of this Agreement; and
- (c) unless specified otherwise or the context otherwise requires:
 - (i) references to any Article, Section or Schedule are references to the Article or Section of, or Schedule to, this Agreement;
 - (ii) "including" or "includes" means "including (or includes) but is not limited to" and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
 - (iii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of";
 - (iv) references to Contracts are deemed to include all present amendments, supplements, restatements and replacements to those Contracts;
 - (v) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
 - (vi) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 Knowledge. In this Agreement, any reference to the knowledge of the Vendor or a similar expression means to the best of the actual knowledge, information and belief of Michael O'Connor and Wilbur Lang after making due inquiries of the Vendor's and DevCo's employees, consultants, advisors and directors.

1.5 Computation of Time. In this Agreement, unless specified otherwise or the context otherwise requires:

- (a) a reference to a period of days is deemed to begin on the first day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;
- (b) all references to specific dates mean 11:59 p.m. on the dates;
- (c) all references to specific times are references to Eastern Standard time; and
- (d) with respect to the calculation of any period of time, references to "from" mean "from and excluding" and references to "to" or "until" mean "to and including".

1.6 Performance on Business Days. If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.7 Calculation of Interest. In calculating interest payable under this Agreement for any period of time, the first day of the period is included and the last day is excluded.

1.8 Currency and Payment. In this Agreement, unless specified otherwise:

- (a) references to dollar amounts or "\$" are to Canadian dollars;
- (b) any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds; and
- (c) except in the case of any payment due on the Closing Date, any payment due on a particular day must be received and available by 5:00 p.m. on the due date and any payment received and available after that time is deemed to have been made and received on the next succeeding Business Day.

1.9 Accounting Terms. In this Agreement, unless specified otherwise, each accounting term has the meaning assigned to it under GAAP.

1.10 Schedules. The following Schedules are attached to and form part of this Agreement:

SCHEDULE 1.1(28)	Development Services Agreement
SCHEDULE 1.1(38)	Financial Statements
SCHEDULE 1.1(63)	Option Agreement
SCHEDULE 1.1(69)	Permitted Encumbrances
SCHEDULE 1.1(80)	Project LP Agreement
SCHEDULE 1.1(91)	Specified Area
SCHEDULE 1.1(96)	Tax Reorganization
SCHEDULE 5.1(1)	Organization and Status
SCHEDULE 5.2(3)	Share Capital
SCHEDULE 5.2(12)	Personal Property Matters
SCHEDULE 5.2(18)	Insurance Policies

SCHEDULE 5.2(20)	Material Contracts and Other Contracts
SCHEDULE 5.2(22)	Permits
SCHEDULE 5.2(23)(a)	Regulatory Approvals
SCHEDULE 5.2(23)(b)	Third Party Approvals
SCHEDULE 5.2(26)	Corporate Records
SCHEDULE 5.2(28)	Absence of Changes
SCHEDULE 5.2(29)(k)	Taxes
SCHEDULE 5.2(30)	Litigation
SCHEDULE 5.2(31)	Accounts and Attorneys
SCHEDULE 5.2(33)	Non-Arm's Length Transactions
SCHEDULE 5.2(34)	Environmental Matters
SCHEDULE 5.2(37)	Employees and Others
SCHEDULE 5.2(45)	Indigenous Contracts
SCHEDULE 5.3(5)	Purchaser Consents and Approvals

ARTICLE 2

PURCHASE AND SALE OF PURCHASED SHARES

2.1 Agreement to Purchase and Sell. Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, all of the Purchased Shares and the SubCo Note.

2.2 Purchase Price.

(1) Subject to the terms and conditions of this Agreement, the purchase price (the "**Purchase Price**") to be paid by the Purchaser to the Vendor for the Purchased Shares is One dollar (\$1.00) and One dollar (\$1.00) for the SubCo Note.

2.3 Satisfaction of Purchase Price.

- (1) The Purchase Price will be satisfied by:
- (a) the performance by the Purchaser at Closing of its obligations under Sections 4.2(1)(e)(iv) and 4.2(1)(f) to deliver to the Vendor the Project LP Agreement duly executed by all the parties thereto other than the Vendor and the issuance to the Vendor of the Class B Units to which it is entitled under the Project LP Agreement; and
 - (b) the performance by the Purchaser at Closing of its obligation to deliver to the Vendor the Option Agreement duly executed by the Project LP.

ARTICLE 3

CLOSING ARRANGEMENTS

3.1 Closing. Subject to the satisfaction or waiver by the applicable Party of the conditions set out in Article 4, the Parties shall hold the Closing on the Closing Date, at such time as agreed to by the Vendor and the Purchaser and at the offices of the Purchaser's Counsel in Toronto, Ontario or at such other place or by such other means as agreed to by the Vendor and the Purchaser.

3.2 Vendor's Closing Deliveries. At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser all certificates, agreements, documents and instruments as required under Section 4.1(1).

3.3 Purchaser's Closing Deliveries. At Closing, the Purchaser shall deliver or cause to be delivered to the Vendor all payments, certificates, agreements, documents and instruments as required under Section 4.2(1).

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Conditions for the Benefit of the Purchaser.

- (1) The Purchaser shall be obliged to complete the Transactions only if each of the following conditions precedent has been satisfied in full at or before the time of Closing on the Closing Date:
 - (a) all of the representations and warranties of the Vendor made in or pursuant to this Agreement which are not qualified as to materiality shall be true and correct in all respects and those qualified as to materiality shall be true and correct in all material respects at Closing, with the same effect as if made on and as of the Closing Date (except as those representations and warranties may be affected by events or transactions (i) resulting from the entering of this Agreement that do not have a Material Adverse Effect and arise in the Ordinary Course of the Business, or (ii) approved in writing by the Purchaser);
 - (b) the Vendor has complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Vendor on or before the Closing Date, to the satisfaction of the Purchaser, acting reasonably;
 - (c) the Vendor Shareholder Approval and the TSXV Approval have been received and all corporate proceedings required to be taken by the Vendor in connection with the Transactions have been received;
 - (d) all Permits described in SCHEDULE 5.2(23)(a) have been obtained, in each case in form and substance satisfactory to the Purchaser, acting reasonably, and are in full force and effect;
 - (e) all Approvals described in SCHEDULE 5.2(23)(b) have been obtained, in each case in form and substance satisfactory to the Purchaser, acting reasonably, and are in full force and effect;
 - (f) there is no injunction or restraining order issued preventing, and no pending or threatened Proceeding, against any Party, for the purpose of enjoining or preventing, the completion of the Transactions or otherwise claiming that this Agreement or the completion of the Transactions is improper or would give rise to a Proceeding, under any Applicable Law or under any Contract;

- (g) since the date of this Agreement there has not occurred any event which may have a Material Adverse Effect;
- (h) the Vendor has caused the Tax Returns for the tax years 2012 to 2018 to be amended and resubmitted to the appropriate Governmental Authorities (once approved by the Purchaser), to reapportion project development as costs properly incurred by DevCo instead of the Vendor for those same tax years in the amount of four million nine hundred and sixty-four thousand dollars (\$4,964,000);
- (i) the Tax Reorganization shall have been completed to the satisfaction of the Purchaser;
- (j) the Purchaser has engaged in the Indigenous Group Meetings, to the satisfaction of the Purchaser; and
- (k) the Vendor has caused to be delivered to the Purchaser:
 - (i) a certificate of the Vendor in respect of its representations and warranties set out in Section 5.1 and Section 5.2 and in respect of its covenants and other obligations set out in this Agreement;
 - (ii) certificates representing the Purchased Shares, accompanied by stock transfer powers duly executed in blank or duly executed instruments of transfer;
 - (iii) original share registers, share transfer ledgers, minute books and corporate seals (if any) of DevCo;
 - (iv) subject to Section 6.2(1), all other Books and Records (except, in the case of those required by Applicable Law to be retained by the Vendor, copies thereof);
 - (v) a certified copy of a resolution of the board of directors/shareholders of DevCo approving the form of transfer and consenting to the transfer of its Purchased Shares from the Vendor to the Purchaser as contemplated by this Agreement and authorizing the execution, delivery and performance of all contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by DevCo;
 - (vi) a release by the Vendor as shareholder of DevCo;
 - (vii) in respect of DevCo:
 - (A) a certificate of status or a certificate of good standing or its equivalent under the laws of the jurisdiction of its incorporation/ governing its corporate existence; and

- (B) a certificate of a senior officer certifying the corporate status and Constatting Documents; and
 - (C) written resignations of its directors and officers, in each case with effect from the Closing Date, together with releases by those Persons in a form approved by the Purchaser, acting reasonably;
 - (viii) the Development Services Agreement, duly executed by the Vendor;
 - (ix) the Project LP Agreement, duly executed by the Vendor;
 - (x) the SubCo Note; and
 - (xi) such other documentation as the Purchaser reasonably requests on a timely basis in order to establish the completion of the Transactions and the taking of all corporate proceedings in connection with the Transactions (as to certification and otherwise), in each case in form and substance satisfactory to the Purchaser, acting reasonably.
- (2) Each of the conditions set out in Section 4.1(1) is for the exclusive benefit of the Purchaser and the Purchaser may waive compliance with any such condition in whole or in part by notice in writing to the Vendor, except that no such waiver operates as a waiver of any other condition.

4.2 Conditions for the Benefit of the Vendor.

- (1) The Vendor shall be obliged to complete the Transactions only if each of the following conditions precedent has been satisfied in full at or before the time of Closing on the Closing Date:
- (a) all of the representations and warranties of the Purchaser made in or pursuant to this Agreement which are not qualified as to materiality shall be true and correct in all material respects and those qualified as to materiality shall be true and correct in all respects at Closing, with the same effect as if made on and as of the Closing Date (except as those representations and warranties may be affected by events or transactions expressly permitted by or resulting from the entering of this Agreement);
 - (b) the Purchaser shall have complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Purchaser on or before the Closing Date to the satisfaction of the Vendor, acting reasonably;
 - (c) there is no injunction or restraining order issued preventing, and no pending or threatened Proceeding, against any Party, for the purpose of enjoining or preventing, the completion of the Transactions or otherwise claiming that this Agreement or the completion of the Transactions is improper or would give rise to a Proceeding, under any Applicable Law;

- (d) the Vendor has received the Vendor Shareholder Approval and the TSXV Approval;
 - (e) the Purchaser has caused to be delivered to the Vendor the following:
 - (i) a certificate of status of the Purchaser or its equivalent under the laws of the jurisdiction of its incorporation/ governing its corporate existence;
 - (ii) a certificate of the Purchaser in respect of its representations and warranties set out in Section 5.3 and in respect of its covenants and other obligations set out in this Agreement;
 - (iii) a release by DevCo in respect of the directors and officers of DevCo who resign with effect from Closing, in a form approved by the Vendor, acting reasonably;
 - (iv) the Project LP Agreement duly executed by all of the parties thereto other than the Vendor and a certificate or certificates the Purchaser;
 - (v) the Development Services Agreement, duly executed by the Purchaser or its Affiliate;
 - (vi) the Option Agreement duly executed by the parties to the Project LP Agreement other than the Vendor; and
 - (f) the Class B Units to which the Vendor is entitled under the Project LP Agreement have been issued to the Vendor together with a certificate representing such Class B Units duly executed by the General Partner.
- (2) Each of the conditions set out in Section 4.2(1) is for the exclusive benefit of the Vendor and the Vendor may waive compliance with any such condition in whole or in part by notice in writing to the Purchaser, except that no such waiver operates as a waiver of any other condition.

4.3 Termination Events. By notice given prior to or at Closing, subject to Section 4.4, this Agreement may be terminated as follows:

- (a) by the Purchaser if any condition in Section 4.1 ceases to be satisfied as of the Closing Date or if the satisfaction of any condition is or becomes impossible (other than through the failure of the Purchaser to comply with its obligations under this Agreement), and the Purchaser has not waived that condition on or before Closing Date;
- (b) by the Vendor if any condition in Section 4.2 ceases to be satisfied as of the Closing Date or if the satisfaction of any condition is or becomes impossible (other than through the failure of the Vendor to comply with its obligations under this Agreement), and the Vendor has not waived that condition on or before the Closing Date;

- (c) by mutual consent of the Purchaser and the Vendor; or
- (d) by the Purchaser unless it is in material breach of this Agreement or by the Vendor unless it is in material breach of this Agreement, if the Closing has not occurred on or before December 1, 2020.

4.4 Effect of Termination. Each Party's right of termination under Section 4.3 is in addition to any other rights it may have under this Agreement or otherwise, whether at law, in equity or otherwise, and the exercise of that right of termination is not an election of remedies. If this Agreement is terminated pursuant to Section 4.3, all obligations of the Parties under this Agreement will terminate except that the obligations contained in this Section 4.4 and in Article 9 will survive, provided that if this Agreement is terminated pursuant to Section 4.3(a) or 4.3(a), the terminating Party's right to pursue all legal remedies and the provisions of Article 8 and Article 9 will survive that termination unimpaired.

4.5 Satisfaction and Waiver of Conditions of Closing. The Parties agree to use their best efforts to satisfy the conditions set out in Sections 4.1 and 4.2 respectively. If any of the conditions set forth in Section 4.1 has not been satisfied, the Purchaser may elect in writing to waive the condition and proceed with the completion of the Transactions and, if any of the conditions in Section 4.2 has not been satisfied, the Vendor may elect in writing to waive the condition and proceed with the completion of the Transactions. Any such waiver and election by the Purchaser or the Vendor, as the case may be, will only serve as a waiver of the specific closing condition and the other Party will have no liability with respect to the specific waived condition.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor. The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

- (1) Organization and Status. It is a corporation duly incorporated and organized, and is validly subsisting, under the laws of the jurisdiction set out opposite its name on SCHEDULE 5.1(1) and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction.
- (2) Corporate Power. It has all necessary corporate power and authority to own or lease or, subject to obtaining the Vendor Shareholder Approval, dispose of its undertakings, property and assets (including the Purchased Shares), to enter into this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder.
- (3) Authorization. Subject to obtaining the Vendor Shareholder Approval, all necessary corporate action has been taken by it or on its part to authorize its execution and delivery of this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder.

- (4) Enforceability. This Agreement has been duly executed and delivered by it and (assuming due execution and delivery by the other Party) is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. Each of the contracts, agreements and instruments required by this Agreement to be delivered by it will at the Closing have been duly executed and delivered by it and (assuming due execution and delivery by the other parties thereto) will at Closing be enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (5) Ownership of the Purchased Shares. It is the registered and beneficial owner of the Purchased Shares, with good and marketable title thereto, free and clear of all Encumbrances, and has the exclusive right to dispose of the Purchased Shares as provided in this Agreement. None of the Purchased Shares is subject to (i) any Contract or restriction which in any way limits or restricts the transfer to the Purchaser of the Purchased Shares other than the transfer restrictions in DevCo's articles, and (ii) any voting trust, pooling agreement, shareholder agreement, voting agreement or other Contract, arrangement or understanding with respect to the voting of the Purchased Shares (or any of them). On completion of the Transactions, it will have no ownership interest in DevCo, whether direct or indirect, actual or contingent.
- (6) No Other Agreements to Purchase. No Person other than the Purchaser has any Contract or any right or privilege capable of becoming a Contract for the purchase or acquisition from the Vendor of any of the Purchased Shares.
- (7) Bankruptcy. It is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. It has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets (including any of the Purchased Shares) and no execution or distress has been levied on any of its undertakings, property or assets (including any of the Purchased Shares), nor have any proceedings been commenced in connection with any of the foregoing.
- (8) Absence of Conflict. The execution, delivery and performance by it of this Agreement and the completion of the Transactions will not (whether after the passage of time or notice or both) result in:
- (a) the breach or violation of any of the provisions of, or constitute a default under, or give any Person the right to seek or cause a termination, cancellation, amendment or renegotiation of any Contract to which it is a party or by which any of its undertakings, property or assets is bound or affected;

- (b) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of its obligations under:
 - (i) any provision of its Constatng Documents or resolutions of its board of directors (or any committee thereof) or shareholders;
 - (ii) any judgment, decree, order or award of any Governmental Authority having jurisdiction over it;
 - (iii) any Approval issued to it or held by it or necessary to the ownership of any of the Purchased Shares; or
 - (iv) any Applicable Law;
 - (c) the creation or imposition of any Encumbrance over any of the Purchased Shares; or
 - (d) the requirement of any Approval from any of its creditors.
- (9) Litigation. There are no Proceedings (whether or not purportedly on its behalf) pending or outstanding or, to its knowledge, threatened against it which could affect the Purchased Shares or its ability to perform its obligations under this Agreement.
- (10) Residence. It is not a non-resident of Canada for purposes of the Tax Act.
- (11) Board Approval. The Vendor's board has unanimously approved the entering into of this Agreement and the making of a recommendation that the shareholders vote to approve the Transaction.
- (12) Reports. The Vendor has filed all material documents or information required to be filed by it under applicable Securities Laws on SEDAR, with the Toronto Stock Exchange Venture Exchange ("TSXV") or as otherwise required (collectively, the "**Vendor Filings**"). The Vendor Filings at the time filed: (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (b) complied in all material respects with the requirements of Applicable Laws in effect at the time of filing. As of the date hereof, the Vendor has not failed to make any public disclosure or any amendment or modification to the Vendor Filings required to be filed or made by it under Applicable Laws. The Vendor has established and maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Vendor in its annual filings, interim filings or other reports filed or submitted by it under applicable Securities Laws are recorded, processed, summarized and reported within the time periods specified in applicable Securities Laws. There are no outstanding or unresolved comments from any Canadian Securities regulatory authority with respect to any of the Vendor Filings and to knowledge of the Vendor, neither it nor any of the Vendor Filings is subject of an ongoing audit, review, comment or investigation by any such securities authority or the TSXV.

- (13) Reporting Issuer Status and Listing. As of the date hereof, the Vendor is a "reporting issuer" or the equivalent thereof in good standing under the applicable Securities Laws of each of the provinces of Canada and is not on the list of defaulting issuers (or the equivalent) under the Securities Laws of any province or territory of Canada. The Vendor's shares are listed on the TSXV and are not listed on any stock exchange other than the TSXV. The Vendor is in compliance in all material respects with the rules of the TSXV. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of the Vendor is pending, in effect, has been threatened, or is expected to be implemented or undertaken, and to the knowledge of the Vendor, the Vendor is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

5.2 Representations and Warranties of the Vendor Relating to DevCo. The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in connection with its purchase of the Purchased Shares and that the Purchaser would not purchase the Purchased Shares without these representations and warranties:

- (1) Organization and Status. DevCo is duly incorporated and organized, and is validly subsisting, under the laws of its jurisdiction and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction. DevCo is duly registered, licensed or qualified as an extra-provincial or foreign corporation, is in good standing and up-to-date in the filing of all corporate and similar returns, under the laws of the jurisdictions it operates. The jurisdictions where it is registered are the only jurisdictions in which the nature of the Business or the Assets makes the registration, licensing or qualification necessary.
- (2) Corporate Power. DevCo has all necessary corporate power and authority to own or lease the Assets and to carry on the Business as now being conducted by it.
- (3) Authorized and Issued Capital. SCHEDULE 5.2(3) sets out the authorized and issued shares of DevCo, the names of the Persons who are shown on the securities register of DevCo as the holder of any of the shares, the names of the Persons who are the beneficial owners of any of the shares, and the number and class of shares held or owned, as the case may be, by each Person. All of the shares indicated in SCHEDULE 5.2(3) are the only issued and outstanding shares of DevCo and have been validly issued and are outstanding as fully paid and non-assessable shares, and were not issued in violation of the pre-emptive rights of any Person or any Contract or Applicable Law by which DevCo was bound as the time of the issuance. Other than as set out on SCHEDULE 5.2(3), there are no shareholders agreements, voting trusts, pooling agreements or other Contracts, arrangements or understandings in respect of the voting of any of the shares of DevCo. True, accurate and complete copies of the Constatting Documents (including all Contracts, arrangements and understandings set out in SCHEDULE 5.2(3)) and other organizational documents of DevCo, or where those Contracts, arrangements or understandings are oral, true, accurate and complete written summaries of their terms, have been provided to the Purchaser.

- (4) Options. No Person has any Contract or any right or privilege capable of becoming a Contract, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any issued or un-issued shares or other securities of DevCo.
- (5) Absence of Conflict. The completion of the Transactions will not (whether after the passage of time or notice or both) result in:
- (a) the breach or violation of any of the provisions of, or constitute a default under, or give any Person the right to seek or cause a termination, cancellation, amendment or renegotiation of any Contract to which DevCo is a party or by which any of the Assets is bound or affected;
 - (b) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of the obligations of DevCo under:
 - (i) any provision of the Constatng Documents or resolutions of the board of directors (or any committee thereof) or shareholders of DevCo;
 - (ii) any judgment, decree, order or award of any Governmental Authority having jurisdiction over DevCo;
 - (iii) any Approval issued to, or held by, DevCo or held, for the benefit of or necessary to the operation of, DevCo or the Business; or
 - (iv) any Applicable Law;
 - (c) the creation or imposition of any Encumbrance over any of the Assets; or
 - (d) the requirement of any Approval from any of the creditors of DevCo.
- (6) Conduct of Business. DevCo has complied with, and has conducted the Business in compliance with, all Applicable Laws in all material respects. The Business is the only business operation carried on by DevCo. There has not been any significant interruption of operations (being an interruption of more than one (1) Business Day) of the Business.
- (7) No Subsidiaries. DevCo has not owned and does not own and does not have any Contracts of any nature to acquire, directly or indirectly, any Equity Interests in any Person and DevCo does not have any Contracts to acquire by any manner whatsoever or lease any other business operations.
- (8) Bankruptcy. DevCo is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or has made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. DevCo has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of DevCo or any

of the Assets and no execution or distress has been levied on any of the Assets, nor have proceedings been commenced in connection with any of the foregoing.

- (9) Real Property Leases. Other than the IUP Permits and Met Mast Licence, DevCo is not a party to any leases or agreements in the nature of an interest in land (including all amendments, renewals, extensions, assignments, occupancy agreements, subleases, agreements to lease and agreements to sublease) and does not have any rights to any leased real property or other interests in land, whether as lessor or lessee.
- (10) Title to Real Property and Other Real Property Matters and Leased Property Matters. DevCo has not nor ever had the exclusive right, to possess, use or occupy any real property, nor are they, nor has ever been, the beneficial or legal owner or title holder to any real property.
- (11) Title to Other Property. DevCo has good and marketable title to all the Assets free and clear of any and all Encumbrances other than the Permitted Encumbrances. All of the Assets used by DevCo are in reasonable operating condition and repair having regard to their age and usage and ordinary wear and tear excepted. The Assets comprise all of the undertakings, property, assets and rights and interests required or necessary for the operation of the Business.
- (12) Personal Property. Save as disclosed in SCHEDULE 5.2(12), DevCo does not own or have rights to use any machinery, equipment, furniture, motor vehicles and other personal property owned or leased by DevCo (including those in possession of third parties) (the "**Personal Property**"), as the case may be.
- (13) Personal Property Leases. DevCo is not party to any equipment leases, rental agreements, conditional sales agreements and similar agreements relating to any of the Assets.
- (14) Inventories. DevCo does not have any Inventories.
- (15) Accounts Receivable. DevCo does not have any Accounts Receivable.
- (16) Intellectual Property. DevCo does not own nor do they have any rights to any Intellectual Property.
- (17) Information Technologies. DevCo does not own nor do they have any rights to any Information Technologies.
- (18) Insurance. SCHEDULE 5.2(18) sets out true, accurate and complete particulars of all insurance policies maintained by DevCo on the Business, on the Assets and on the Employees (the "**Insurance Policies**"), specifying in each case, the name of the insurer, the risks insured against, the amount of the coverage, the amount of the annual premium, the amount of the deductible, details of the amount of premiums (whether prepaid or unpaid) from prior years, the policy number, and any pending claims under the policy. No other insurance is required to be maintained by DevCo pursuant to the terms of any Contract. DevCo is not in default, whether as to the payment of premiums or with respect to any other provision contained in any Insurance Policy or has failed to give any notice or

present any claim under any Insurance Policy in a due and timely manner. The Vendor has received no written notification that any of the Insurance Policies will not be renewed by the insurer on the scheduled expiry of the policy or will be renewed by the insurer only on the basis that there will be a material increase in premiums payable in respect of the policy. True, accurate and complete copies of the Insurance Policies and of the most recent inspection reports, if any, received from insurance underwriters or others as to the condition of the Assets, have been provided to the Purchaser.

- (19) No Expropriation. None of the Assets have been taken or expropriated by any Governmental Authority nor has any notice or proceeding in respect thereof been given or commenced and, to the knowledge of the Vendor, there is not any intent or proposal to give any such notice or commence any such proceeding.
- (20) Material Contracts and Other Contracts. Except as set out in SCHEDULE 5.2(20) and except as disclosed in any other Schedule to this Agreement, DevCo is not a party to or bound by a Material Contract. True, accurate and complete copies of all Material Contracts set out in SCHEDULE 5.2(20), or where those Contracts are oral, true, accurate and complete summaries of their terms, have been provided to the Purchaser.
- (21) No Default under Material Contracts. DevCo has performed in all material respects all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any Material Contract to which it is a party or by which it is bound or affected. All such Material Contracts are in good standing and in full force and effect, and, to the knowledge of the Vendor, no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default under any such Material Contract. There is no dispute between DevCo and any other party under any such Material Contract. Except as disclosed in the Schedules to this Agreement, none of those Material Contracts contain terms under which the execution or performance of this Agreement would give any other contracting party the right to terminate or adversely change the terms of that Material Contract or would otherwise require the consent of any other Person. None of those Material Contracts have been assigned, or if applicable subleased, in whole or in part.
- (22) Permits. SCHEDULE 5.2(22) sets out a true, accurate and complete list of Permits issued to or held by or for the benefit of DevCo (the "**DevCo Permits**"), and, to the Vendor's knowledge, there are no other Permits necessary to conduct the Business or to own, lease or operate any of the Assets. Each of the DevCo Permits is valid, subsisting and in good standing. DevCo is not in default or in breach of the terms of any of the DevCo Permits and, to the knowledge of the Vendor, there is no action or proceeding pending or, to the knowledge of the Vendor, threatened to revoke, suspend, amend or limit the DevCo Permits. Except as disclosed in, SCHEDULE 5.2(22) none of the DevCo Permits contain terms under which the execution and performance of this Agreement would give the issuer of that DevCo Permit the right to terminate or adversely change the terms of that DevCo Permit or would require the consent of any Person. True, accurate and complete copies of all of the DevCo Permits have been provided to the Purchaser.
- (23) Regulatory and Third Party Approvals.

- (a) Except for the Vendor Shareholder Approval and the TSXV Approval, there is no requirement to make any filing with, give any notice to or obtain any Permit as a condition to the lawful completion of the Transactions contemplated by this Agreement or to permit DevCo to conduct the Business after Closing as the Business is currently conducted by DevCo, except for the filings, notifications and Permits described in SCHEDULE 5.2(23)(a).
 - (b) There is no requirement under any Material Contract or DevCo Permit to obtain any Approvals from any party to the Material Contracts or DevCo Permit relating to the completion of the Transactions except for the Approvals described in SCHEDULE 5.2(23)(b).
- (24) Financial Statements. The Financial Statements:
- (a) have been prepared in accordance with IFRS, applied on a basis consistent with that of the preceding periods;
 - (b) are complete and accurate in all respects; and
 - (c) fairly present the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Devco and the results of the operations of DevCo, as at the dates thereof and for the periods covered thereby;
- (25) Books and Records. The Vendor has disclosed the existence of and made available for review by the Purchaser all Books and Records. The system of internal accounting controls is sufficient to provide reasonable assurances that transactions are executed in accordance with management's general or specific authorization and that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets. The Books and Records:
- (a) accurately reflect the basis for the financial condition and the revenues, expenses and results of the operations of DevCo shown in the Financial Statements;
 - (b) are not recorded, stored, maintained, operated or otherwise dependent on or held by any means (including any electronic, mechanical or photographic process, whether computerized or not), which are not or will not be available to DevCo in the Ordinary Course after Closing.

The Vendor does not have in its possession or control any documents or information relating to DevCo, the Business or the Assets (including with respect to Taxes) that are not in the possession of DevCo.

- (26) Corporate Records. Save as disclosed in SCHEDULE 5.2(26), the minute books of DevCo contain true, accurate and complete records of all of its Constating Documents and of every meeting, resolution and corporate action taken by the shareholders, the board of directors and every committee of either of them. No meeting of shareholders, the board of directors or any committee of either of them has been held for which true, accurate and complete minutes have not been prepared and are not contained in those minute books. The share

certificate book, register of shareholders, register of directors and officers, securities register and register of transfer of DevCo are true, accurate and complete.

- (27) Undisclosed Liabilities. DevCo has no liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to the liabilities, obligations, indebtedness or commitments (whether accrued, absolute, contingent or otherwise) of any Person, that are required to be disclosed by GAAP and which are not disclosed in the Financial Statements or disclosed in the Schedules to this Agreement, other than liabilities, obligations, indebtedness and commitments in respect of trade or business obligations incurred after the Financial Statements Date in the Ordinary Course, that do not exceed \$10,000 in the aggregate and that do not have a Material Adverse Effect.
- (28) Absence of Changes. Except as described in SCHEDULE 5.2(28), since the Financial Statements Date, DevCo has carried on the Business and conducted its operations and affairs only in the Ordinary Course and DevCo has not:
- (a) made or suffered any Material Adverse Change;
 - (b) suffered any material damage to or the destruction or loss of (whether or not covered by insurance) the Assets;
 - (c) incurred any liability, obligation, indebtedness or commitment (whether accrued, absolute, contingent or otherwise, and whether due or to become due), other than unsecured current liabilities, obligations, indebtedness and commitments incurred in the Ordinary Course;
 - (d) paid, discharged or satisfied any Encumbrance, liability, obligation, indebtedness or commitment of DevCo (whether accrued, absolute, contingent or otherwise, and whether due or to become due) other than payment of accounts payable and Tax liabilities incurred in the Ordinary Course;
 - (e) declared, set aside or paid any dividend or made any other distribution with respect to any shares in the capital of DevCo or redeemed, repurchased or otherwise acquired, directly or indirectly, any such shares;
 - (f) issued or sold or entered into any Contract for the issuance or sale of any shares in the capital of or securities convertible into or exercisable for shares in the capital of DevCo;
 - (g) made or granted, or entered into any agreement to make or grant, any licence, sale, assignment, transfer, disposition, pledge, mortgage, hypothec or security interest or other Encumbrance of, on or over any of the Assets other than a Permitted Encumbrance;
 - (h) cancelled any debts or claims or made any amendment, termination or waiver of any rights of value to DevCo;

- (i) made any general increase in the compensation of Employees (including, any increase pursuant to any Employee Plan or commitment) or any increase in any compensation, benefits or bonus payable to any officer, Employee, consultant or agent of DevCo or executed any employment Contract with any officer or Employee, or made any loan to, or engaged in any transaction with, any Employee, officer or director of DevCo or made any amendment to any Employee Plan or established or adopted any Employee Plan or entered into any Contract in respect of any Employee Plan;
 - (j) made any capital expenditures or commitments of DevCo;
 - (k) made any forward purchase commitments;
 - (l) made any change in the accounting, costing or tax practices followed by DevCo save and except for those contemplated by Section 4.1(1)(h);
 - (m) made any change adopted by DevCo in its depreciation or amortization policies or rates;
 - (n) terminated, cancelled or modified in any material respect or received any notice of a request for termination, cancellation or modification in any material respect of any Material Contract; or
 - (o) authorized or agreed to or otherwise committed to do any of the foregoing.
- (29) Taxes.
- (a) DevCo has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by it in all applicable jurisdictions before the Closing Date. All Tax Returns that have been filed by, or with respect to DevCo are true, complete and correct, report all income and all other amounts and information required to be reported thereon, and disclose all Taxes required to be paid for the periods covered thereby. DevCo has never been required to file any Tax Returns with, and DevCo has never been liable to pay or remit Taxes to, any Governmental Authority outside Canada. DevCo has duly and timely paid all Taxes due and payable by them, including all instalments on account of Taxes that are due and payable before the Closing Date, whether or not assessed by the appropriate Governmental Authority, and has duly and timely paid all assessments and reassessments they have received in respect of all Taxes.
 - (b) The Vendor has provided to the Purchaser true, complete and accurate copies of all Tax Returns filed by DevCo in respect of the last four completed taxation years and all working papers and all communications to or from all Governmental Authorities relating to such Tax Returns and to Taxes of DevCo for such taxation years. Canadian federal and provincial income, capital, goods and services and harmonized sales, provincial retail sales and payroll Tax assessments have been issued to DevCo for all taxation years or periods up to and including its taxation year ended 2018. No notices of determination of loss from the CRA to DevCo have

been requested by or issued to DevCo. DevCo has not requested, received or entered into any advance Tax rulings or advance pricing agreements from or with any Governmental Authority.

- (c) DevCo's Financial Statements contain adequate provision in accordance with GAAP for all Taxes payable by DevCo in respect of each period covered by such Financial Statements and all prior periods to the extent those Taxes have not been paid, whether or not assessed and whether or not shown to be due on any Tax Returns.
- (d) There are no audits, reassessments or other Proceedings in progress or, to the knowledge of the Vendor, threatened against DevCo, in respect of any Taxes and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any such Taxes. The Vendor is not aware of any contingent liability of DevCo for Taxes or any grounds that could prompt an assessment or reassessment for Taxes, and DevCo has not received any indication from any Governmental Authority that any assessment or reassessment is proposed.
- (e) No Governmental Authority has challenged or disputed a filing position taken by DevCo in any Tax Return. DevCo is not negotiating any final or draft assessment or reassessment in respect of Taxes with any Governmental Authority.
- (f) DevCo has not entered into any transactions with any non-resident of Canada (for the purposes of the Tax Act) with whom DevCo was not dealing at arm's length (within the meaning of the Tax Act). DevCo has no acquired property from any Person in circumstances where DevCo did or could have become liable for any Taxes payable by that Person.
- (g) There are no agreements, waivers or other arrangements with any Governmental Authority extending the statutory period providing for an extension of time with respect to the issuance of any assessment or reassessment of Taxes, the filing of any Tax Return, or the payment of any Taxes by DevCo. DevCo is not a party to any agreements or undertakings with respect to Taxes and DevCo has not made any elections, designations or similar filings with respect to Taxes that have an effect for any period ending after the Closing Date.
- (h) DevCo has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Authority all Taxes or other amounts required to be deducted, withheld or collected and remitted by it. DevCo has not received any requirement from any Governmental Authority pursuant to Section 224 of the Tax Act which remains unsatisfied in any respect.
- (i) DevCo has not claimed, and will not claim, any amount as a reserve under any one or more of subparagraph 40(1)(a)(iii), paragraph 20(1)(m) or 20(1)(n) of the Tax Act if any such amount could be included in the income of DevCo for a period ending on or after the date hereof.

- (j) Other than as contemplated under the Tax Reorganization as set out in SCHEDULE 1.1(96) , none of sections 80 to 80.04, both inclusive, of the Tax Act have applied or will apply to DevCo at any time up to and including the Closing Date. DevCo does not have any unpaid amounts that may be required to be included in income under Section 78 of the Tax Act for a taxation year ending after the Closing Date. DevCo has not made any payments and DevCo is not obligated to make any payments that may not be deductible by virtue of Section 67 of the Tax Act.
- (k) DevCo is duly registered for Canadian value-added and sales taxes as and where required by Applicable Law, and for greater certainty is registered under the Excise Tax Act (Canada) with respect to GST/HST. Except as set out on SCHEDULE 5.2(29)(k), DevCo has timely collected paid and remitted to the appropriate Governmental Authorities when required by Law to do so, all amounts required to be collected, deemed to have been collected by it or that should have been collected or paid on account of all Taxes under Part IX of the ETA and any similar provincial or other jurisdictions' value added sales tax Law. The registration number for DevCo under the ETA is 862709060RT0001. All input tax credits claimed by DevCo pursuant to the ETA have been proper, correctly calculated and documented in accordance with the requirements of the ETA and regulations thereto.
- (l) DevCo keeps its Books and Records in compliance with section 230 of the Tax Act and all similar provisions of any other Applicable Law in respect of Taxes and DevCo has in its possession or under their control all Books and Records in respect of Taxes that are required to be maintained and preserved under all Applicable Laws.
- (m) There has been no acquisition of control nor change of control of DevCo for the purposes of the Tax Act.
- (n) All of the non-capital losses described in the loss continuity schedule filed with the Tax Returns filed on or before the date hereof by the Vendor and DevCo for taxation years ending on or before the Closing Date (the "NOLs") were incurred in carrying on the same business as currently operated by DevCo or the Vendor that incurred the NOLs. Such businesses have not, at any point in time, been discontinued before the Closing Date. The NOLs are accurately reflected in the Tax Returns and are available for application under paragraph 111(1)(a) of the Tax Act and are not restricted by any previous acquisition of control (excluding, for greater certainty, any restriction resulting from the acquisition of control resulting from the transactions contemplated by this Agreement).
- (30) Litigation. Except as described in SCHEDULE 5.2(30), there are no Proceedings (whether or not purportedly on behalf of DevCo) pending or, to the knowledge of the Vendor, threatened against or affecting, DevCo or the Assets.
- (31) Accounts and Attorneys. SCHEDULE 5.2(31) is a true, accurate and complete list of the accounts and safety deposit boxes of DevCo and of Persons holding general or special powers of attorney from DevCo and sets out:

- (a) the name of each bank, trust company or similar institution in which DevCo has accounts or safety deposit boxes, the number or designation of each such account and safety deposit box and the names of all Persons authorized to draw thereon or to have access thereto; and
 - (b) the name of each Person holding a general or special power of attorney from DevCo and a summary of the terms thereof. True, accurate and complete copies of all general or special powers of attorney set out in SCHEDULE 5.2(31) have been provided to the Purchaser.
- (32) Directors and Officers. DevCo's Constatting Documents contain a true, accurate and complete list of the names and titles of all the officers and directors of DevCo.
- (33) Non-Arm's Length Transactions. DevCo has not made any payment or loan to, or borrowed any moneys from or is otherwise indebted to, any officer, director, Employee, shareholder or any other Person not dealing at arm's length with DevCo (within the meaning of the Tax Act), except as disclosed in the Financial Statements, except for usual employee reimbursements and compensation paid in the Ordinary Course and except for benefits paid in accordance with Employee Plans. Except for Contracts of employment, DevCo is not a party to any Contract with any officer, director, Employee, shareholder or any other Person not dealing at arm's length with DevCo (within the meaning of the Tax Act). No officer, director or shareholder of DevCo and no entity that is an Affiliate or Associate of one or more of those Persons:
 - (a) save as disclosed in SCHEDULE 5.2(33) owns, directly or indirectly, any interest in (except for shares representing less than one per cent of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of, any Person which is, or is engaged in business as, a competitor of the Business or DevCo or a lessor, lessee, supplier, distributor, sales agent or customer of the Business or either of DevCo;
 - (b) owns, directly or indirectly, in whole or in part, any property that DevCo uses in the operation of the Business; or
 - (c) has any cause of action or other claim whatsoever against, or owes any amount to, DevCo in connection with the Business, except for any liabilities reflected in the Financial Statements and claims in the Ordinary Course.
- (34) Environmental.
 - (a) Except as described in SCHEDULE 5.2(34), DevCo has been and is in compliance with all Environmental Laws in all material respects.
 - (b) DevCo has obtained all Environmental Permits required for the operation of the Business, all of which are described in SCHEDULE 5.2(34). Each such Environmental Permit is valid, subsisting and in good standing and DevCo is not in default or breach of any Environmental Permit and no proceeding is pending or,

to the knowledge of the Vendor, threatened to revoke or limit any Environmental Permit.

- (c) DevCo has not used or permitted to be used any of the Assets in connection with the Business or any property or facility that was at any time owned, occupied, operated, managed, used or controlled in connection with the Business, for the disposal of Contaminants, and to the knowledge of the Vendor there has not been any such use.
- (d) DevCo has never received any notice of, nor been prosecuted for an offence alleging non-compliance with any Environmental Laws, and neither the Vendor nor DevCo have settled any allegation of non-compliance short of prosecution.
- (e) There are no orders or directions issued to DevCo under Environmental Laws relating to the Business or any of the Assets, nor, to the knowledge of the Vendor are any such orders or directions pending.
- (f) DevCo has not caused or permitted, and the Vendor does not have any knowledge of, the release, migration or discharge, in any manner whatsoever, of any Contaminant on or from any of the Assets or any property or facility that DevCo previously owned or leased and utilized.
- (g) DevCo has not received any notice that it is potentially responsible for any clean-up or corrective action at property which is owned or occupied by a third party or in respect of any natural resource or feature.
- (h) True, accurate and complete copies of all documents, including Environmental Permits and any certificates or reports, issued, filed or registered on title or with any Governmental Authority, pursuant to Environmental Laws with respect to the Business or the Assets have been provided to the Purchaser.
- (i) True, accurate and complete copies of all environmental audits, site assessments, risk assessments, studies or tests relating to DevCo, the Business or the Assets or to any facility or property which DevCo has at any time owned, occupied, leased, managed or controlled or in which it has at any time had a legal or beneficial interest, that were commissioned by or for DevCo or that are in the possession or control of DevCo, have been provided to the Purchaser.

(35) Employee Plans.

- (a) DevCo is not party to nor have they ever been party to any deferred compensation, bonus, incentive or other compensation, share option or purchase, severance, termination pay, hospitalization or other medical benefit, life or other insurance, vision, dental, drug, sick leave, disability, salary continuation, vacation, supplemental unemployment benefits, profit sharing, mortgage assistance, employee loan, discount, assistance or counselling, pension or supplemental pension, retirement compensation, group registered retirement savings, deferred profit sharing, employee profit sharing, savings, retirement or supplemental

retirement, and any other plan, program or arrangement, whether funded or unfunded, formal or informal, written or unwritten, including all policies with respect to holidays, sick leave, expense reimbursement, automobile allowances and rights to company-provided automobiles that is maintained, contributed to, or required to be maintained or contributed to, by DevCo, or to which DevCo is a party, or bound by, or under which DevCo has any liability or contingent liability, for the benefit of DevCo's current and former directors, officers, shareholders, consultants, independent contractors or Employees and their respective beneficiaries or dependents, other than Statutory Plans (the "**Employee Plans**").

- (b) There is no claims or Proceedings by any applicable Governmental Authority, including the CRA, or by any Person (other than routine claims for payment of benefits) pending or, to the knowledge of the Vendor and DevCo, threatened in respect of any of the Statutory Plans or their assets.

(36) Labour Matters.

- (a) DevCo has/has never entered into or is/was a party to, either directly or by operation of law, any collective agreement, letters of understanding, letters of intent or other written communication with any trade union or association or organization that may qualify as a trade union or association, contingent or otherwise, which would cover any Employee or dependent contractor of DevCo.
- (b) None of the Employees or independent contractors of DevCo are subject to any collective agreements or letters of understanding, letters of intent or other written communication with any trade union or association or organization that may qualify as a trade union or association, contingent or otherwise, and are not, in their capacities as Employees, represented by any trade union or association or organization that may qualify as a trade union or association.
- (c) To the knowledge of the Vendor, there are no organizational efforts currently being made, threatened by or on behalf of, any trade union or association or organization that may qualify as a trade union or association with respect to the Employees. DevCo has never experienced a work stoppage, strike, lock out or other labour disturbance and there is no work stoppage, strike, lock-out or other labour disturbance currently occurring or threatened.
- (d) DevCo is in material compliance with its duties and obligations under all applicable employment-related statutes and laws, and DevCo is not subject to or liable for any arrears of wages, penalties, fines, orders to pay, assessments, charges, damages or Taxes for failure to comply with any of the foregoing.
- (e) DevCo is not subject to any outstanding decisions, orders, charges, tickets, notices or settlements or pending settlements under applicable employment standards legislation, human rights legislation or Occupational Health and Safety legislation. All costs, charges, experience rating assessments or other assessments or other liabilities, contingent or otherwise, under workers' compensation legislation or

other legislation relating to industrial accidents and/or occupational diseases claims applicable to DevCo have been paid or accrued and there has not been any special or penalty charge or assessment under those legislation against DevCo that has not been paid.

- (37) Employees and Others. SCHEDULE 5.2(37) contains a true, accurate and complete list of the names of all individuals who are Employees or sales or other agents or representatives or independent contractors of DevCo specifying:
- (a) with respect to the unionized Employees, the rate of hourly pay, seniority and date of hire, vacation entitlement and accrual and whether or not the Employee is absent for any reason such as lay off, leave of absence, salary, insurance or workers' compensation; and
 - (b) with respect to non-unionized Employees, sales or other agents or representatives and independent contractors, the length of service, age, title, rate of salary, commission structure, vacation entitlement and accrual for each such Employee, agent, representative or independent contractor and whether or not the Employee, agent, representative or independent contractor is absent for any reason such as lay off, leave or absence, salary, insurance or workers' compensation.
 - (c) No notice has been received by DevCo of any complaint filed by any of the Employees against DevCo instituting a proceeding or claiming that DevCo has violated any applicable employee or human rights or similar legislation in the other jurisdictions in which the Business is conducted or DevCo operates or of any complaints or proceedings of any kind involving DevCo or, to the knowledge of the Vendor, any of the Employees before any labour relations board, except as disclosed in SCHEDULE 5.2(37). There are no outstanding orders or charges against DevCo under the any applicable health and safety legislation in the other jurisdictions in which the Business is conducted. All levies, assessments and penalties made against DevCo pursuant to any applicable workers' compensation legislation in the other jurisdictions in which the Business is conducted have been paid by DevCo and DevCo has never been reassessed under any such legislation. DevCo's current personnel are sufficient to operate the Business on the basis that it has historically been operated.
- (38) Inter-Company Services. There are no material inter-company services provided to DevCo by any Affiliate of the Vendor, other than those provided in accordance with the terms of a Contract disclosed in SCHEDULE 5.2(20).
- (39) Ethical Practices. No Representative of the Vendor or of DevCo or any Representative of any of them, has directly or indirectly:
- (a) made or received any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to or from any Person, private or public, regardless of form, whether in money, property or services (i) to obtain favourable treatment in securing business, (ii) to pay for favourable treatment in business secured, (iii) to

obtain special concessions or for special concessions already obtained, for or in respect of DevCo, or (iv) in violation of any Applicable Law; or

- (b) established or maintained any fund or asset relating to the Business or the Assets that has not been recorded in the Books and Records.

(40) Personal Information.

- (a) DevCo is currently and has always been in compliance in all material respects with Privacy Law and all Privacy Requirements applicable to DevCo.
- (b) The completion of the Transaction will not result in a breach or violation of any Privacy Law or Privacy Requirements by DevCo.

(41) No Predecessors. No corporation has been merged with DevCo, by amalgamation, dissolution, arrangement or otherwise, in such a manner that DevCo is or may become liable for any liabilities (contingent or otherwise) of any kind whatsoever of that corporation.

(42) No Finder's Fees. Each of the Vendor and DevCo has not taken and will not take any action that would cause the Purchaser to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement.

(43) Private Issuer. DevCo is a private issuer within the meaning of *National Instrument 45-106 – Prospectus and Registration Exemptions*.

(44) Full Disclosure. Neither this Agreement nor any other contract, agreement, instrument, certificate or other document required to be delivered by or otherwise to be delivered pursuant to this Agreement by the Vendor and DevCo or by either of them nor any certificate, report, statement or other document furnished by the Vendor and DevCo or by either of them in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact. No information has come to the attention of the Vendor or of DevCo that has not been disclosed to the Purchaser in writing and to the knowledge of the Vendor, there has been no event or transaction that could reasonably be expected to have a Material Adverse Effect.

(45) Aboriginal Engagement. Except as described in SCHEDULE 5.2(45), there are no contracts, agreements, instruments, certificates, memorandum of understanding, in whatever form whether oral or written, entered into by the Vendor, DevCo or any of their Affiliates and any Indigenous group or Proceedings initiated by or on behalf of any Indigenous group or initiated by or on behalf of the Vendor, DevCo, its Affiliates or its or their Representatives against any Indigenous group in respect of the Project, an Asset, the Business or any other project that was to be owned, operated or developed by the Vendor, DevCo or their Affiliates.

5.3 Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on these representations and warranties in connection with the sale by the Vendor of the Purchased Shares:

- (1) Organization and Corporate Power. The Purchaser is a corporation duly incorporated and organized, and is validly subsisting, under the laws of Ontario and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction. The Purchaser has all necessary corporate power and authority to acquire the Purchased Shares, to enter into this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it and to perform its obligations hereunder and thereunder and to acquire the Purchased Shares.
- (2) Authorization. All necessary corporate action has been taken by or on the part of the Purchaser to authorize its execution and delivery of this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder.
- (3) Enforceability. This Agreement has been duly executed and delivered by the Purchaser and (assuming due execution and delivery by the Vendor) is a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction. Each of the contracts, agreements and instruments required by this Agreement to be delivered by the Purchaser will at the Closing have been duly executed and delivered by it and (assuming due execution and delivery by the other parties thereto) will be enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (4) Bankruptcy. The Purchaser is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing.
- (5) Consents and Approvals. Except as set out in SCHEDULE 5.3(5), there is no requirement for the Purchaser to make any filing with or give any notice to any Governmental Authority or to obtain any Permit or Approval, as a condition to the lawful completion of the Transactions, including, without limitation, under the *Investment Canada Act*.
- (6) Absence of Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions will not, (whether after the passage of time or notice or both), result in:
 - (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any of its obligations, under:

- (i) any provision of its Constatting Documents or resolutions of its board of directors (or any committee thereof) or shareholders;
 - (ii) any judgment, decree, order or award of any Governmental Authority having jurisdiction over it;
 - (iii) any Approval issued to, held by or for the benefit of, the Purchaser;
 - (iv) any Applicable Law; or
- (b) the requirement for any Approval from any creditor of the Purchaser.
- (7) Investment Canada. The Purchaser is a Canadian within the meaning of the *Investment Canada Act* (Canada).
- (8) Competition Act. That assets and gross revenues of the Purchaser and its affiliates (as such term is used in the *Competition Act* (Canada)) are such that, after taking into account the assets and gross revenues of DevCo, the Transactions and the transactions contemplated by the Other Agreements are exempt from the provisions of Part VIII of the *Competition Act* (Canada). The Transactions and the transactions contemplated by the Other Agreements are not otherwise reviewable under the *Competition Act* (Canada).
- (9) No Finder's Fees. The Purchaser has not taken, and will not take, any action that would cause the Vendor to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement.

5.4 Survival of Representations, Warranties and Covenants of the Vendor. The representations and warranties of the Vendor and, to the extent that they have not been fully performed or waived at or prior to the Closing Time, the covenants and other obligations of the Vendor, in each case contained in this Agreement and in any contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement survive Closing and continue for the benefit of the Purchaser notwithstanding the Closing provided that:

- (a) the representations and warranties set out in Sections 5.1(1), 5.1(2), 5.1(3), 5.1(4), 5.1(5), 5.1(6), 5.1(7), 5.2(1) (insofar as it relates to the due incorporation and organization and the valid existence of DevCo), 5.2(2), 5.2(3), 5.2(4), 5.2(7), 5.2(8), 5.2(10) (insofar as it relates to title to and Encumbrances relating to real property), and 5.2(11) (insofar as it relates to title to and Encumbrances relating to the Assets) (and the corresponding representations set out in the certificate to be delivered pursuant to 4.1(1)(k)(i) (the "**Closing Certificate**")), survive and continue in full force and effect without limitation of time;
- (b) the representations and warranties set out in Sections 5.2(29) and 5.2(35) (insofar as Section 5.2(35) relates to Tax matters) (and the corresponding representations and warranties set out in the Closing Certificate) survive Closing and continue in full force and effect until, but not beyond, the 180th day following the expiration of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Taxes under applicable Tax legislation

in respect of any taxation year to which those representations and warranties extend could be issued under that Tax legislation to DevCo, provided DevCo did not file any waiver or other document extending that period;

- (c) the representation and warranty set out in Section 5.2(45) shall survive Closing and continue in full force and effect for a period of five (5) years following the Commercial Operation Date;
- (d) all other representations and warranties set out in Sections 5.1 and 5.2 (and the corresponding representations and warranties set out in the Closing Certificates) survive Closing and continue in full force and effect for a period of twenty-four (24) months following the Closing Date;
- (e) notwithstanding Sections 5.4(a) through 5.4(c), a claim for any breach by the Vendor of any of the representations, warranties and covenants contained in this Agreement or in any contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud or fraudulent misrepresentation may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

5.5 Survival of the Representations, Warranties and Covenants of the Purchaser. The representations and warranties of the Purchaser, to the extent that they have not been fully performed or waived at or prior to Closing, the covenants and other obligations of the Purchaser contained in this Agreement and in any contract, agreement, instrument, certificate or other document executed or delivered pursuant to this Agreement survive Closing and continue for the benefit of the Vendor notwithstanding the Closing, provided that:

- (a) the representations and warranties set out in Section 5.3 (and the corresponding representations and warranties set out in the certificates to be delivered pursuant to Section 4.2(1)(e)(ii)) survive Closing and continue in full force and effect without limitation in time; and
- (b) notwithstanding Section 5.5(a), a claim for any breach by the Purchaser of any of its representations, warranties and covenants contained in this Agreement or in any contract, agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud or fraudulent misrepresentation, may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by Applicable Law.

5.6 Termination of Liability. No Party or other Person is entitled to indemnification pursuant to this Agreement unless the Party or other Person has given written notice of its Claim for indemnification pursuant to Section 7.4 or Article 8, as the case may be, prior to the expiry of the relevant survival period prescribed by Sections 5.4 and 5.5 and in that event, only on and subject to the terms and conditions of and to the extent provided for in Sections 7.4 and 7.8 and Article 8.

5.7 Schedules. To the extent any Schedule relating to the representations and warranties of the Vendor in Section 5.2 requires updating as at the Closing Date to take account of events, facts or circumstances arising between the date of this Agreement and the Closing Date for such

Schedule to be true and accurate in all material respects as at the Closing Time the Vendor shall deliver to the Purchaser an updated Schedule prior to the Closing Time reflecting such events, facts or circumstances and such updated Schedule shall be considered the applicable Schedule to this Agreement for all purposes.

ARTICLE 6 COVENANTS

6.1 Exclusive Dealings. During the Interim Period, the Vendor shall not, and shall cause DevCo not to, take any action, directly or indirectly, to encourage, initiate or engage in discussions or negotiations with, or provide any information to, or enter into any agreement or arrangement or understanding with, any Person, other than the Purchaser and its designated and authorized Representatives, concerning any sale, transfer or assignment of the Purchased Shares, any portion of the Business or the Assets, except with the consent of the Purchaser. The Vendor shall notify the Purchaser promptly if any such discussions or negotiations are sought or if any proposal for a sale, transfer or assignment of the Purchased Shares, any portion of the Business or the Assets is received or being considered.

6.2 Transfer of Documentation.

- (1) On the Closing Date, the Vendor shall deliver, and shall cause to be delivered, to the Purchaser the Books and Records (except in the case of those required by Applicable Law to be retained by the Vendor, copies thereof). The Purchaser shall preserve all those documents delivered to it for a period of ten (10) years, or for such longer period as is required by Applicable Law. The Purchaser shall permit the Vendor or its authorized Representatives reasonable access to those documents while they are in the Purchaser's possession or control to the extent that access is required by the Vendor to perform its obligations under this Agreement or under Applicable Law or in connection with any audit, assessment or enquiry by any Governmental Authority, but the Purchaser shall not be responsible or liable to the Vendor for, or as a result of, any loss or destruction of or damage to any such documents and other data unless that destruction, loss or damage is caused by the Purchaser's negligence or wilful misconduct. The Vendor shall be responsible for all reasonable out-of-pocket costs and expenses, incurred, directly or indirectly, by the Purchaser in connection with any access contemplated by this Section 6.2(1).
- (2) Notwithstanding Section 6.2(1), the Vendor shall be entitled to retain copies of any documents or other data delivered to the Purchaser pursuant to Section 6.2(1) provided that those documents or data are reasonably required and only used or relied on by the Vendor to perform its obligations under this Agreement or under Applicable Law. The Vendor shall retain any documents or data which relate to the Business and which are retained by the Vendor pursuant to this Section 6.2(1) in strict confidence and shall not use or otherwise disclose the data or information contained therein except as permitted by Section 9.1(3).

6.3 Continuing Development Work.

- (1) During the Interim Period, the Vendor shall, and shall cause DevCo and its Representatives to, cooperate and to work together with the Purchaser and its Representatives for the

purposes of continuing the development of the Project in a collaborative manner. Without limitation to the foregoing, at the Purchaser's request, the Vendor shall co-operate with and assist the Purchaser in arranging any meetings, as the Purchaser should reasonably request, with:

- (a) Governmental Authorities or other Persons that are required by the Purchaser in relation to the Permits and Real Estate Interests; and
 - (b) any Indigenous groups having traditional territory and/or reserve lands within the vicinity of the Project, including the Indigenous Group Meetings.
- (2) The exercise of any of the foregoing rights under this Section 6.3 shall not mitigate or otherwise affect the representations and warranties of the Vendor under this Agreement, which continue in full force and effect as provided in Section 5.4 provided that Vendor shall be entitled prior to Closing to update any Schedules to this Agreement with respect to any facts, matters or circumstances that come to light in the Interim Period.

6.4 Risk of Loss. During the Interim Period, the Vendor shall cause DevCo to maintain in force all the policies of business interruption insurance and of property damage insurance under which any of the Assets or the Business are insured. If, before the Closing, any of the Assets or part of the Business is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, and the loss, damage, destruction, appropriation, expropriation or seizure constitutes a Material Adverse Change, then the Purchaser at its sole discretion may either:

- (a) terminate this Agreement in accordance with the provisions of Section 4.3; or
- (b) complete the Transaction without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for appropriation, expropriation or seizure, less the aggregate of all deductibles paid by the Purchaser and for which the Purchaser has not been reimbursed, shall be paid to DevCo and form part of the Assets.

6.5 Conduct Prior to Closing. Without in any way limiting any other obligations of the Vendor hereunder, during the Interim Period, the Vendor shall:

- (a) cause DevCo to conduct the Business and the operations and affairs of DevCo only in the Ordinary Course, and DevCo shall not, without the prior written consent of the Purchaser, enter into any transaction or refrain from doing any action that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of the Vendor in this Agreement and, without limiting the generality of the foregoing, the Vendor shall cause DevCo not to:
 - (i) amalgamate, merge or consolidate with or acquire or agree to acquire all or substantially all of the shares or assets of any Person, not to acquire or lease or agree to acquire or lease any business operations or any Equity Interests in any other Person, acquire or agree to acquire any legal or beneficial interest in any real property, and occupy, lease, manage or control or agree

to occupy, lease or manage or control any facility or property that is not an Asset;

- (ii) do any act or thing of the kind described in Sections 5.2(28) and 5.2(33);
 - (iii) enter or amend any Material Contract without the consent of the Purchaser;
 - (iv) enter into any compromise or settlement of any litigation, proceeding or government investigation relating to the Business or any of the Assets;
 - (v) make any material modification to its usual sales, human resource, accounting, software, or management practices, processes or systems;
 - (vi) enter into any Contract of the kind described in Section 5.2(20);
 - (vii) move any material part of the Business to any other location from which DevCo does not carry on the Business at the date hereof;
 - (viii) knowingly take any action, or omit to take any action, that would result in DevCo being in violation of the Privacy Requirements;
 - (ix) make any change to its Constatting Documents;
 - (x) change its taxation year; and
 - (xi) change its methods of accounting in effect except as required by changes in GAAP;
- (b) subject to Section 4.1(1)(h), cause DevCo not to change any method of Tax accounting, make or change any material Tax election, file any materially amended Tax Return, settle or compromise any material Tax liability, agree to an extension or waiver of the statute of limitations with respect to the assessment or determination of Taxes, enter into any agreement with respect to any Tax or surrender any right to claim a material Tax refund, except in each case in the Ordinary Course;
- (c) cause DevCo not to do any act or thing that would result in a breach of Section 6.1;
- (d) cause DevCo to continue to maintain in full force and effect all the Insurance Policies or renewals thereof currently in effect;
- (e) cause DevCo to take out, at the expense of the Purchaser, such additional insurance as may be reasonably requested by the Purchaser;
- (f) cause DevCo to report all claims to its insurers under the Insurance Policies in a due and timely manner to the Closing Date and provide copies of those reports to the Purchaser;

- (g) cause DevCo to preserve intact, the Business, the Assets, and the operations and affairs of DevCo and to carry on the Business and the affairs of DevCo in the Ordinary Course, and to promote and preserve for the Purchaser the goodwill of suppliers, customers and others having business relations with DevCo;
- (h) cause DevCo to take all necessary and prudent steps to ensure that its Representatives comply with all Privacy Requirements;
- (i) cause DevCo to pay and discharge the liabilities and Taxes of DevCo in the Ordinary Course in accordance and consistent with the previous practice of DevCo, except those contested in good faith by DevCo; and
- (j) periodically report, and shall cause DevCo to periodically report, to the Purchaser as it requests concerning the state of DevCo, the Business and the Assets.

6.6 Notification of Certain Matters.

- (1) During the Interim Period, the Vendor and the Purchaser shall give prompt notice in writing to the other of:
 - (a) the occurrence, or failure to occur, of any event, which occurrence or failure would be likely to cause any of the representations or warranties contained in this Agreement to be untrue or inaccurate during the Interim Period;
 - (b) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the Transactions;
 - (c) any notice or communication from any Governmental Authority in connection with the Transactions;
 - (d) any Proceeding commenced or threatened against DevCo or the Vendor or relating to or involving or otherwise affecting any of them, or which relates to the consummation of the Transactions; and
 - (e) any failure by to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied under this Agreement.
- (2) The Vendor shall, and shall cause DevCo to, confer on a regular and frequent basis with one or more designated Representatives of the Purchaser to report on operational matters and on the general status of the Business. The Vendor shall, and shall cause DevCo to, notify the Purchaser of any emergency or other change in the Ordinary Course or in the operation of the Business and of any governmental complaints, investigations or hearings (or communications indicating that such may be contemplated) or adjudicatory proceedings involving any portion of the Business or the Assets, and will keep the Purchaser fully informed of such events and permit the Representatives of the Purchaser access to all materials prepared in connection therewith.

- (3) The giving of any notice under this Section 6.6 does not in any way change or modify the representations and warranties of the Vendor, or the conditions to the obligations of the Purchaser, contained in this Agreement or otherwise affect the remedies available to the Purchaser under this Agreement.

6.7 Disparagement. The Vendor covenants and agrees not to criticize, denigrate or disparage in any fashion whatsoever, directly or indirectly and either orally or in writing or on social media, at any time, the Purchaser, the Project, Project LP and DevCo.

6.8 Non-Competition. The Vendor agrees, for so long as (a) it is involved with the Project or a Future Project, or (b) the Future Phase Option has not expired, that it shall not and shall cause its officers, directors, employees and Affiliates to not, directly or indirectly through one or more of any of its or their respective Affiliates, own, manage, operate, Control or participate in the ownership, management, operation or Control of any Person that directly or indirectly is (i) involved in the development of offshore wind projects in British Columbia; or (ii) engaged in any communication or dealings with the Haida Nation, Lax Kw'alaams, Gitxaala, and Metlakatla in relation to the Project or the development of offshore wind projects in British Columbia unless it has obtained the prior written consent of the Purchaser; provided that nothing in this Section 6.8 shall prohibit:

- (1) any such Person from acquiring or owning directly or indirectly voting securities of any publicly traded Person that may contravene this Section 6.8;
- (2) Joe Houssian from owning, managing, operating, Controlling or participating in the ownership, management, operation or Control of Elemental Energy; or
- (3) Philip Hughes from owning, managing, operating, Controlling or participating in the ownership, management, operation or Control of Instream Energy Systems Corp. and Kinetico Resources Inc.

6.9 Confidential Communications. From and after Closing, all Confidential Communications will be confidential and remain the exclusive property of the Vendor and will not belong to the Purchaser, DevCo or any other Person, notwithstanding that such Confidential Communications may remain at the premises of DevCo, in the Books and Records or on any servers on the computer network of the Purchaser, DevCo or any other Person. For certainty, and without limiting the generality of the foregoing, all privileged communications that arise out of and relate to the negotiation, documentation and consummation of this Agreement and the Other Agreements between the Vendor and the Vendor's counsel prior to and after Closing are protected by privilege and any inadvertent disclosure of any Confidential Communications does not and will not constitute a waiver of such privilege by the Vendor.

ARTICLE 7 TAX MATTERS

7.1 Preparation and Filing of Tax Returns. The Purchaser shall cause to be prepared all Tax Returns of DevCo that relate to taxation periods commencing before the Closing Date and are not due for filing until after the Closing Date. The Vendor shall co-operate fully with the Purchaser in, and make available to the Purchaser in a timely fashion all information reasonably required for,

the preparation of those Tax Returns. The Purchaser shall give the Vendor's Representative an opportunity to review and comment on those Tax Returns, by providing copies of them to the Vendor's Counsel at least 30 days before they are required by Applicable Law to be filed. The Purchaser shall reasonably consider all comments in respect of those Tax Returns received from the Vendor's Counsel within 15 days of the Tax Returns' receipt by the Vendor's Counsel. However, the Purchaser shall not be obligated to amend the Tax Returns to reflect any such comments.

7.2 Books and Records Relating to Taxes. Within 10 Business Days after the Closing Date, the Vendor shall deliver to the Purchaser copies of all documents relating to the Taxes of DevCo in respect of the Pre-Closing Periods that the Vendor retained pursuant to Section 6.2(1) and all working papers, correspondence and other documents prepared after the Closing Date which relate to Taxes for all Pre-Closing Periods.

7.3 Notification Requirements. The Purchaser shall promptly forward to the Vendor all written notifications and other written communications from any Governmental Authority received by the Purchaser or DevCo relating to Taxes of DevCo for all Pre-Closing Periods, and shall promptly inform the Vendor of any audit proposed to be undertaken and any adjustment proposed in writing to be made by any Governmental Authority in respect of a Pre-Closing Period. Notwithstanding the obligation of the Purchaser to give prompt notice as required above, the failure of the Purchaser to give that prompt notice does not relieve the Vendor of its obligations under this Article 7 except to the extent (if any) that the Vendor has been prejudiced thereby.

7.4 Vendor Indemnification. From and after the Closing Date, the Vendor shall indemnify and save harmless the Purchaser and shall pay to the Purchaser on demand, the amount of any and all Losses attributable to any inaccuracy in, or breach of, a representation and warranty made in Sections 5.2(29) and 5.2(35) (insofar as Section 5.2(35) relates to Tax matters) and the corresponding representation and warranty made in the Closing Certificate and the Vendor shall indemnify and save harmless the Purchaser for all Taxes payable by DevCo for all Pre-Closing Periods. For the purposes of this Section, "Losses" include Losses suffered or incurred by DevCo.

7.5 Allocation of Taxes for Straddle Periods. All Taxes and Tax liabilities with respect to DevCo that relate to a Straddle Period shall be apportioned between the Pre-Closing Period and the Post-Closing Period on the basis that the Straddle Period consisted of two (2) taxable periods, one that ended at the close of business on the day immediately before the Closing Date and the other that began on the Closing Date, and such Taxes shall be allocated between such two (2) periods in the following manner: (a) in the case of Taxes imposed on a periodic basis (such as real or personal property Taxes), the amount of Tax allocable to a portion of the Straddle Period shall be the total amount of such Tax for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days in such portion of such Straddle Period and the denominator of which is the total number of days in such Straddle Period, and (b) in the case of any other Taxes (such as Taxes based upon or measured by net income or gain, activities, events, transfers or supplies), the amount of such Tax that is allocable to the portion of such Straddle Period that ends on the day immediately before the Closing Date shall be deemed to be equal to the amount that would be payable if the relevant Straddle Period had ended at the close of business on the day immediately before the Closing Date.

7.6 Purchaser's Contest Rights. Subject to Section 7.7, the Purchaser shall have the sole right to control, defend, settle, compromise, or prosecute in any manner an audit, examination, investigation, and other proceeding with respect to any Tax Return of DevCo. The Purchaser shall keep the Vendor duly informed of any proceedings in connection with any matter for which the Purchaser may have a right to indemnification pursuant to this Article 7 and promptly provide the Vendor with copies of all correspondence and documents relating to those proceedings. The Vendor shall execute or cause to be executed such documents and shall take such action as reasonably requested by the Purchaser to enable the Purchaser to take any action the Purchaser deems appropriate with respect to any proceedings in respect of which the Purchaser has contest rights under this Agreement.

7.7 Vendor' Contest Rights.

- (1) The Vendor may at any time by written notice to the Purchaser elect to control, defend, settle, compromise or prosecute in any manner an audit, examination, investigation, or other proceeding with respect to Taxes or Tax issues related to any matter in respect of which the Purchaser may have a right of indemnification pursuant to this Article 7, except that:
 - (a) the Vendor shall deliver to the Purchaser a written agreement that the Purchaser is entitled to indemnification for all Losses in respect of which the Purchaser has a right of indemnification pursuant to this Article 7 arising out of that audit, examination or other proceeding and that the Vendor shall be liable for the entire amount of those Losses;
 - (b) the Vendor may not, without the written consent of the Purchaser, settle or compromise Taxes or Tax issues related to any matter which may affect Tax liabilities of the Purchaser or DevCo for a Post-Closing Period; and
 - (c) the Vendor shall pay to the Purchaser the amount of all Taxes (including, for greater certainty, interest and penalties) specified in the notice of assessment or other claim from the Governmental Authority in respect of which the Purchaser has a right of indemnification pursuant to this Article 7 and to which the Purchaser's indemnity Claim relates within 10 Business Days before the amount is required to be paid to the Governmental Authority.
- (2) The Purchaser and/or DevCo, as applicable, shall execute or cause to be executed such documents or take such action as reasonably requested by the Vendor to enable the Vendor to take any action they deem appropriate with respect to any proceedings in respect of which the Vendor has contest rights under this Agreement. In addition:
 - (a) the Vendor shall keep the Purchaser duly informed of any proceedings in connection with any matter which may affect the Taxes payable by the Purchaser or DevCo; and
 - (b) the Purchaser shall be promptly provided with copies of all correspondence and documents relating to those proceedings and may, at its option and its own expense, participate in those proceedings through counsel of its choice.

7.8 Indemnification Procedures. Except to the extent expressly provided to the contrary in this Article 7, the general procedures regarding notice and pursuit of indemnification Claims set forth in Article 8 apply to all Claims for indemnification made under this Article 7, except that notwithstanding any provision of Article 8 to the contrary, if a Claim for indemnification involves any matter covered in this Article 7, then the contest provisions of Sections 7.6 and 7.7, as applicable, control regarding the defence and handling of any such Third Party Claim that could give rise to an indemnification obligation on the part of the Vendor. Except as provided in Section 5.4(b), there is no limit on the time period during which a Claim for indemnification may be made under this Article 7.

7.9 Audits. The Purchaser will not request, or cause or allow DevCo to request, any audits by any Governmental Authority of any Tax Return or matter of or affecting DevCo in respect of any Pre-Closing Period and that it will not cause or allow DevCo to originate the recalculation or re-filing of any such Tax Return or file any waivers for any Pre-Closing Period, unless such recalculation or re-filing is required by Applicable Law or such recalculation or re-filing does not increase the liability of the Vendor under any representation, warranty or indemnity under this Agreement.

ARTICLE 8 INDEMNIFICATION

8.1 Definitions. In this Article 8:

- (1) **"Claim"** means any act, omission or state of facts and any demand, action, investigation, inquiry, suit, proceeding, claim, assessment, judgment or settlement or compromise relating thereto which may give rise to a right of indemnification under this Agreement.
- (2) **"Direct Claim"** means any Claim by an Indemnitee against an Indemnitor which does not result from a Third Party Claim.
- (3) **"Increased Amount"** has the meaning attributed to that term in Section 8.11(3).
- (4) **"Indemnification Notice"** means written notice by an Indemnitee to the applicable Indemnitor or Indemnitors of a Third Party Claim or Direct Claim, as the case may be.
- (5) **"Indemnitee"** means any Person entitled to indemnification under this Agreement.
- (6) **"Indemnitees Representative"** means:
 - (a) in respect of the Purchaser Indemnitees, the Purchaser; and
 - (b) in respect of the Vendor Indemnitees, the Vendor.
- (7) **"Indemnitor"** means any Party obligated to provide indemnification under this Agreement.
- (8) **"Losses"** means any and all loss, liability, obligation, damage, cost, expense, charge, fine, penalty or assessment, suffered or incurred, sustained or required to be paid by the Person seeking indemnification, (including reasonable lawyers' fees and expenses) directly

resulting from or arising out of any Claim, including the costs and expenses of any action, suit, proceeding, investigation, inquiry, arbitration award, grievance, demand, assessment, judgment, settlement or compromise relating thereto, but: (i) excluding any contingent liability until it becomes actual; (ii) reduced by any net Tax benefit; (iii) reduced by any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other Persons; and (iv) excluding any indirect or consequential loss, liability, obligation, damage, cost, expense, charge, fine, penalty or assessment (including loss of profit) and any special, aggravated, exemplary or punitive damages.

- (9) **"Payment"** has the meaning attributed to that term in Section 8.11(4).
- (10) **"Purchaser Indemnitees"** means Northland Power Inc., the Project LP, its Affiliates and its and their directors, officers and employees.
- (11) **"Third Party Claim"** means any Claim asserted against an Indemnitee by any Person who is not a Party or an Affiliate of a Party.
- (12) **"Vendor Indemnitees"** means the Vendor, its Affiliates and its and their directors, officers and employees.

8.2 Indemnification by the Vendor. In addition to any other indemnification provided by the Vendor contained in this Agreement and subject to this Article 8, the Vendor shall indemnify and save harmless the Purchaser and, to the extent named or involved in any Third Party Claim, the Purchaser Indemnitees from, and shall pay to the Purchaser and the Purchaser Indemnitees, on demand, the amount of any and all Losses, as a result of or arising in connection with:

- (a) any inaccuracy of or any breach of any representation or warranty made by the Vendor in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, whether or not the Purchaser relied on or had knowledge of it;
- (b) to the extent not performed or waived prior to Closing any breach or non-performance by the Vendor of any covenant or other obligation contained in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement; and
- (c) any Claim by any Person for brokerage or finder's fees, commission or similar payments based on any agreement or understanding made or alleged to have been made by any such Person with the Vendor or DevCo (or any Person acting on their behalf) in connection with the Transaction.

8.3 Indemnification by the Purchaser. In addition to any other indemnification provided by the Purchaser contained in this Agreement and subject to this Article 8, the Purchaser shall indemnify and save harmless the Vendor and, to the extent named or involved in any Third Party Claim, the Vendor Indemnitees from, and shall pay to the Vendor and the Vendor Indemnitees, on demand, the amount of any and all Losses as a result of or arising in connection with:

- (a) any inaccuracy of or any breach of any representation or warranty made by the Purchaser in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, whether or not the Vendor relied on or had knowledge of it;
- (b) to the extent not performed or waived prior to Closing any breach or non-performance by the Purchaser of any covenant or other obligation contained in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement; and
- (c) any Claim by any Person for brokerage or finder's fees, commission or similar payments based on any agreement or understanding made or alleged to have been made by any such Person with the Purchaser (or any Person acting on its behalf) in connection with the Transaction.

8.4 Thresholds and Limitations.

- (1) Subject to Section 8.4(4), the obligation of the Vendor to indemnify the Purchaser and the Purchaser Indemnitees pursuant to Section 8.2 and the Purchaser's obligation to indemnify the Vendor and the Vendor Indemnitees pursuant to Section 8.3 are applicable only if the aggregate of all those Losses suffered or incurred by the Purchaser and the Purchaser Indemnitees, on the one hand, or by the Vendor and the Vendor Indemnitees, on the other hand, as applicable, is in excess of \$200,000.00. Subject to Section 8.4(2), if the aggregate of all those Losses incurred by the Purchaser and the Purchaser Indemnitees exceeds that amount, the Vendor shall be obliged to indemnify the Purchaser and the Purchaser Indemnitees for all of those Losses, including the Losses up to and including that amount. Subject to Section 8.4(3), if the aggregate of all those Losses incurred by the Vendor and the Vendor Indemnitees exceeds that amount, the Purchaser shall be obliged to indemnify the Vendor and the Vendor Indemnitees for all of those Losses, including the Losses up to and including that amount.
- (2) The maximum aggregate liability of the Vendor for Losses pursuant to Section 8.2 is not to exceed \$13,500,000.00.
- (3) The maximum aggregate liability of the Purchaser for Losses pursuant to Section 8.3 is not to exceed \$13,500,000.
- (4) The provisions of Sections 8.4(1) to 8.4(3) do not apply in respect of:
 - (a) any inaccuracy or breach of a representation or warranty involving fraud or fraudulent misrepresentation;
 - (b) to the extent not performed or waived prior to Closing, any breach or non-performance by the Vendor of any covenant or other obligation to be performed by it that is contained in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement;

- (c) the indemnifications by the Vendor in favour of the Purchaser contained in Section 7.4;
- (d) any inaccuracy or breach of a representation or warranty involving Sections 5.1(5), 5.1(6), 5.2(3), 5.2(4) or 5.2(45); and
- (e) the indemnity provided in Section 8.5.

8.5 Indigenous Contracts Indemnity. For a period of five (5) years following the Commercial Operation Date, the Vendor covenants and agrees to indemnify and save harmless the Purchaser and, to the extent named or involved in any Third Party Claim, the Purchaser Indemnitees from, and shall pay to the Purchaser and the Purchaser Indemnitees, on demand, the amount of any and all Losses, as a result of, or arising in connection with, a Claim or Third Party Claim made by, whether directly or indirectly or on behalf of, a party to an Indigenous Contract against the Purchaser or the Purchaser Indemnitees.

8.6 Notice of Claim.

- (1) An Indemnitee, promptly on becoming aware of any circumstances that have given or could give rise to a Third Party Claim or a Direct Claim, shall give an Indemnification Notice of those circumstances to its Indemnitees Representative and to the applicable Indemnitor or Indemnitors. The Indemnification Notice will specify whether the Losses arise as a result of a Third Party Claim or a Direct Claim, and will also specify with reasonable particularity (to the extent the information is available) the factual basis for the Claim and the amount of the Losses, if known.
- (2) The failure to give, or delay in giving, an Indemnification Notice does not relieve the Indemnitor of its obligations except and only to the extent of any prejudice caused to the Indemnitor by that failure or delay.
- (3) Provided that the Indemnitee gives an Indemnification Notice of the Claim to the Indemnitor on or prior to the expiry of the applicable time period related to that representation and warranty or covenant, as the case may be, set out in Sections 5.4 and 5.5, liability of the Indemnitor for that representation, warranty or covenant will continue in full force and effect until the final determination of that Claim.

8.7 Third Party Claims.

- (1) The Indemnitor has the right, by notice to the applicable Indemnitees Representative given not later than 30 days after receipt of the Indemnification Notice, to assume control of the defence, compromise or settlement of the Third Party Claim provided that:
 - (a) the Third Party Claim involves only money damages and does not seek any injunctive or other equitable relief;
 - (b) if the named parties in any Third Party Claim include both the Indemnitor and the Indemnitee, representation by the same counsel would, in the reasonable judgment

of the Indemnitee, still be appropriate notwithstanding any actual or potential differing interests between them (including the availability of different defences);

- (c) settlement of, or an adverse judgment with respect to, the Third Party Claim would not, in the reasonable judgment of the Indemnitee, establish a precedent, custom or practice materially adverse to the continuing business interest of the Indemnitee.
- (2) On the assumption of control by the Indemnitor:
- (a) the Indemnitor will actively and diligently proceed with the defence, compromise or settlement of the Third Party Claim at the Indemnitor's sole cost and expense, including the retaining of counsel reasonably satisfactory to the Indemnitee's Representative;
 - (b) the Indemnitor will keep the Indemnitee's Representative fully advised with respect to the defence, compromise or settlement of the Third Party Claim (including supplying copies of all relevant documents promptly as they become available) and will arrange for its counsel to inform the Indemnitee's Representative on a regular basis of the status of the Third Party Claim;
 - (c) the Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the defence of the Third Party Claim (provided the Indemnitor shall continue to control that defence); and
 - (d) the Indemnitor will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless consented to by the Indemnitee's Representative (which consent may not be unreasonably or arbitrarily withheld, delayed or conditioned).
- (3) Provided all the conditions set forth in Section 8.7(1) are satisfied and the Indemnitor is not in breach of any of its obligations under Section 8.7(2), each of the Indemnitee and its Indemnitee's Representative will, at the expense of the Indemnitor, co-operate with the Indemnitor and use its best efforts to make available to the Indemnitor all relevant information in its possession or under its control (provided that it does not cause the Indemnitee or its Indemnitee's Representative to breach any confidentiality obligations) and will take such other steps as are, in the reasonable opinion of counsel for the Indemnitor, necessary to enable the Indemnitor to conduct that defence, provided always that:
- (a) no admission of fault may be made by or on behalf of the Purchaser or any Purchaser Indemnitee without the prior written consent of the Purchaser;
 - (b) no admission of fault may be made by or on behalf of the Vendor or any Vendor Indemnitee without the prior written consent of the Vendor; and
 - (c) the Indemnitee and its Indemnitee's Representative are not obligated to take any measures which, in the reasonable opinion of the Indemnitee's legal counsel, would be materially prejudicial to the Indemnitee.

- (4) If (i) the Indemnitor does not give the relevant Indemnatee's Representative the notice provided in Section 8.7(1), (ii) any of the conditions in Section 8.7(1) are unsatisfied, or (iii) the Indemnitor breaches any of its obligations under Sections 8.7(2) or 8.7(3), the applicable Indemnatee's Representative may assume control of the defence, compromise or settlement of the Third Party Claim and the provisions of Section 8.7(2) and Section 8.7(3) shall apply to such conduct of the Third Party Claim save that references to "Indemnitor" shall be read as "Indemnatee" and vice versa and references to "Indemnatee's Representative" shall be read as references to "Indemnitor's Representative".

8.8 Direct Claims. Following receipt of an Indemnification Notice in respect of a Direct Claim, the Indemnitor has 60 days to make such investigation of the Direct Claim as is considered necessary or desirable. For the purpose of that investigation, the Indemnatee shall make available to the Indemnitor the information relied on by the Indemnatee to substantiate the Direct Claim, together with such information as the Indemnitor may reasonably request. If the Parties agree at or prior to the expiry of this 60 day period (or prior to the expiry of any extension of this period agreed to by the Parties) as to the validity and amount of that Direct Claim, the Indemnitor shall immediately pay to the Indemnatee the full amount as agreed to by the Parties of the Direct Claim, failing which the matter shall be referred to the dispute resolution provision in Section 9.11. For clarity, the Purchaser is deemed to have incurred or suffered Losses as of and from the Closing Date as a consequence of any reduction in the value of the Purchased Assets resulting from an inaccuracy or breach of any representation or warranty by the Vendor or any breach or non-fulfillment by the Vendor of its covenants or obligations under this Agreement.

8.9 Waiver. The Indemnitor waives any right it may have to require an Indemnatee to proceed against or enforce any other right, power, remedy or security or to claim payment from any other Person before claiming under the indemnity provided for in this Article 8. It is not necessary for an Indemnatee to incur expense or make payment before enforcing that indemnity.

8.10 Duty to Mitigate and Subrogation.

- (1) Nothing in this Agreement in any way restricts or limits the general obligation under Applicable Law of an Indemnatee to mitigate any loss which it may suffer or incur by reason of a breach by an Indemnitor of any representation, warranty, covenant or obligation of the Indemnitor under this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement.
- (2) The Indemnatee shall, to the extent permitted by Applicable Law, subrogate its rights relating to any Third Party Claim to the Indemnitor and shall make all counterclaims and implead all third Persons as may be reasonably required by the Indemnitor, the whole at the cost and expense of the Indemnitor.

8.11 Obligation to Reimburse.

- (1) The Indemnitor shall reimburse to the Indemnatee the amount of any Losses as of the later of (i) date that the Indemnatee incurs any such Losses and (ii) the date of demand by the Indemnatee, together with interest thereon from that date until payment in full, at the rate

per annum equal to 18%, that payment being made without prejudice to the Indemnitor's right to contest the basis of the Indemnatee's Claim for indemnification.

- (2) The amount of any and all Losses under this Article 8 are to be determined net of any amounts recovered or recoverable by the Indemnatee under insurance policies, indemnities, reimbursement arrangements or similar contracts with respect to those Losses. The Indemnatee shall take all appropriate steps to enforce that recovery. Each Party waives, to the extent permitted under its applicable insurance policies, any subrogation rights that its insurer may have with respect to any indemnifiable Losses.
- (3) If an Indemnatee is subject to Tax in respect of the receipt of an amount pursuant to this Article 8, after taking into account any offsetting deduction or tax credit available in respect of the applicable Losses, then the amount payable by the Indemnitor will be increased by an amount (the "**Increased Amount**") such that the Indemnatee will be in the same position after paying Tax on the amount received hereunder, including any Taxes payable on the Increased Amount, as the Indemnatee would have been in had the Losses giving rise to that payment not arisen and had that amount not been payable.
- (4) If any payment (the "**Payment**") made pursuant to this Article 8 is subject to GST/HST or is deemed by the ETA or any similar provision of any Applicable Law to be inclusive of GST/HST, the Indemnitor will pay to the Indemnatee, in addition to the Payment, an amount equal to the GST/HST in connection with that Payment and that additional amount.

8.12 Exclusivity. Unless otherwise provided in this Agreement or any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement, the provisions of this Article 8 constitute the sole remedy available to the Vendor and the Purchaser to any Claim for breach of covenants, representation, warranty or other obligation or provision of this Agreement or any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement (other than a Claim for specific performance or injunctive relief) and to any and all other indemnities provided in this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement.

8.13 Set-Off. An Indemnified Party is entitled to set-off any Losses that have been agreed by the Indemnifying Party to be or have been finally determined by the courts of the Province of British Columbia to be subject to Indemnification by the Indemnifying Party under this Agreement or in any contract, agreement, instrument, certificate or other document delivered pursuant to this Agreement or otherwise between or among the Parties against any other amounts payable by the Indemnified Party to the Indemnifying Party under this Agreement.

8.14 Trust and Agency. The Purchaser accepts each indemnity in favour of any of the Purchaser Indemnitees that is not a Party as agent and trustee of that Purchaser Indemnatee and may enforce any such indemnity in favour of that Purchaser Indemnatee on behalf of that Purchaser Indemnatee. The Vendor accepts each indemnity in favour of any of the Vendor Indemnitees as agent and trustee of that Vendor Indemnatee and may enforce any such indemnity in favour of that Vendor Indemnatee on behalf of that Vendor Indemnatee.

8.15 Effect of Investigation. The Purchaser shall not be deemed to have knowledge of any matters by reason of inclusion or mention of such matter in any filings by the Vendor on SEDAR, including the Vendor Filings, or any other public statement made by the Vendor.

ARTICLE 9 GENERAL

9.1 Confidentiality of Information.

(1) For the purposes of this Section 9.1, "**Confidential Information**" of a Party at any time means all information relating to that Party which at the time is of a confidential nature (whether or not specifically identified as confidential), is known or should be known by the other Party or its Representatives as being confidential, and has been or is from time to time made known to or is otherwise learned by the other Party or any of its Representatives as a result of the matters provided for in this Agreement, and includes:

- (a) the existence and the terms of this Agreement and of any other contract, agreement, instrument, certificate or other document to be entered into as contemplated by this Agreement;
- (b) a Party's business records;
- (c) all Books and Records and all other information and documentation with respect to DevCo, the Business and the Assets provided by the Vendor and DevCo to the Purchaser and its Representatives, including all notes, analyses, compilations, studies, summaries and other material prepared by the Purchaser and its Representatives as a result of the Books and Records, information or documentation; and
- (d) all copies of documents and data retained by the Vendor pursuant to Section 6.2(1).

Notwithstanding the foregoing, Confidential Information does not include any information that at the time has become generally available to the public other than as a result of a disclosure by the other Party or any of its Representatives, any information that was available to the other Party or its Representatives on a non-confidential basis before the date of this Agreement or any information that becomes available to the other Party or its Representatives on a non-confidential basis from a Person (other than the Party to which the information relates or any of its Representatives) who is not, to the knowledge of the other Party or its Representatives, otherwise bound by confidentiality obligations to the Party to which the information relates in respect of the information or otherwise prohibited from transmitting the information to the other Party or its Representatives.

- (2) Each Party shall (and shall cause each of its Representatives to) hold in strictest confidence and not use in any manner, other than as expressly contemplated by this Agreement, all Confidential Information of the other Parties.
- (3) Subject to Section 9.2, Section 9.1(2) shall not apply to the disclosure of any Confidential Information where that disclosure is required by Applicable Law. In that case, the Party

required to disclose (or whose Representative is required to disclose) shall, as soon as possible in the circumstances, notify the other Party of the requirement of the disclosure including the nature and extent of the disclosure and the provision of Applicable Law pursuant to which the disclosure is required. To the extent possible, the Party required to make the disclosure shall, before doing so, provide to the other Party the text of any disclosure. On receiving the notification, the other Party may take any reasonable action to challenge the requirement, and the Party required to make the disclosure shall (or shall cause the applicable Representative to), at the expense of the other Party, assist the other Party in taking that reasonable action. Notwithstanding the foregoing, no disclosure shall be made of the amount of the Purchase Price, unless and to the extent required by Applicable Law.

- (4) Following the termination of this Agreement in accordance with the provisions of Section 4.3, each Party shall (and shall cause each of its Representatives to) promptly, on a request from the other Party, return to the requesting Party all copies of any tangible items (other than this Agreement), if any, that are or that contain Confidential Information of the requesting Party, except that if the Party so obligated to return Confidential Information or its Representatives have prepared notes, analyses, compilations, studies or summaries containing or concerning any Confidential Information, then that Party may, instead of returning the notes, analyses, compilations, studies or summaries, destroy them and provide a certificate to that effect to the requesting Party.

9.2 Public Announcements. No Party shall make any public statement or issue any press release concerning the Transactions except as agreed by the Parties acting reasonably or as may be necessary, in the opinion of counsel to the Party making that disclosure, to comply with the requirements of all Applicable Law. If any public statement or release is so required, the Party making the disclosure shall consult with the other Party before making that statement or release, and the Parties shall use all reasonable efforts, acting in good faith, to agree on a text for the statement or release that is satisfactory to the Parties.

9.3 Disclosure and Consultation.

- (1) Before any public statement or press release concerning the Transactions, no Party shall disclose this Agreement or any aspect of the Transactions except to its board of directors, its senior management, its legal, accounting, financial or other professional advisors, any financial institution contacted by it with respect to any financing required in connection with the Transactions and counsel to that institution, or as may be required by any Applicable Law or as agreed by the Parties.
- (2) The Vendor and the Purchaser shall consult with each other concerning the manner by which other Persons having dealings with DevCo shall be informed of the Transactions, and the Purchaser shall have the right to be present for any such communication.

9.4 Expenses. Each Party shall pay all expenses (including Taxes imposed on those expenses) it incurs in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transactions, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants. The Vendor shall

cause DevCo not to incur any out-of-pocket expenses in connection with this Agreement and the Transactions.

9.5 No Third Party Beneficiary. Except as provided for in Section 8.14, this Agreement is solely for the benefit of the Parties and no third party accrues any benefit, claim or right of any kind pursuant to, under, by or through this Agreement.

9.6 Entire Agreement. This Agreement together with the other agreements to be entered into as contemplated by this Agreement (the "**Other Agreements**") constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and the Other Agreements and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement or the Other Agreements, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or the Other Agreements or which induced any Party to enter into this Agreement or the Other Agreements. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement or any Other Agreement, or any amendment or supplement hereto or thereto, by any Party to this Agreement or any Other Agreement or its Representatives, to the other Party or its Representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement or that Other Agreement, and neither of the Parties to this Agreement or any Other Agreement has been induced to enter into this Agreement or any Other Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There is no liability, either in tort or in contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

9.7 Non-Merger. Except as otherwise provided in this Agreement, the covenants, representations and warranties set out in this Agreement do not merge but survive Closing and, notwithstanding such Closing or any investigation by or on behalf of a Party, continue in full force and effect. Closing does not prejudice any right of one Party against the other Party in respect of any remedy in connection with anything done or omitted to be done under this Agreement.

9.8 Time of Essence. Time is of the essence of this Agreement.

9.9 Amendment. This Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

9.10 Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement is effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement operates as a waiver of that right. No single or partial exercise of any such right precludes any other or further exercise of that right or the exercise of any other right.

9.11 Jurisdiction. The Parties irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of British Columbia sitting in Vancouver in respect of all

disputes arising out of, or in connection with, this Agreement, or in respect of any legal relationship associated with it or derived from it.

9.12 Governing Law. This Agreement is governed by, and interpreted and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that province, excluding the choice of law rules of that province.

9.13 Notices.

- (1) Any notice, demand or other communication (in this Section 9.13, a "**notice**") required or permitted to be given or made under this Agreement must be in writing and is sufficiently given or made if:
- (a) delivered in person and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below;
 - (b) sent by prepaid courier service or (except in the case of actual or apprehended disruption of postal service) mail; or
 - (c) transmitted by e-mail, facsimile or functionally equivalent electronic means of transmission;

570 – 355 Burrard St.
Vancouver, British Columbia V6C 2G8

Attention: Michael O'Connor
Facsimile No.: (604) 685 4215
Email: MOConnor@naikun.ca

with a copy (not constituting notice) to:

Mogan Daniels Slager
1700 – 1185 West Georgia St.
Vancouver, British Columbia, Canada V6E 4E6

Attention: Ben Slager and Geoff Peters
Facsimile No.: (604) 689 8835
Email: bslager@mdslawyers.com
gpeters@mdslawyers.com

and in the case of a notice to the Purchaser or the Parent, addressed to it at:

30 St. Clair Avenue West
12th Floor
Toronto, Ontario
M4V 3A1

Attention: General Counsel
Tel No.: (416) 962-6262
Facsimile No.: (416) 962-6266
E-mail: legal@northlandpower.com

with a copy (not constituting notice) to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide St West
Toronto, Ontario, Canada M5H 4E3

Attention: Shane Freitag
Tel No.: (416) 367-6137
Facsimile No.: (416) 367-6749
E-mail: SFreitag@blg.com

- (2) or at any other address as either Party may at any time advise the other by notice given or made in accordance with this Section 9.13. Any notice delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the notice will be deemed to have been given or made and received on the next Business Day. Any notice sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every notice must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any notice transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the notice is transmitted on a day which is not a Business Day or after 5 p.m. (local time of the recipient), the notice will be deemed to have been given or made and received on the next Business Day.

9.14 Assignment. The Purchaser may assign or transfer all or part of its rights or obligations under this Agreement to an Affiliate. The Vendor may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement to any Person.

9.15 Further Assurances. Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

9.16 Severability. If, in any jurisdiction, any provision of this Agreement or its application to either Party or circumstance is restricted, prohibited or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or

enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Party or circumstances. The Parties shall engage in good faith negotiations to replace any provision which is so restricted, prohibited or unenforceable with an unrestricted and enforceable provision, the economic effect of which comes as close as possible to that of the restricted, prohibited or unenforceable provision which it replaces.

9.17 Successors. This Agreement is binding on, and enures to the benefit of, the Parties and their respective successors.

9.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date first above written.

NAIKUN WIND ENERGY GROUP INC.

By: (signed) Michael J. O'Connor
Name: Michael J. O'Connor
Title: Chief Executive Officer

**NORTHLAND POWER B.C. OFFSHORE
WIND INC.**

By: (signed) Mike Crawley
Name: Mike Crawley
Title: Chief Executive Officer

SCHEDULE 1.1(28) DEVELOPMENT SERVICES AGREEMENT

DEVELOPMENT SERVICES AGREEMENT

This Agreement is made as of the 27th day of March, 2020 (the “**Effective Date**”).

BETWEEN

NORTHLAND POWER INC., a corporation incorporated under the laws of the province of Ontario

(the “**Customer**”)

- and -

NAIKUN WIND ENERGY GROUP INC., a corporation incorporated under the laws of British Columbia

(the “**Service Provider**”)

Recitals:

- (a) The Service Provider is a publically listed company on the TSX Venture Exchange. The Customer is developing an offshore wind power project with potential capacity for multiple phases up to approximately 1.5GW (the first phase currently estimated at 400MW shall be referred to as “**Phase 1**”) to be located in the Hecate Strait in British Columbia, Canada (the “**Project**”).
- (b) The Customer wishes to retain the Service Provider to provide the services described in **SCHEDULE “A”** (the “**Services**”).
- (c) The Service Provider agrees to provide the Services to the Customer upon the terms and conditions set out herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions

“**Affiliate**” has the meaning given thereto in the *Business Corporations Act, RSO 1990, c B 16*.

“**Agreement**” means this Development Services Agreement and its Schedules as amended or supplemented from time to time.

“**Business Day**” means any day, except Saturdays and Sundays, on which banks are generally open for non-automated business in Vancouver, British Columbia and in Toronto, Ontario.

“**Confidential Information**” has the meaning set out in Section 20(a).

“**Customer**” means Northland Power Inc., its successors and assigns.

“**Dispute**” has the meaning set out in Section 15(a).

“**Effective Date**” means the date first written above.

“**ETA**” means *Excise Tax Act* (Canada).

“**GST/HST**” means all taxes payable under Part IX of the ETA (including where applicable both the federal and provincial portion of those taxes) and under any provincial legislation imposing a similar value added or multi-staged tax.

“**Initial Term**” has the meaning set out in Section 8.

“**Phase 1**” has the meaning set out in the Recitals.

“**Project**” has the meaning set out in the Recitals.

“**Representatives**” has the meaning set out in Section 20(b).

“**Service Fees**” has the meaning set out in section 4.

“**Service Provider**” means Naikun Wind Energy Group Inc., its successors and permitted assigns.

“**Services**” has the meaning set out in the Recitals above.

“**Term**” has the meaning set out in Section 8.

2. Schedules

The following Schedule attached hereto forms part of this Agreement:

SCHEDULE “A”: Services

3. Services

The Service Provider agrees to provide the Services as described in **SCHEDULE “A”** to the Customer on an exclusive basis and may not perform the Services for any other person. The Service Provider shall provide the Services (i) using personnel with the requisite skill, experience and qualifications; (ii) in a timely, workmanlike and professional manner; (iii) in accordance with generally recognized industry standards in the Service Provider's field; (iv) in accordance with all of the Customer's policies and guidelines applicable to the performance of such Services, the details of which have been notified to the Service Provider prior to the date of this Agreement; and (v) in accordance with the lawful and reasonable instructions of the Customer from time to time.

4. Service Fees and Expenses

- (a) In consideration for the provision of Services, the Customer shall pay the Service Provider a monthly fee of \$35,000.00 (the “**Service Fees**”) for the period from the Effective Date to the end of the Term.
- (b) The Service Provider agrees to employ a cost-conscious approach to incurring expenses and to follow the Customer’s expense guidelines. Expenses incurred in the course of performing the Services shall be included on the monthly invoice for the Service Fees submitted by the Service Provider, along with copies of any receipts. Upon approval, the Customer will reimburse the Service Provider for such expenses. The Service Provider agrees to obtain prior written approval from the Managing Director, Canada and US Development, Northland Power Inc., for any single expense above \$500.00 or any aggregate expense of \$500.00.

5. Invoicing and Payment

- (a) The Service Provider shall provide the Customer with an invoice on a monthly basis for all Services rendered for the previous month and all expenses incurred in the provision of Services in such month. Invoices must be complete with the Service Provider’s business name, GST/HST registration numbers and any applicable supporting documentation in relation to such expenses. All invoices should be sent to the attention of the Customer’s accounts payable department.
- (b) Payment of any invoice shall be due and payable by the Customer within 30 days of the date of receipt or deemed receipt under Section 11. Any invoiced amounts that are not paid within such 30 day period will bear interest at an annual rate of twelve percent (12%) from the date that payment is due until the date of payment.
- (c) The Service Provider acknowledges and agrees that the Service Fees are the only compensation payable to the Service Provider in respect of the Services. For greater certainty, the Service Provider acknowledges that it shall not be entitled to participate in, or receive any benefits from, any employee benefit programs or compensation plans operated by the Customer.

6. Set Off

The Customer shall have the right to withhold payment, including the Service Fees, to the Service Provider, and set off and apply any amounts owed by the Service Provider to the Customer or Customer’s Affiliates, including amounts sufficient to set-off against any damages or losses that have been agreed or finally determined pursuant to Section 15 to have been suffered by the Customer or Customer’s Affiliates as a consequence of the Service Provider’s breach of this Agreement.

7. GST/HST& Related Party Election

The Service Fees are exclusive of all applicable GST/HST. If the Service Provider determines that it is required to collect GST/HST from the Customer, the appropriate amount shall be invoiced to and payable by the Customer to the Service Provider. The Service Provider shall provide to the Customer an invoice containing all information

necessary for the Customer to claim an input tax credit, including the amount of GST/HST payable and the registration number of the Service Provider. If applicable, the parties may jointly elect under subsection 156(2) of the ETA such that every taxable supply made between them shall be deemed for the purposes of the ETA to have been made for nil consideration. In the event of such an election, each party represents that it is, for the purposes of the ETA, a registrant and that it uses all or substantially all of its assets exclusively in the course of commercial activities (as such term is defined in the ETA).

8. Term

The term of this Agreement shall commence on the Effective Date and shall continue for a minimum period of one (1) year (the “**Initial Term**”) and may be extended by the agreement of the parties for periods of three (3) months (any such extended period being, together with the Initial Term, the “**Term**”) subject to the Customer’s termination rights herein.

9. Termination

- (a) This Agreement may be terminated as follows:
 - (i) upon mutual agreement of the parties in writing;
 - (ii) upon one party providing the other party with six (6) month’s prior written notice;
 - (iii) immediately upon written notice from the Customer to the Service Provider, if the Service Provider commits a fundamental breach of this Agreement;
 - (iv) by the Customer upon written notice to the Service Provider, where the Customer has advised the Service Provider in writing of failure to perform the Services in accordance with the provisions of Section 3 and the Service Provider has not remedied such failure within thirty (30) days of receipt of such notice; or
 - (v) by the Service Provider upon written notice to the Customer, where the Customer has failed to make any payment to the Service Provider in accordance with Section 5 and has not remedied such failure within five (5) Business Days of notice from the Service Provider of such failure.
- (b) In the event that the Agreement is terminated in accordance with this Section 9, neither party shall have any further liability of any kind to the other save that:
 - (i) the Customer shall be required to pay any outstanding invoice provided to it prior to such date and to pay the Service Fee and reimburse any expenses incurred by the Service Provider in respect of the period since the date of such invoice up to the date of termination. The Service Fee shall be pro-rated in respect of any part month comprised in such period; and

- (ii) the provisions of Section 10 shall survive such termination for a period of one (1) year, the provisions of Sections 11 and 14 to 20 shall survive such termination for a period of three (3) years.

10. Indemnification and Limitation of Liability

- (a) The Service Provider shall defend, indemnify and hold the Customer and any Affiliate of the Customer and their respective officers, directors, employees, successors and assigns, harmless from all losses, damages or expenses arising from any claims, actions, or complaints:
 - (i) which may be claimed or ordered by any federal or provincial tax authority requiring the Customer to pay income tax under the *Income Tax Act* (Canada) or any other tax law in respect of income tax payable by or for the Service Provider or its representatives;
 - (ii) which may be incurred respecting an order, demand, complaint or claim with respect to the Employment Insurance Commission, the Ministry of Labour, the BC Human Rights Tribunal, the Canada Pension Commission or any other government or statutory authority, with respect to the Service Provider or its representatives;
 - (iii) suffered as a result of the willful misconduct, gross negligence or other tortious conduct of the Service Provider (or its agents, employees or representatives, if any) in relation to the performance or non-performance of the Services;
 - (iv) which may be made by any of its representatives, claiming from the Customer any compensation or payment for or in respect of the provision of the Services; or
 - (v) suffered as a result of a fundamental breach by the Service Provider (or its agents, employees or representatives, if any) of this Agreement.
- (b) Notwithstanding any other provision in this Agreement, in no event shall the Service Provider be liable under this Agreement or otherwise, for any special, collateral, indirect, exemplary, incidental or consequential damages, including without limitation, any damages for loss of goodwill, loss of profits or loss of use. This limitation shall apply even if the Service Provider has been advised of the possibility of such damages. The aggregate liability of the Service Provider under this Agreement shall not exceed the amount of the Service Fee paid to it pursuant to this Agreement at the applicable time.

11. Notices

- (a) All notices given hereunder may be served by addressing the same to the Service Provider or the Customer, as the case may be, at such address as the Service

Provider or the Customer may designate from time to time in writing. Notice may be given by prepaid mail, facsimile transmission, e-mail or by personal delivery.

- (b) Any notice delivered to the party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that party's address, provided that if that day is not a Business Day then the notice will be deemed to have been given or made and received on the next Business Day. Any notice sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every notice must be delivered personally or by courier or transmitted by facsimile, e-mail or functionally equivalent electronic means of transmission. Any notice transmitted by facsimile, e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the notice is transmitted on a day which is not a Business Day or after 5 p.m. (local time of the recipient), the notice will be deemed to have been given or made and received on the next Business Day.

12. Assignment and Enurement

This Agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. The Customer may not assign its rights and obligations under this Agreement to any person without the prior written consent of the Service Provider, such consent not to be unreasonably withheld, conditioned or delayed; provided that the Customer may assign this Agreement to an Affiliate without the prior written consent of the Service Provider. The Service Provider may not assign or transfer all or any part of its rights or obligations under this Agreement to any person without the prior written consent of the Customer, which may be withheld at the sole discretion of the Customer.

13. Independent Contractor

It is understood and acknowledged that the Services which the Service Provider will provide to the Customer hereunder shall be in the capacity of an independent contractor and not as an employee or agent of the Customer. The Service Provider shall control the conditions, time, details and means by which Service Provider performs the Services. The Customer shall have the right to inspect the work of the Service Provider as it progresses solely for the purpose of determining whether the work is completed according to this Agreement. The Service Provider has no authority to commit, act for or on behalf of the Customer, to represent that it may bind the Customer or to bind the Customer to any obligation or liability.

The Service Provider agrees to not execute any agreement or contract in the course of performing the Services without the prior written consent of the Customer.

14. Compliance with Law

The Service Provider represents and warrants to the Customer that it is in compliance in all material respects with and shall comply in all material respects with all applicable laws,

regulations and ordinances relating to the provision of the Services. The Service Provider has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.

15. Disputes and Governing Law

- (a) If any controversy, dispute, claim, question or difference (a “**Dispute**”) arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the parties will use commercially reasonable efforts to settle the Dispute. To this end, they will consult and negotiate with each other in good faith and understanding of their mutual interests to reach a just and equitable solution satisfactory to them.
- (b) If the parties to a Dispute do not reach a solution pursuant to Section 15(a) within a period of 30 days following the first notice of the Dispute by any party to the Dispute to the other party to the Dispute, then upon written notice by any party to the Dispute to the other party to the Dispute, the Dispute will be finally settled by arbitration in accordance with the provisions of the *Arbitration Act* (British Columbia), based upon the following:
 - (i) the arbitration tribunal will consist of one arbitrator appointed by mutual agreement of the parties or, in the event of failure to agree within 10 Business Days following delivery of the written notice to arbitrate, a party may apply to a judge of the Supreme Court of British Columbia to appoint an arbitrator. The arbitrator will be qualified by education and training to pass upon the particular matter to be decided;
 - (ii) the arbitrator will be instructed that time is of the essence in the arbitration proceeding and that, in any event, the arbitration award must be made within 60 days after the appointment of the arbitrator;
 - (iii) after written notice is given to refer any Dispute to arbitration, the parties will meet within 15 Business Days after delivery of the notice to arbitrate and will negotiate in good faith to agree upon the rules and procedures for the arbitration in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the Dispute and the values at risk, failing which the rules and procedures for the arbitration will be finally determined by the arbitrator;
 - (iv) the arbitration will take place in Vancouver, British Columbia;
 - (v) except as otherwise provided in this Agreement or otherwise decided by the arbitrator, the fees and other costs associated with the arbitrator will be shared equally by the parties and each party be responsible for its own costs;
 - (vi) the arbitration award will be given in writing, will provide reasons for the decision, will be final and binding on the parties, not subject to any appeal,

and will deal with the question of the costs of arbitration and all related matters;

- (vii) judgment upon any award may be entered in any court having jurisdiction or application may be made to the court for a judicial recognition of the award or an order of enforcement, as the case may be;
- (viii) all Disputes referred to arbitration (including the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims) will be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein; and
- (ix) the parties agree that the arbitration will be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) will not be disclosed beyond the arbitrator, the parties and their counsel and any person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise.

16. Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior understandings, negotiations and agreements between the parties with respect to the subject matter hereof.

17. Counterparts

This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. Notwithstanding anything to the contrary, a signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

18. Amendments

Any amendment or renewal of this Agreement shall not be binding on either of the parties to this Agreement unless such amendment or renewal is in writing and is executed by both parties to this Agreement.

19. Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part by any court of competent jurisdiction, such provision or part thereof shall be deemed severed herefrom and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

20. Confidentiality

- (a) The Service Provider acknowledges and accepts that under this Agreement, it will have access to and will acquire knowledge of highly sensitive and confidential information of the Customer and/or its subsidiaries and/or Affiliates, such as competitive advantages over its competitors, and generally, project documents, materials, data, data analysis, projections, technical reports, among others, including the makes and models of the equipment used in the facility, strategies, sales, data, price lists, marketing strategies, results of market analysis, promotional campaigns, systems and programs in personnel administration and other highly confidential and sensitive information of the Customer, and/or its Affiliates (together, the “**Confidential Information**”).

Notwithstanding the foregoing, Confidential Information does not include any information that at the time has become generally available to the public other than as a result of a disclosure by the Service Provider or any of its representatives, any information that was available to the Service Provider or its representatives on a non-confidential basis before the date of this Agreement or any information that becomes available to the Service Provider or its representatives on a non-confidential basis from a person who is not, to the knowledge of the Service Provider or its representatives, otherwise bound by confidentiality obligations to the Customer in respect of the information or otherwise prohibited from transmitting the information to the Service Provider or its representatives.

- (b) The Service Provider shall, and shall cause each of its directors, officers and employees (the “**Representatives**”) to hold in strictest confidence and not use in any manner, Confidential Information; provided that the Service Provider may disclose and use Confidential Information to the extent and to such Representatives as is reasonably necessary to perform the Services and provided further that the Service Provider may disclose Confidential Information where required to do so by applicable law or any regulatory requirements to which it is subject.
- (c) Where the Service Provider is required to disclose Confidential Information in accordance with applicable law or any regulatory requirements to which it is subject, it shall, as soon as possible in the circumstances, notify the Customer of the requirement of the disclosure including the nature and extent of the disclosure and the provision of applicable law or the regulatory requirement pursuant to which the disclosure is required. To the extent possible, the Service Provider shall, before making any such disclosure, provide to the Customer the text of such disclosure. On receiving the notification, the Customer may take any reasonable action to challenge the requirement, and Service Provider shall, at the expense of the Customer, assist the Customer in taking that reasonable action.
- (d) The Service Provider’s obligations set forth in this Section 20 shall continue and remain in full force and effect for a period of three (3) years after the expiration or termination of this Agreement. Should the Service Provider, or any of its representatives, breach any of the obligations under this Section 20, the Customer shall have recourse to any and all remedies permitted under applicable laws.

[NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

NORTHLAND POWER INC.

Name: Mike Crawley
Title: President & Chief Executive Officer

NAIKUN WIND ENERGY GROUP INC.

Name:
Title:

Name:
Title:

SCHEDULE “A”

SERVICES

For the purposes of this Agreement, the Service Provider agrees to perform general offshore wind power project development services for the development of Phase 1, as instructed by the Customer from time to time, which shall include the following:

- Assistance with a name change for NaiKun Wind Development Inc. as instructed by the Customer;
- Assistance with applications for the provincial EA, the Federal Impact Act and any other related permits, consent or approvals as instructed by the Customer;
- Assistance with obtaining a renewal or replacement of investigative use permits and carrying out engagement activities in respect thereof according to instructions from the Customer.

SCHEDULE 1.1(38) FINANCIAL STATEMENTS

NAIKUN WIND DEVELOPMENT INC.

Balance Sheet

(Unaudited - prepared by management)
as at September 30,

	2012	2013	2014	2015	2016	2017	2018	2019
ASSETS								
Cash	908,653	14,622	380	4,593	4,339	4,339	3,958	743
Receivables	10,809	1,698	7,878	264	-	-	-	-
	919,462	16,320	8,258	4,857	4,339	4,339	3,958	743
NRC - MetMast deposit (note 2)	-	-	360,000	360,000	360,000	360,000	360,000	360,000
Fixed-Cost	3,393,654	3,393,654	3,393,654	3,393,654	3,393,654	3,393,654	3,393,654	3,393,654
Fixed-Acc Dep	- 3,306,928	- 3,393,654	- 3,393,654	- 3,393,654	- 3,393,654	- 3,393,654	- 3,393,654	- 3,393,654
	86,726	-	360,000	360,000	360,000	360,000	360,000	360,000
TOTAL ASSETS	1,006,188	16,320	368,258	364,857	364,339	364,339	363,958	360,743
LIABILITIES								
Current	31,597	12,546	157,218	340	-	-	-	-
Payables								
Asset Retirement Obligation (note 3)	1,000,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interco Payable - Group	23,454,324	23,633,333	25,018,232	26,128,045	26,583,751	27,025,631	27,435,743	27,837,769
	24,454,324	24,033,333	25,418,232	26,528,045	26,983,751	27,425,631	27,835,743	28,237,769
SHAREHOLDERS' EQUITY								
Share Capital	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914
Deficit	- 35,101,647	- 35,651,473	- 36,829,106	- 37,785,442	- 38,241,326	- 38,683,206	- 39,093,699	- 39,498,940
	- 23,479,733	- 24,029,559	- 25,207,192	- 26,163,528	- 26,619,412	- 27,061,292	- 27,471,785	- 27,877,026
TOTAL LIABILITIES AND SHAREHOLDER	1,006,188	16,320	368,258	364,857	364,339	364,339	363,958	360,743

NAIKUN WIND DEVELOPMENT INC.
Income Statement
(Unaudited - prepared by management)
for the Year ended September 30,

	2012	2013	2014	2015	2016	2017	2018	2019
Revenue								
Investment income (interest)	10,790	2,431	-	-	-	-	-	-
Miscellaneous Recovery	-	6,000	-	-	-	-	-	-
	10,790	8,431	-	-	-	-	-	-
Expenses								
Amortization	675,173	86,726	-	-	-	-	-	-
Asset Retirement Obligation	-	600,000	-	-	-	-	-	-
Consultants	-	196,913	-	-	-	-	-	-
Engineering	99,528	82,842	240,456	14,519	-	-	-	-
Insurance	11,850	11,650	11,225	11,236	11,236	11,236	11,236	11,236
Meals and entertainment	805	87	-	-	-	-	-	-
Office & administration	135,181	79,739	58,931	37,177	35,811	26,757	29,607	25,299
Professional fees	12,870	12,826	12,015	12,533	9,750	9,813	9,813	9,895
Public relations	264,084	185,433	351,294	398,167	160,725	206,925	170,675	200,000
Salaries and wages	589,729	470,561	476,451	429,515	222,327	152,103	148,276	146,210
Travel and entertainment	32,387	31,481	27,259	53,189	16,035	35,047	40,886	12,601
	1,821,607	558,258	1,177,632	956,336	455,884	441,880	410,493	405,241
Net Loss	1,810,817	549,827	1,177,632	956,336	455,884	441,880	410,493	405,241

NAIKUN WIND DEVELOPMENT INC.
Changes in Shareholders' Equity (Deficiency)
(Unaudited - prepared by management)
for the Year ended September 30,

	2012	2013	2014	2015	2016	2017	2018	2019
Opening Balance								
Share Capital	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914
Deficit	- 33,290,830	- 35,101,647	- 35,651,474	- 36,829,106	- 37,785,442	- 38,241,326	- 38,683,206	- 39,093,699
	- 21,668,916	- 23,479,733	- 24,029,560	- 25,207,192	- 26,163,528	- 26,619,412	- 27,061,292	- 27,471,785
Net Loss for the Year	- 1,810,817	- 549,827	- 1,177,632	- 956,336	- 455,884	- 441,880	- 410,493	- 405,241
Closing Balance								
Share Capital	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914	11,621,914
Deficit	- 35,101,647	- 35,651,474	- 36,829,106	- 37,785,442	- 38,241,326	- 38,683,206	- 39,093,699	- 39,498,940
	- 23,479,733	- 24,029,560	- 25,207,192	- 26,163,528	- 26,619,412	- 27,061,292	- 27,471,785	- 27,877,026

1. Significant accounting policies

a) Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with borrowing costs and the future cost of dismantling and removing the asset. Such cost includes the cost of replacing part of the plant and equipment, significant overhauls, and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of replacing a part of an item of property, plant, and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company. All other repair and maintenance costs are recognized in the statement of comprehensive loss as incurred.

Residual values, useful lives and methods of depreciation are reviewed at each period year end and adjusted prospectively, if appropriate. When parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate major components.

The estimated useful lives and depreciation methods for the current and comparative periods are as follows:

Wind measuring equipment	5 years straight line
Office equipment	3 - 5 years straight line

All items of property, plant and equipment have been fully amortized or written-off in prior years.

b) Asset retirement obligations

The Company recognizes its legal and constructive obligations associated with the future costs of removal and abandonment of its long-lived assets in the period in which the obligation is incurred. The fair value of the asset retirement obligation ("ARO") is recorded as a liability in the period when those future costs can be reasonably estimated and the carrying value of the related long-lived asset is increased by the corresponding amount. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Any difference between the actual costs incurred upon settlement of the ARO and the recorded liability is recognized as a gain or loss in that period. Changes in estimates of the liability are reflected as a change in the related asset unless the asset has been reduced to zero, in which case, any excess amount would be included in the statement of comprehensive loss. Significant judgments and estimates are involved in forming expectations of the amount and timing of these obligations.

2. Metmast deposit

During the quarter ended March 31, 2014 the Company made a deposit with Natural Resources Canada (NRC) as part of the Met Mast license renewal. This deposit is held by NRC to ensure the retirement obligation is fulfilled when the Met Mast is decommissioned.

3. Asset Retirement Obligation ("ARO")

The Company has recorded an ARO in regards to its wind measuring equipment installed in Hecate Strait. In fiscal 2013 the Company did an analysis of the methodology of removing this equipment and received an estimate of the related costs from a marine contractor in the region. Based on this analysis the costs are currently estimated to be \$400,000. The settlement of the obligation was expected to occur in fiscal 2013, however, until such time as an Electricity Purchase Agreement is secured, the Company continues to collect important meteorological data to strengthen the Company's understanding of the wind resource and remains obligated to remove such equipment at a future undetermined date.

SCHEDULE 1.1(63) OPTION AGREEMENT

OPTION AGREEMENT

This Agreement is made as of the • day of •, [2020].

BETWEEN

[• **WIND GP INC.**], a corporation incorporated under the laws of the Province of Ontario (the “**General Partner**”) in its capacity as the general partner of [[•] **WIND LIMITED PARTNERSHIP**], a limited partnership formed under the laws of the Province of British Columbia

AND:

NAIKUN WIND ENERGY GROUP INC., a corporation incorporated under the laws of the Province of British Columbia (“**Group**”)

AND:

[**NAIKUN WIND DEVELOPMENT INC.**], a corporation incorporated under the federal laws of Canada (“**NPI Limited Partner**”)

Recitals:

- A. Group is a publically listed company on the TSX Venture Exchange (“**TSXV**”) that was, prior to the date of this Agreement, developing an offshore wind power project with potential capacity for multiple phases up to approximately 1.5GW to be located in the Specified Area in the Hecate Strait in British Columbia, Canada (the “**Project**”) through its wholly-owned subsidiaries including the NPI Limited Partner. The first phase of the Project is currently estimated at 400MW (“**Phase 1**”).
- B. Group and Northland Power B.C. Offshore Wind Inc., an Affiliate of Northland Power Inc., are parties to a Share Purchase Agreement dated March 27th, 2020 pursuant to which Group sold the shares of NPI Limited Partner to Northland Power B.C. Offshore Wind Inc. (the “**SPA**”).
- C. Group, NPI Limited Partner and the General Partner are parties to the Phase 1 Limited Partnership Agreement dated •, 2020 pursuant to which they agreed to form the [[•] Wind Limited Partnership] (the “**Project LP**”) for the purposes of continuing the development of the Project.
- D. Pursuant to the terms of the SPA, Group and Northland Power B.C. Offshore Wind Inc. agreed to enter into and cause the other parties to the LPA to enter into this Agreement to set out the terms and conditions on which Group is granted options to increase its participation in Phase 1 and to participate in future phases of the Project.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions

Capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Partnership Agreement.

“Affiliate” has the meaning given thereto in the *Business Corporations Act, RSO 1990, c B 16*.

“Agreement” means this Option Agreement.

“Business Day” means any day, except Saturdays and Sundays, on which banks are generally open for non-automated business in Vancouver, British Columbia and in Toronto, Ontario.

“Closing” has the meaning set out in Section 2(e).

“Confidential Information” has the meaning set out in Section 9(a).

“Development Services Agreement” means the Development Services Agreement dated March 27th, 2020 as amended or supplemented from time to time, pursuant to which Group has agreed to provide services to Northland Power Inc.

“Dispute” has the meaning set out in Section 11(a).

“Existing Capital” has the meaning set out in Section 2(d)(ii).

“Future Phase” has the meaning set out in Section 4(a).

“Future Phase Closing” has the meaning set out in Section 4(e).

“Future Phase Financial Close” means the day on which the first advance of a Project Financing has been made in respect of a Future Phase to fund construction and development of such Future Phase.

“Future Phase Option” has the meaning set out in Section 4(a).

“Future Phase Option Exercise Notice” has the meaning set out in Section 4(c).

“Future Phase Option Interest” has the meaning set out in Section 4(a).

“Future Phase Option Notice” has the meaning set out in Section 4(b).

“Future Phase Option Percentage” has the meaning set out in Section 4(c) or Section 4(d)(ii).

“General Partner” has the meaning set out in the Recitals.

“Group” has the meaning set out in the Recitals.

“Limited Partnership Agreement” or **“LPA”** means the Phase 1 Limited Partnership Agreement dated the same date as this Agreement between the General Partner, Group and NPI Limited Partner.

“Notice” has the meaning set out in Section 8(a).

“NPI Limited Partner” has the meaning set out in the Recitals.

“NPI Limited Partner Future Phase Capital Contribution” has the meaning set out in Section 4(b)(ii) or Section 4(d)(ii), as the case may be.

“NPI Limited Partner Required Contribution” has the meaning set out in Section 3(b)(ii).

“Option Price” has the meaning set out in Section 4(d).

“Optionee” has the meaning set out in Section 4(c).

“Optionee Contribution” has the meaning set out in Section 2(d)(ii).

“Optionee Future Contribution” has the meaning set out in Section 4(d)(ii).

“Optionee Future Premium” has the meaning set out in Section 4(d)(ii).

“Optionee Premium” has the meaning set out in Section 2(d)(ii).

“Optionee Required Contribution” has the meaning set out in Section 3(b)(i).

“Party” means a party to this Agreement.

“Phase 1” has the meaning set out in the Recitals.

“Phase 1 Financial Close” means “Financial Close” as defined in the Limited Partnership Agreement.

“Phase 1 Option” has the meaning set out in Section 2(a).

“Phase 1 Option Notice” has the meaning set out in Section 2(b).

“Phase 1 Option Percentage” has the meaning set out in Section 2(b) or Section 2(d)(ii), as the case may be.

“Phase 1 Option Price” has the meaning set out in Section 2(d).

“Phase 1 Option Units” has the meaning set out in Section 2(b).

“Project” has the meaning set out in the Recitals.

“Project Financing” means the primary financing arrangements entered into by the Project LP or the owner(s) of a Future Phase, as the case may be, with one or more lenders to provide construction and term financing for Phase 1 or the Future Phase, as the case may be.

“Project LP” has the meaning set out in the Recitals.

“Required Capital” has the meaning set out in Section 2(d)(ii).

“Required Future Capital” has the meaning set out in Section 4(d)(ii).

“SPA” has the meaning set out in the Recitals.

“Total Capital” has the meaning set out in Section 2(d)(ii).

“Total Future Capital” has the meaning set out in Section 4(d)(ii).

“Transmission” has the meaning set out in Section 8(a)(iii).

2. **Phase 1 Option**

- (a) NPI Limited Partner hereby grants Group an option for Group or an Affiliate of Group to acquire from NPI Limited Partner up to ten percent (10%) of the Class A Units held by NPI Limited Partner or its Affiliates as at the Phase 1 Financial Close (the **“Phase 1 Option”**).
- (b) If Group or an Affiliate of Group (in either case the **“Optionee”**) wishes to exercise the Phase 1 Option, it shall deliver a notice in writing to NPI Limited Partner, with a copy to the General Partner, (the **“Phase 1 Option Notice”**) no earlier than one hundred and eighty days (180) days and no later than thirty (30) days prior to Phase 1 Financial Close setting out the percentage of Class A Units that the Optionee proposes to acquire (up to ten per cent (10%)) (such Class A Units being the **“Phase 1 Option Units”** and such percentage being the **“Phase 1 Option Percentage”**). If Group does not deliver the Phase 1 Option Notice within the time allotted, then the Phase 1 Option shall be deemed to have expired and Group shall have no further right to the Phase 1 Option.
- (c) Following receipt of the Phase 1 Option Notice, the General Partner will deliver to NPI Limited Partner and the Optionee a certified statement of NPI Limited Partner’s Capital Contribution as at such date together with a copy of such records as evidence of such Capital Contribution and with details of any proposed increase in NPI Limited Partner’s Capital Contribution that will occur in accordance with the LPA prior to Phase 1 Financial Close including reasons for such increase.
- (d) The purchase price payable for the Phase 1 Option Units (the **“Phase 1 Option Price”**) will be an amount equal to:
 - (i) the Optionee Contribution, where the Optionee Contribution is calculated using the following formula:

Optionee Contribution = Total Capital x X%

plus

- (ii) the Optionee Premium, where the Optionee Premium is calculated using the following formula:

Optionee Premium = Optionee Contribution x 20%

for the above formula:	
“Existing Capital”	is NPI Limited Partner’s Capital Contribution as of the Phase 1 Financial Close;
“Optionee Contribution”	is the Total Capital multiplied by the Phase 1 Option Percentage;
“Optionee Premium”	is the Optionee Contribution multiplied by twenty percent (20%);
“Required Capital”	is NPI Limited Partner’s total required Capital Contribution as required by the Project Financing (which for clarity shall not include the Existing Capital);
“Total Capital”	is the Existing Capital plus the Required Capital; and
“X%” or “Phase 1 Option Percentage”	is the percentage of Class A Units that the Optionee proposes to acquire.

- (e) The closing date for the sale and purchase of the Phase 1 Option Units shall be the date of the Phase 1 Financial Close. Closing of the sale and purchase (**“Closing”**) shall take place at such time and place as Group and NPI Limited Partner agree or, failing such agreement, at 2.00 p.m. local time at the offices of the General Partner’s solicitors. At the Closing:
- (i) NPI Limited Partner will represent and warrant to the Optionee that upon Closing the Optionee will acquire the absolute legal and beneficial ownership of the Phase 1 Option Units and the Partnership Interest represented by them free and clear of any Encumbrance of any nature or kind whatsoever (other than any security granted to lenders in respect of the Project Financing) and will deliver to the Optionee all documents, instruments and releases and will take all such steps and do all such acts and things as may be necessary or desirable to vest such title in the Optionee and to comply with and to fulfil the intent of this Agreement;
 - (ii) the Optionee will pay the Phase 1 Option Price for the Phase 1 Option Units and the Partnership Interest represented by them in full in lawful money of Canada by wire transfer, bank draft or certified cheque and will execute and

deliver all such documents and do all such acts as may be required to comply with and to fulfil the intent of this Agreement;

- (iii) the General Partner shall do all such things as are necessary to reflect the transfer of the Phase 1 Option Units and the Partnership Interest represented by them, including promptly making all such filings as may be required under applicable law and updating the books and records of the Project LP as may be appropriate or required;

3. Capital Accounts

- (a) Upon Closing, the General Partner shall make the appropriate entries to the Capital Accounts of NPI Limited Partner and the Optionee following Closing. For clarity, the Capital Accounts of NPI Limited Partner and the Optionee shall not include the Optionee Premium.
- (b) Further, following Closing, NPI Limited Partner agrees to contribute the following amounts to the Project LP as Capital Contributions, as and when required by the Project Financing:

- (i) the Optionee Required Contribution on behalf of the Optionee and to the Capital Account of the Optionee as a Capital Contribution. The “**Optionee Required Contribution**” is calculated using the following formula:

$\text{Optionee Required Contribution} = X\% \times \text{Required Capital as at the time of such Capital Contribution}$

- (ii) the NPI Limited Partner Required Contribution to its own Capital Account, as required by the Project Financing. The “**NPI Limited Partner Required Contribution**” is calculated using the following formula:

$\text{NPI Limited Partner Required Contribution} = \text{Required Capital less the Optionee Required Contribution}$

- (c) The General Partner agrees to make the appropriate entries to the Capital Accounts of NPI Limited Partner and the Optionee to give effect to the above. For clarity, the Optionee Required Contribution will be recorded to the Capital Account of the Optionee within the Limited Partnership at the time of such contribution.

4. Future Phase Options

- (a) NPI Limited Partner and Group agree that if NPI Limited Partner chooses to develop one or more future phases of the Project beyond Phase 1 up to a maximum generating capacity of 1.5GW, (each a “**Future Phase**”), Group is hereby granted an option (the “**Future Phase Option**”) to acquire, or for one of its Affiliates to acquire, such equity or other interest of any kind of NPI Limited Partner or any of its Affiliates in the project entity or entities that will own any such Future Phase

(or, if not yet owned, to which NPI Limited Partner or any of its Affiliates is entitled) as will give Group or its Affiliate the right to receive up to ten percent (10%) of the distributable cash payable to NPI Limited Partner or any of its Affiliates (the “**Future Phase Option Interest**”).

- (b) NPI Limited Partner will give Group written notice of the date of a Future Phase Financial Close no later than one-hundred and twenty (120) days before such date (the “**Future Phase Option Notice**”). The Future Phase Option Notice will include:
 - (i) A summary of:
 - (1) material information relating to the ownership structure of the applicable Future Phase (excluding confidential information of other equity owners or partners of the Future Phase);
 - (2) the preliminary development budget of the applicable Future Phase;
 - (3) the terms of the Project Financing of the applicable Future Phase including full details of the Future Phase Option Interest and copies of the legal agreements relating thereto;
 - (ii) a statement of the aggregate monies actually invested at such date by NPI Limited Partner or its Affiliates in the development of the Future Phase (the “**NPI Limited Partner Future Phase Capital Contribution**”) together with such financial statements or records of the Future Phase project as evidence of such investment and expenditures made in respect of the development of the Future Phase to date; and
 - (iii) details of any proposal by NPI Limited Partner or its Affiliates to invest any further monies in the Future Phase prior to the Future Phase Financial Close.
- (c) If Group or an Affiliate of Group (in either case the “**Optionee**”) wishes to exercise a Future Phase Option, it shall deliver a notice in writing to NPI Limited Partner (the “**Future Phase Option Exercise Notice**”) no later than ninety (90) days after the date it receives the Future Phase Option Notice setting out the Future Phase Option Interest that it proposes to acquire, including specifying the percentage of the distributable cash (or equivalent economic return) of such Future Phase comprised by the Future Phase Option Interest (the “**Future Phase Option Percentage**”). If Group does not deliver such a notice to NPI Limited Partner within the time allotted, then the Future Phase Option for such applicable Future Phase shall be deemed to have expired and Group shall have no further right to a Future Phase Option for such applicable Future Phase.
- (d) The purchase price for the Future Phase Option Interest (the “**Option Price**”) shall be an amount equal to:

- (i) the Optionee Future Contribution, where the Optionee Future Contribution is calculated using the following formula:

$$\text{Optionee Future Contribution} = \text{Total Future Phase Capital} \times X\%$$

plus

- (ii) the Optionee Future Premium, where the Optionee Future Premium is calculated using the following formula:

$$\text{Optionee Future Premium} = \text{Optionee Future Contribution} \times 20\%$$

for the above formula:		
“NPI Limited Partner Phase Contribution”	Limited Future Capital	is NPI Limited Partner’s Capital Contribution as of the Future Phase Financial Close;
“Optionee Future Contribution”	Future	is the Total Future Phase Capital multiplied by the Phase 1 Option Percentage;
“Optionee Premium”	Future	is the Optionee Future Contribution multiplied by twenty percent (20%);
“Required Capital”	Future	is NPI Limited Partner’s total required Capital Contribution as required by the Project Financing (which for clarity shall not include the NPI Limited Partner Future Capital Contribution);
“Total Capital”	Future	is the NPI Limited Partner Future Phase Capital Contribution plus the Required Future Capital; and
“X%” or “Phase Percentage”	“Future Option	is the percentage of the distributable cash (or equivalent economic return) of such Future Phase comprised by the Future Phase Option Interest that the Optionee proposes to acquire.

- (e) The closing date for the sale and purchase of a Future Phase Option Interest shall be the date of the Future Phase Financial Close. Closing of the sale and purchase (**“Future Phase Closing”**) shall take place at such time and place as Group and NPI Limited Partner agree or, failing such agreement, at 2.00 p.m. local time at the offices of the General Partner’s solicitors. At the Future Phase Closing:
- (i) NPI Limited Partner will represent and warrant to the Optionee that upon Future Phase Closing the Optionee will acquire the absolute legal and beneficial ownership of the Future Phase Interest free and clear of any Encumbrance of any nature or kind whatsoever (other than any security

granted to lenders in respect of the Project Financing) and will deliver to the Optionee all documents, instruments and releases and will take all such steps and do all such acts and things as may be necessary or desirable to vest such title in the Optionee and to comply with and to fulfil the intent of this Agreement;

- (ii) the Optionee will pay the Option Price for the Future Phase Interest in full in lawful money of Canada by wire transfer, bank draft or certified cheque and will execute and deliver all such documents and do all such acts as may be required to comply with and to fulfil the intent of this Agreement;
- (iii) NPI Limited Partner shall or shall ensure that the applicable third party shall do all such things as are necessary to reflect the transfer of the Future Phase Interest, including promptly making all such filings as may be required under applicable law and updating such books and records as may be appropriate or required; and
- (iv) the General Partner shall make the appropriate entries to the Capital Accounts of NPI Limited Partner and the Optionee following Future Phase Closing. For clarity, the Capital Accounts of NPI Limited Partner and the Optionee shall not include the Premium.

5. Capital Accounts for Future Phases

- (a) Upon Future Phase Closing, the General Partner shall make the appropriate entries to the Capital Accounts of NPI Limited Partner and the Optionee following the Future Phase Closing. For clarity, the Capital Accounts of NPI Limited Partner and the Optionee shall not include the Optionee Future Premium.
- (b) The General Partner agrees to make the appropriate entries to the Capital Accounts of NPI Limited Partner and the Optionee following the same methodology as the calculations contemplated in Section 3(b).

6. Term

- (a) Subject to the automatic expiration of the Phase 1 Option as contemplated in Section 2(b), the Phase 1 Option shall expire on a date that is ten (10) years following the date of this Agreement.
- (b) Subject to the automatic expiration of the Future Phase Option as contemplated in Section 4(c), the Future Phase Option shall expire on a date that is fifteen (15) years following the date of this Agreement.

7. Further Assurance

- (a) Each Party shall promptly do, execute and deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement, that any other Party may reasonably require for the purpose of giving

effect to this Agreement including, in respect of the Phase 1 Option, all things that may need to be done pursuant to or in connection with the LPA.

- (b) Except for NPI Limited Partner's right to sell Units to a First Nations group, no Party shall take any action, and shall ensure that none of their Affiliates shall take any action, that would result in Group being deprived, directly or indirectly, of the benefit of the Phase 1 Option or the Future Phase Options including, in the case of NPI Limited Partner, disposing of a Partnership Interest or any interest in a Future Phase that would result in it being unable to deliver to Group or its Affiliate the Phase I Option Units or the Future Phase Option Interest as contemplated by this Agreement.

8. Notices

- (a) Any notice, demand or other communication (in this Section 8, a "**notice**") required or permitted to be given or made under this Agreement must be in writing and is sufficiently given or made if:
 - (i) delivered in person and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below;
 - (ii) sent by prepaid courier service or (except in the case of actual or apprehended disruption of postal service) mail; or
 - (iii) sent by facsimile transmission, with confirmation of transmission by the transmitting equipment (a "**Transmission**");

in the case of a notice to Group addressed to it at:

570 – 355 Burrard St.
Vancouver, British Columbia V6C 2G8
Attention: Michael O'Connor
Facsimile No.: (604) 685 4215

with a copy (not constituting notice) to:

Mogan Daniels Slager
1700 – 1185 West Georgia St.
Vancouver, British Columbia, Canada V6E 4E6
Attention: Ben Slager and Geoff Peters
Facsimile No.: (604) 689 8835

and in the case of a notice to NPI Limited Partner or the General Partner, addressed to it at:

30 St. Clair Avenue West
12th Floor
Toronto, Ontario

M4V 3A1
Attention: General Counsel
Facsimile No.: 416-962-6266

- (b) Any notice sent in accordance with Section 8(a) shall be deemed to have been received:
 - (i) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery;
 - (ii) if sent by mail, on the 5th Business Day in the place where the notice is received after mailing, or, in the case of disruption of postal service, on the 5th such Business Day after cessation of that disruption;
 - (iii) if sent by facsimile during normal business hours on a Business Day in the place where the Transmission is received, on the same day that it was received by Transmission, on production of a Transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the relevant facsimile number of the recipient; or
 - (iv) if sent in any other manner, on the date of actual receipt; except that any notice delivered in person or sent by Transmission not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, shall be deemed to have been received on the next succeeding Business Day in the place where the notice is received.
- (c) Any Party may change its address for notice by giving notice to the other Parties.

9. Confidentiality

- (a) For the purposes of this Agreement “**Confidential Information**” means all information provided by one Party to any other Party and includes the existence and terms of this Agreement but does not include:
 - (i) any information that at the time of disclosure has become generally available to the public other than as a result of a disclosure by the disclosing Party or any of its representatives in breach of this Agreement;
 - (ii) any information that was available to a Party or its representatives on a non-confidential basis before the date of this Agreement or
 - (iii) any information that becomes available to a Party or its representatives on a non-confidential basis from a Person who is not, to the knowledge of the Party or its representatives, otherwise bound by confidentiality obligations to the other Parties in respect of the information or otherwise prohibited from transmitting the information to such Party or its representatives.

- (b) Each Party (and shall cause each of its representatives to) hold in strictest confidence and not use in any manner, all Confidential Information provided that a Party may, subject to Section 9(c), disclose Confidential Information where required to do so by applicable law or any regulatory requirements to which it is subject or otherwise with the consent of the other Parties.
- (c) Where a Party is required to disclose Confidential Information in accordance with applicable law or any regulatory requirements to which it is subject, it shall, as soon as possible in the circumstances, notify the other Parties of the requirement of the disclosure including the nature and extent of the disclosure and the provision of applicable law or the regulatory requirement pursuant to which the disclosure is required. To the extent possible, disclosing Party, before making any such disclosure, shall provide to the other Parties the text of such disclosure. On receiving the notification, the other Parties may take any reasonable action to challenge the requirement, and disclosing Party shall, at the expense of such other Parties, assist the other Parties in taking that reasonable action.

10. Assignment and Enurement

- (a) This Agreement shall enure to the benefit of the Parties hereto and their respective successors and permitted assigns. No Party may assign or transfer all or any part of its rights or obligations under this Agreement to any person without the prior written consent of the other Parties, which may be withheld at the sole discretion of the other Parties.
- (b) Subject to NPI Limited Partner's right to assign its interest under Section 7.7(b) of the LPA, no Party is permitted to and no Party will assign any interest under the LPA without also assigning an equivalent interest under this Agreement.

11. Disputes and Governing Law

- (a) If any controversy, dispute, claim, question or difference (a "**Dispute**") arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the Parties will use commercially reasonable efforts to settle the Dispute. To this end, they will consult and negotiate with each other in good faith and understanding of their mutual interests to reach a just and equitable solution satisfactory to them.
- (b) If the Parties to a Dispute do not reach a solution pursuant to Section 11(a) within a period of 30 days following the first notice of the Dispute by any Party to the Dispute to the other Party(ies) to the Dispute, then upon written notice by any Party to the Dispute to the other Party(ies) to the Dispute, the Dispute will be finally settled by arbitration in accordance with the provisions of the *Arbitration Act* (British Columbia), based upon the following:
 - (i) the arbitration tribunal will consist of one arbitrator appointed by mutual agreement of the Parties or, in the event of failure to agree within 10 Business Days following delivery of the written notice to arbitrate, a Party

may apply to a judge of the Supreme Court of British Columbia to appoint an arbitrator. The arbitrator will be qualified by education and training to pass upon the particular matter to be decided;

- (ii) the arbitrator will be instructed that time is of the essence in the arbitration proceeding and that, in any event, the arbitration award must be made within 60 days after the appointment of the arbitrator;
- (iii) after written notice is given to refer any Dispute to arbitration, the Parties will meet within 15 Business Days after delivery of the notice to arbitrate and will negotiate in good faith to agree upon the rules and procedures for the arbitration in an effort to expedite the process and otherwise ensure that the process is appropriate given the nature of the Dispute and the values at risk, failing which the rules and procedures for the arbitration will be finally determined by the arbitrator;
- (iv) the arbitration will take place in Vancouver, British Columbia;
- (v) except as otherwise provided in this Agreement or otherwise decided by the arbitrator, the fees and other costs associated with the arbitrator will be shared equally by the Parties and each Party be responsible for its own costs;
- (vi) the arbitration award will be given in writing, will provide reasons for the decision, will be final and binding on the Parties, not subject to any appeal, and will deal with the question of the costs of arbitration and all related matters;
- (vii) judgment upon any award may be entered in any court having jurisdiction or application may be made to the court for a judicial recognition of the award or an order of enforcement, as the case may be;
- (viii) all Disputes referred to arbitration (including the scope of the agreement to arbitrate, any statute of limitations, conflict of laws rules, tort claims and interest claims) will be governed by the substantive law of British Columbia and the federal laws of Canada applicable therein; and
- (ix) the Parties agree that the arbitration will be kept confidential and that the existence of the proceeding and any element of it (including any pleadings, briefs or other documents submitted or exchanged, any testimony or other oral submissions and any awards) will not be disclosed beyond the arbitrator, the Parties and their counsel and any Person necessary to the conduct of the proceeding, except as may lawfully be required in judicial proceedings relating to the arbitration or otherwise.

12. Entire Agreement

This Agreement and the LPA constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes any prior understandings, negotiations and agreements between the Parties with respect to the subject matter hereof.

13. Counterparts

This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. Notwithstanding anything to the contrary, a signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

14. Amendments

Any amendment or renewal of this Agreement shall not be binding on the Parties unless such amendment or renewal is in writing and is executed by all the Parties.

15. Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part by any court of competent jurisdiction, such provision or part thereof shall be deemed severed herefrom and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

16. Set-off

Group shall have the right to set-off against the Phase 1 Option Price and the Option Price any amounts that are agreed or have been finally determined to be owing to Group by NPI Limited Partner pursuant to the LPA or by Northland Power Inc. pursuant to the Development Services Agreement.

[NEXT PAGE IS THE SIGNATURE PAGE]

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

**[NAIKUN WIND GP INC.], in its capacity as
general partner of [[•] WIND LIMITED
PARTNERSHIP]**

per: _____

per: _____

[NAIKUN WIND DEVELOPMENT INC.]

per: _____

per: _____

NAIKUN WIND ENERGY GROUP INC.

per: _____

per: _____

SCHEDULE 1.1(69) PERMITTED ENCUMBRANCES

Those Encumbrances that are set out or contained in any of the following or that are contained in any Applicable Law pursuant to which the following are issued or made:

1. The Federal Screening Report for DevCo's proposed NaiKun Offshore Wind Energy Project prepared by Canadian Environmental Assessment Agency, Fisheries and Oceans Canada, Transport Canada and Natural Resources Canada, pursuant to Subsection 18(1) of the Canadian Environmental Assessment Act dated March 3, 2011, with Canadian Environmental Assessment Registry Reference Number 08-01-40336 ("**Federal Screening**");
2. The Met Mast Licence;
3. The Environmental Assessment Certificate #E09-04 pursuant to the Environmental Assessment Act, S.B.C. 2002, c.43 issued on December 10th, 2009, as extended by the Executive Director on December 8, 2014 ("**EA Certificate**"); and
4. Any licence of occupation, investigative licence, right of way licence or wind generation licence awarded to DevCo by Her Majesty the Queen in Right of the Province of British Columbia;

SCHEDULE 1.1(80) PROJECT LP AGREEMENT

[• GP INC.]

– and –

NAIKUN WIND ENERGY GROUP INC.

– and –

[NAIKUN WIND DEVELOPMENT INC.]

– and –

[•] WIND LIMITED PARTNERSHIP

PHASE 1 LIMITED PARTNERSHIP AGREEMENT

[, 2020]

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This **LIMITED PARTNERSHIP AGREEMENT** dated the [• , 2020],

BETWEEN:

[• **GP INC.**], a corporation incorporated under the laws of British Columbia (the “**GP Co**”)

AND:

NAIKUN WIND ENERGY GROUP INC., a corporation incorporated under the laws of British Columbia (“**Group**”)

AND:

[**NAIKUN WIND DEVELOPMENT INC.**], a corporation incorporated under the federal laws of Canada (“**DevCo**”)

REGARDING:

[•] **WIND LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of British Columbia (the “**Limited Partnership**”)

RECITALS:

- A. Group is a publically listed company on the TSX Venture Exchange that, prior to the date hereof, carried on the business of developing an offshore wind power project with potential capacity for multiple phases up to approximately 1.5GW to be located in the Hecate Strait in British Columbia, Canada (the first phase of the 1.5GW project is currently estimated at 400MW and shall be referred to in this Agreement as the “**Project**” and for greater certainty does not include future phases of the 1.5GW wind power project) through three subsidiaries: Naikun Wind Generating Inc., Naikun Wind Operating Inc. and Naikun Wind Development Inc.
- B. Northland Power B.C. Offshore Wind Inc. (“**Northland BC**”) and GP Co formed the Limited Partnership immediately prior to the date hereof wherein Northland BC was issued Class B Units.
- C. Northland BC acquired the shares of DevCo in an agreement of purchase and sale dated March 27, 2020 (the “**SPA**”) and in consideration for the shares of DevCo, transferred certain Class B Units to Group and contributed certain Class B Units to DevCo.
- D. GP Co, DevCo and Group have agreed to continue the business of DevCo through the Limited Partnership on the terms and conditions contemplated herein.

IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS CONTAINED IN THIS AGREEMENT AND FOR OTHER GOOD AND VALUABLE CONSIDERATION

(THE RECEIPT AND ADEQUACY OF WHICH ARE HEREBY ACKNOWLEDGED BY EACH OF THE PARTIES), THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Agreement, unless the context otherwise requires:

“**Affiliate**” means, with respect to the relationship between two or more Persons, that a Person is deemed to be an Affiliate of another Person if one of them is Controlled by the other or if both are Controlled by the same Person, and “**Affiliated**” has a corresponding meaning.

“**Agreement**” means this Limited Partnership Agreement, as amended, supplemented, restated and replaced from time to time in accordance with its provisions.

“**Appraised Value**” means, at any time, the value of the Partnership Interest and all shares of the Managing General Partner held by a Partner or its Affiliate at that time determined in accordance with Section 11.1.

“**Business Day**” means a day other than a Saturday, Sunday or other statutory holiday in British Columbia or Ontario.

“**Buyer**” means a Person that is acquiring a Partnership Interest in accordance with Article 7 or Article 11.

“**Capital Account**” means the capital account established, computed, and maintained for each Partner.

“**Capital Budget**” means the estimated capital cost to develop, finance, construct and commission the Project, as determined by the General Partner, which will outline the timing and required capital contributions to fund the equity required for the Project based upon preliminary discussions with equipment suppliers, balance-of-plant contractor(s) and proposed lenders pursuant to a Debt Financing.

“**Capital Contribution**” of a Partner means the total amount of money actually paid to the Limited Partnership by that Partner, or a predecessor Partner, for Units subscribed for by that Partner, or a predecessor Partner, under subscriptions accepted by the Managing General Partner.

“**Cash Yield**” means an amount equal to the Distributable Cash a Class A Unit Holder receives in a Fiscal Year expressed as a percentage of such Partner’s Capital Contribution as of the end of such Fiscal Year.

“**Class A Proportion**” means the number of Class A Units held by a Class A Unit Holder in proportion to the total number of Class A Units held by all Class A Unit Holders.

“**Class A Unit**” means a limited partnership unit representing an interest in the Limited Partnership with the attributes set forth herein and designated by the Managing General Partner as a “Class A Unit”.

“Class A Unit Holder” means a Partner which holds one or more Class A Units.

“Class B Proportion” means the number of Class B Units held by a Class B Unit Holder in proportion to the total number of Class B Units held by all Class B Unit Holders.

“Class B Unit” means a limited partnership unit representing an interest in the Limited Partnership with the attributes set forth herein and designated by the Managing General Partner as a “Class B Unit”.

“Class B Unit Holder” means a Partner which holds one or more Class B Units.

“Closing” or **“Closing Date”** means the closing of any purchase and sale of a Partner’s Partnership Interest.

“Commercial Operation Date” means the date the Project reaches commercial operation as defined by a Debt Financing.

“Competitor” has the meaning attributed to such term in Section 17.18.

“Confidential Information” means all information relating to the business and affairs of the General Partner and the Limited Partnership or of any of the other Parties and all information supplied by a third party to the General Partner in confidence, which, at the time is confidential in nature (whether or not specifically identified as confidential), and includes: (a) all intellectual property, including trade secrets; (b) all information treated as proprietary by the General Partner and the Limited Partnership; and (c) all confidential facts relating to the General Partner and the Limited Partnership.

“Contingency Amount” means the amount included in the Capital Budget to provide for cost overruns and expenses in addition to those amounts otherwise stipulated for construction and equipment costs (excluding contingency) in the Capital Budget.

“Contract” means any agreement, contract, indenture, lease, occupancy agreement, deed of trust, licence, option, undertaking, promise or any other commitment or obligation, whether oral or written, express or implied.

“Contributing Partner(s)” has the meaning attributed to it in Section 3.10(a)(i).

“Control”, with respect to the relationship with a Person, means: (a) if that Person is a corporation, the holding of securities of that Person to which are attached more than 50% of the votes that may be cast for the election of directors and those votes are sufficient, if exercised, to elect a majority of the board of directors; or (b) if that Person is not a corporation, the right, directly or indirectly, to direct or cause the direction of the management of the affairs of that Person, whether by ownership of ownership interests or otherwise, and **“Controlled by”**, **“Controls”**, **“Controlling”** and **“Controlled”** and similar words have corresponding meanings, except that a Person which Controls a corporation or a Person that is not a corporation (**“the second-mentioned Person”**) shall be deemed to Control a corporation or a Person that is not a corporation which is Controlled by the second-mentioned Person, and so on.

“Credit Agreement” means a credit agreement to be entered into by the Limited Partnership with one or more lenders to provide construction and term financing for the Project.

“Debt Financing” means any credit facility granted or extended to the Limited Partnership whereby or pursuant to which money, credit or other financial accommodation has been or may be provided, made available or extended to the Limited Partnership by way of borrowed money, letters of credit, overdraft and other forms of credit and financial accommodation, and includes any and all security therefor and any and all other agreements, instruments and documents in respect thereof, including the Credit Agreement.

“Declaration Date” has the meaning attributed to it in Section 4.5(a).

“Default Notice” means a written notice of election by a Non-Defaulting Partner to purchase the Defaulting Partner’s Partnership Interest for a price equal to the Discounted Appraised Value as contemplated in Section 10.2(c).

“Defaulting Partner” means a Partner that has committed or is the subject of an Event of Default.

“DevCo” has the meaning attributed to it in the Recitals to this Agreement.

“DevCo Interest” has the meaning attributed to it in Section 7.8(b).

“DevCo Negotiation Notice” has the meaning attributed to it in Section 7.8(b).

“DevCo Negotiation Period” has the meaning attributed to it in Section 7.8(c).

“DevCo Tax Losses” has the meaning attributed to it in Section 7.8(b)(i).

“DevCo Transfer Price” has the meaning attributed to it in Section 7.8(b).

“Development Fee” has the meaning attributed to it in Section 13.4(a).

“Development Fee Cap” has the meaning attributed to it in Section 13.4(a).

“Discounted Appraised Value” means the Appraised Value of a Defaulting Partner’s Partnership Interest and shares of the General Partner owned by it or its Affiliate(s) as of the date of delivery of a Default Notice, less 20% of that Appraised Value.

“Dispose” means to sell, assign, transfer or otherwise dispose of or pledge, charge, encumber or grant a security interest or to enter into any agreement to do so, and **“Disposition”** has the corresponding meaning.

“Distributable Cash” means the resulting amounts available for distribution to the Partners from the cash receipts of the Limited Partnership of any kind or description from the Project during any Fiscal Year, less the following cash outlays: (a) all Partnership Costs and Expenses, but not including any expenses paid in cash to the extent that such expenses were reserved against and funded by Reserves; (b) all cash payments made with respect to the discharge of the Limited Partnership indebtedness including any Debt Financing during the Fiscal Year, but not including

any such payments to the extent that the amounts thereof were reserved against and funded from Reserves; and (c) an amount of cash as determined by the General Partner, in its discretion acting reasonably, as Reserves.

“Effective Date” means the date of this Agreement.

“Encumbrance” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, restrictive covenant, agreement, easement, lease, licence, right of occupation, option, right of first refusal, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing.

“Evaluator” has the meaning attributed to it in Section 11.1(a).

“Event of Default” means any of the circumstances set out in Section 10.1.

“Financial Close” means the day on which the first advance of the initial Debt Financing has been made to the Limited Partnership to fund construction and development of the Project.

“First Offer” has the meaning attributed to it in Section 7.6.

“First Offer Notice” has the meaning attributed to it in Section 7.6.

“First Offer Units” has the meaning attributed to it in Section 7.6.

“Fiscal Year” means the fiscal year of the Limited Partnership for tax and financial reporting purposes which will end on December 31st in each year.

“Future Phase Development Fee” has the meaning attributed to it in Section 13.4(b).

“General Partner” means the Managing General Partner from time to time and any other Persons who are admitted to the Limited Partnership as a general partner, including as a result of any re-designation pursuant to Section 2.9(c).

“General Partner Units” means units held by a General Partner.

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial, local, regional, municipal or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government over the Limited Partnership and any Person acting under the authority of any Governmental Authority, which for greater certainty excludes any Party.

“IFRS” means International Financial Reporting Standards developed by the International Accounting Standards Board as in effect in Canada from time to time.

“Income Tax Act” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), and all amendments to it and regulations made under it.

“Limited Partner Units” means Units held by a Limited Partner.

“Limited Partners” means DevCo, Group, any successor or permitted assignee of DevCo, or of Group, and any other Persons who are admitted to the Limited Partnership as limited partners, and **“Limited Partner”** means any one of them all as provided for in this Agreement.

“Limited Partnership” means **[[•] Wind Limited Partnership]**, a limited partnership formed under the laws of the Province of British Columbia.

“Limited Partnership Business” has the meaning attributed to it in Section 2.12(a).

“Liquidator” has the meaning attributed to it in Section 12.2.

“Managing General Partner” means GPCo or its successor or assigns as Managing General Partner of the Limited Partnership.

“Material Contracts” means those contracts entered into or to be entered into by or on behalf of the Limited Partnership as the Managing General Partner deems necessary in connection with the Project in the Ordinary Course of Business.

“Milestone Dates” has the meaning attributed to it in Section 7.8(b).

“Non-Contributing Partner” has the meaning attributed to it in Section 3.10.

“Non-Defaulting Partner” means a Partner that has not committed and is not subject of an Event of Default.

“Northland BC” has the meaning attributed to it in the Recitals.

“Notice” has the meaning attributed to it in Section 15.1(a).

“Notice of Default” has the meaning attributed to it in Section 10.3(b).

“Offered Units” has the meaning attributed to it in Section 8.3.

“Ordinary Course of Business” means the normal and regular practices, transactions, expenditures and activities customarily undertaken to conduct the Limited Partnership Business in accordance with the Material Contracts which includes any required refurbishment of the Project which would be considered to be necessary, appropriate or incidental to the Limited Partnership Business by a prudent owner acting reasonably and for greater certainty does not include any repowering of the Project.

“Partner” means any Limited Partner, general partner or the General Partner, and **“Partners”** means all of them.

“Partner Loan” means the amount loaned by a Contributing Partner to a Non-Contributing Partner pursuant to Section 3.10(a).

“Partnership Act” means the *Partnership Act*, RSBC 1996, c 348 and all amendments to it.

“Partnership Costs and Expenses” has the meaning attributed to it in Section 4.1.

“Partnership Interest” of a Partner means the interest of that Partner in the Limited Partnership from time to time, and including, the amount in dollars of the Capital Accounts of such Partner at that time and that Partner’s right to share in net profits and distributions from the Limited Partnership, all as evidenced by Units held by such Partner.

“Party” means at any time a party to and bound by this Agreement and **“Parties”** means all of them.

“Percentage Interest” of a Partner at any time means a fraction expressed as a percentage, the numerator of which is the amount in dollars of the Capital Account of such Partner at that time and the denominator of which is the aggregate amount in dollars of the Capital Accounts of all Partners at that time.

“Person” is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, an unincorporated organization, a regulatory body or agency, a Governmental Authority or entity, an executor or administrator or other legal or personal representative, or any other juridical entity.

“Pre-emptive Right Notice” has the meaning attributed to it in Section 8.3.

“Priority Catch-up Distribution” has the meaning attributed to such term in Section 4.5(a)(iii).

“Priority Distribution” has the meaning attributed to such term in Section 4.5(a)(ii).

“Project” has the meaning attributed to such term in the Recitals.

“Prudent Industry Practice” means any practices, methods and acts using the degree of care, diligence and skill that a skilled, experienced and reasonably prudent owner having responsibility for the Project would exercise in comparable circumstances.

“Qualified Person” means a Person: (a) that is not a “non-resident” for purposes of the *Income Tax Act* and, if a partnership, is a “Canadian partnership” within the meaning of the *Income Tax Act*, as amended from time to time; (b) that is not a Person, an interest in which would be a “tax shelter investment” within the meaning of the *Income Tax Act*, as amended from time to time; (c) that is not a Person acquiring or otherwise holding a Unit or any interest in the Limited Partnership as a “tax shelter investment” within the meaning of the *Income Tax Act*, as amended from time to time; or (d) that is not a financial institution, unless otherwise approved by the General Partner.

“Record and Register” means the record of the Partners together with all other documentation which the General Partner is required to maintain under the Partnership Act.

“Reserves” means funds set aside or amounts allocated to reserves maintained in amounts which, in the reasonable opinion of the General Partner, are required or advisable in the Ordinary Course of Business, having regard to the current and anticipated cash requirements of the Limited Partnership, including anticipated future cash requirements of the Limited Partnership in respect of the Limited Partnership Business, for working capital, repayment of Debt Financing and other reasonably anticipated Partnership Costs and Expenses.

“Seller” means a Partner or its Affiliate that is selling its Partnership Interest and/or all shares of the Managing General Partner in accordance with Article 7 or Article 11.

“Shortfall Distribution” means on any Declaration Date an amount equal to the aggregate amount by which Priority Distributions distributed to a Class A Unit Holder in respect of prior periods is less than a Cash Yield of eleven per cent (11%) for each Fiscal Year in such prior period, taking into account any Priority Catch-up Distributions made.

“Site” means [•] and includes part of the Specified Area.

“Site Agreements” mean all options, leases, purchase contracts, easements and rights of way related to the location of the Project at the Site.

“SPA” has the meaning attributed to such term in the Recitals.

“Specified Area” [means the unalienated and unencumbered Crown land and Crown foreshore within Queen Charlotte and Range 5, Coast District as defined in the IUPs currently being renewed and the map attached hereto as Schedule •].

“Subscription Date” has the meaning attributed to it in Section 8.3(c).

“Subscription Notice” has the meaning attributed to it in Section 8.4.

“Subscription Period” has the meaning attributed to it in Section 8.4

“Taxable Income” and **“Tax Loss”**, respectively, mean, in respect of any Fiscal Year of the Limited Partnership, the income or loss of the Limited Partnership for that Fiscal Year determined in accordance with the *Income Tax Act*.

“Term” has the meaning attributed to it in Section 2.5.

“Transferee” means a Person to whom a Partner Disposes of its Partnership Interest in accordance with the provisions of this Agreement.

“Transmission” has the meaning attributed to it in Section 15.1(a)(iii).

“Unanimous Resolution” means a resolution consented to in writing by all Partners.

“Units” means the Class A Units and Class B Units.

1.2 **Schedules.** The following schedule is attached hereto and forms part of this Agreement:

ARTICLE 2
THE LIMITED PARTNERSHIP

- 2.1 **Continuation of the Limited Partnership.** GP Co and Northland BC formed the Limited Partnership in accordance with the *Partnerships Act* and GP Co and Northland BC executed a declaration in the form required to form a limited partnership as provided for in the *Partnerships Act* and caused the declaration to be filed with the Registrar of Partnerships forthwith. The Partners hereby agree to continue the Limited Partnership pursuant to the provisions of the *Partnerships Act* for the purposes of pursuing the Limited Partnership Business.
- 2.2 **Partners.** Effective upon the date hereof, GP Co shall continue its role as a partner in the capacity of a general partner of the Limited Partnership, and Group and DevCo shall become partners in the capacity of limited partners of the Limited Partnership.
- 2.3 **Name.** The Limited Partnership will carry on business under the name “[•] **Wind Limited Partnership**” or such other name as the Managing General Partner may choose from time to time.
- 2.4 **Principal Office.** The registered and principal office of the Limited Partnership and the registered and recorded office of the Managing General Partner will be 1200 Waterfront Centre 200 Burrard Street, Vancouver, BC, Canada. Notice of any change of the registered or principal office of the Limited Partnership or the Managing General Partner will be given to the Limited Partners.
- 2.5 **Term.** The term of the Limited Partnership will continue unless the Limited Partnership is dissolved or terminated in accordance with this Agreement (the “**Term**”).
- 2.6 **Execution of Instruments.** Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be executed on behalf of the Limited Partnership by any director or officer of the Managing General Partner. Any person authorized to sign any instrument on behalf of the Limited Partnership may certify as a true copy any copy of an instrument, resolution or other document of the Limited Partnership.
- 2.7 **Other Activities of Partners.**
- (a) Each Partner and the Limited Partnership itself will act bona fide and in good faith and use reasonable efforts to promote the best interests of the Limited Partnership in accordance with the provisions of this Agreement. Notwithstanding the foregoing but subject to Section 17.18, it is acknowledged that Affiliates of the Partners are engaged in business activities or hold interests in other businesses, ventures or investments that may be engaged in activities similar to that of the Limited Partnership, and that mere engagement in such activities shall not be restricted by this Agreement or necessarily cause a Partner to be in default of any of its obligations hereunder.

- (b) Neither the Limited Partnership nor any other Partner will have any right by virtue of this Agreement or the limited partnership relationship created by this Agreement in or to such other businesses, ventures, investments or activities or to the income, proceeds or profits derived therefrom. The pursuit of such other businesses, ventures, investments or activities by any Affiliate of a Partner, even if competitive with the Limited Partnership Business, will not be wrongful or improper.

2.8 **Limited Partnership Assets.** A Partner's interest in the Limited Partnership will be personal property for all purposes, and all real property and other property and assets owned by the Limited Partnership will be deemed to be owned by the Limited Partnership as an entity and no Partner, separately, will have or be deemed to have an *in rem* interest in such property and assets. No Partner will or will be entitled to bring any action for partition or sale or otherwise in connection with any interest in any real property or other property or assets of the Limited Partnership or file or register or permit to be filed or registered or remain undischarged, against any of the real property or other property or assets of the Limited Partnership, any Encumbrance in respect of the interest of such Partner in the Limited Partnership or to compel a partition, judicial or otherwise, of any real property or other property or assets of the Limited Partnership distributed to the Partners in kind.

2.9 **Admission of New Partners and Re-Designation of Units.**

- (a) Subject to Section 2.9(c), there shall be no other general partners admitted to the Limited Partnership unless agreed to by Unanimous Resolution and an appropriate amendment to this Agreement satisfactory to the Partners is signed by all of the Partners.
- (b) Subject to the other provisions of this Agreement, DevCo shall have the sole right to admit new limited partners in the Limited Partnership.
- (c) Provided that:
 - (i) it has obtained any required approval under any Credit Agreement; and
 - (ii) such re-designation does not and will not:
 - (A) alter in any way the Percentage Interest or Capital Account of DevCo; or
 - (B) alter in any way the Percentage Interest or Capital Account of the other Partners; or
 - (C) alter in any way the respective decision-making or voting rights or obligations of the Partners or
 - (D) alter in any way the allocation of Taxable Income or Tax Losses or the distribution of Distributable Cash to Partners pursuant to Article 4,

DevCo shall, at any time during the Term, in its sole discretion, be entitled to give written notice to the General Partner, with a copy to the other Partners, that its Partnership Interest be re-designated as a general partnership interest. Upon receipt of such notice the General Partner shall issue DevCo with one General Partner Unit and DevCo shall thereafter be a general partner in respect of such General Partner Unit and shall retain such Class A Units and Class B Units and such Class A Proportion and Class B Proportion as it held at the time of the re-designation.

- (d) The General Partner shall cause all such filings under the *Partnership Act* or otherwise to be made in respect of such re-designation pursuant to Section 2.9(c)(i). Subject always to Section 2.9(c)(i) and 2.9(c)(ii), the Managing General Partner and the other Partners shall make such amendments to this Agreement as may be necessary to give effect to such redesignation.

2.10 Removal of Managing General Partner.

- (a) Except as provided for in this Section 2.10, the Managing General Partner may not be removed as Managing General Partner of the Limited Partnership.
- (b) Upon:
 - (i) the passing of any resolution of the directors or shareholders of the Managing General Partner requiring or relating to the bankruptcy, dissolution, liquidation or winding-up of the Managing General Partner;
 - (ii) the making of any assignment by the Managing General Partner for the benefit of creditors of the Managing General Partner;
 - (iii) the appointment of a receiver, receiver-manager or similar official of the undertaking, property and assets of the Managing General Partner; or
 - (iv) the Managing General Partner failing to maintain its status as a Qualified Person,

the Managing General Partner will promptly deliver written notice of that event to each of the other Partners, will cease to be qualified to act as Managing General Partner of the Limited Partnership and will be deemed to have been removed effective upon the appointment of a new Managing General Partner of the Partnership. In those circumstances, a new general partner will be appointed by the Partners by a Unanimous Resolution after receipt of written notice of that event and each Partner hereby consents to the continuation of the Limited Partnership Business by such new general partner and such new general partner will have the right to continue the Limited Partnership Business once appointed.

- (c) The Managing General Partner may also be removed as Managing General Partner of the Limited Partnership if it has committed a material breach of this Agreement, which subsists for a period of 30 days after notice, and if that removal is approved

by Unanimous Resolution excluding, for this purpose, the Managing General Partner. Action by the Partners for removal of the Managing General Partner under this Section 2.10 must also provide for the election and succession of a new Person to serve as Managing General Partner of the Partnership. A Person's removal as Managing General Partner of the Limited Partnership will be effective immediately following the admission of the successor Person as Managing General Partner of the Limited Partnership and each Partner hereby consents to the continuation of the Limited Partnership Business by such new Managing General Partner of the Limited Partnership and such new Managing General Partner will have the right to continue the Limited Partnership Business once appointed.

- (d) When a Managing General Partner is removed or resigns as Managing General Partner of the Limited Partnership:
 - (i) it will do all things and take all steps to transfer the administration, management, control and operation of the Limited Partnership Business and the books, records and accounts of the Limited Partnership to the new general partner of the Limited Partnership;
 - (ii) upon the admission of a new Person to serve as Managing General Partner of the Limited Partnership, the resigning or removed Managing General Partner of the Limited Partnership will, at the cost of the Limited Partnership, transfer title to the Limited Partnership's property to the new general partner of the Limited Partnership; and
 - (iii) will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect those transfers in a timely fashion.

2.11 Release by the Limited Partnership

- (a) On the resignation or removal of a Person who served as Managing General Partner of the Limited Partnership, the Limited Partnership will release and hold harmless that Person from any costs, expenses, damages and liabilities suffered or incurred by that Person as a result of or arising out of events which occur in relation to the Limited Partnership after the resignation or removal.

2.12 Limited Partnership Business and Powers

- (a) The Limited Partnership will carry on the business formerly carried on by DevCo, of developing the Project and the business of financing, constructing, owning, operating and maintaining the Project and the sale of electrical energy, ancillary products and services and environmental attributes produced by or related to the Project (the "**Limited Partnership Business**").
- (b) The Limited Partnership will have the power to do every act and thing necessary, proper, convenient, ancillary, or incidental to the accomplishment of its Limited Partnership Business.

- (c) Subject to Section 5.2(g), all lands for the Project and interests therein acquired through the Site Agreements will be held in the name of the Limited Partnership or of the Managing General Partner or its Affiliate on behalf of the Limited Partnership.

ARTICLE 3

CAPITAL CONTRIBUTIONS, UNITS AND FINANCING

- 3.1 **Managing General Partner.** The Managing General Partner has contributed (\$1.00) as its Capital Contribution to the Limited Partnership in consideration of the issuance of one (1) General Partner Unit and shall not be required to contribute any additional capital to the Limited Partnership.
- 3.2 **Capital Accounts and Units.**
 - (a) The respective Class A Units issued to and held by the Class A Unit Holders will be based on the amounts contributed to the Limited Partnership by each Class A Unit Holder. The ownership interests in the Limited Partnership will be represented by an unlimited number of Units of which one (1) General Partner Unit shall be issued to the Managing General Partner in accordance with Section 3.1 and Limited Partner Units shall be issued to each of the Partners in denominations of one Class A Unit for every \$1.00 contributed by the Partner as contemplated in Schedule A – INITIAL ISSUED UNITS. Class B Units shall have no dollar value.
 - (b) The Managing General Partner will establish and maintain on the books of the Limited Partnership a Capital Account for each Partner in respect of the Units held by each Partner and shall credit to the Capital Account each Partner's share of net income and debit to its Capital Account such Partner's share of the net loss of the Limited Partnership in respect of each Fiscal Year in accordance with Section 4.4.
 - (c) If there is a permitted transfer of a Unit from one Partner to another Partner, the appropriate entries to the Capital Accounts for the Partners will be made to reflect the transfer.
- 3.3 **Units and Voting.**
 - (a) Each Class A Unit will have the same rights and obligations as each other Class A Unit and each Class B Unit shall have the same rights and obligations as each other Class B Unit.
 - (b) At all meetings of the Partners, each Partner will be entitled to one vote for each Class A Unit held. Class B Units shall not grant the holder the right to vote at meetings of the Partners.
- 3.4 **Unit Certificates.**

- (a) The Managing General Partner may issue certificates representing the Units that are issued, which will be signed by at least one officer or director of the Managing General Partner. All Units will be fully-paid and non-assessable.
- (b) The Units shall be “securities” for purposes of the *Securities Transfer Act*, 2007 (British Columbia) and any other applicable securities transfer laws.
- (c) The Partners agree that the Units initially issued to each of the Partners as of the Effective Date of this Agreement are accurately stated in Schedule A – INITIAL ISSUED UNITS.
- (d) If a Partner claims that a certificate representing one or more Units issued in its name has been defaced, lost, destroyed or wrongfully taken, then the Managing General Partner will cause a new certificate to be issued in substitution for that certificate if the Partner delivers to the Managing General Partner the defaced certificate or:
 - (i) a statutory declaration in a form satisfactory to the Managing General Partner verifying the loss, destruction or wrongful taking and the entitlement of the Partner to the Unit or Units evidenced by the certificate;
 - (ii) an indemnity in a form satisfactory to the Managing General Partner indemnifying and holding harmless the Managing General Partner and the Limited Partnership from and against every cost, expense, liability and loss that it may suffer or incur as a result of or in connection with the issuance of a new certificate; and
 - (iii) satisfies such other requirements and pays such fees as are reasonably imposed by the Managing General Partner;

provided that in the case of a certificate that has allegedly been wrongfully taken, the Managing General Partner may refuse to issue a new certificate until directed to do so by a court of competent jurisdiction.

3.5 **Debt Financing Strategy and Capital Budget of the Project.**

- (a) The Managing General Partner shall establish the Capital Budget with the intention of establishing a debt structure aimed at maximizing the amount and average life of the Debt Financing available for the Project to finance the Capital Budget and to maximize the returns to the Partners but shall not overfund the Project by seeking Debt Financing for a Capital Budget which would include a Contingency Amount in excess of the contingency amount customarily budgeted by the Managing General Partner for electricity projects.
- (b) The Managing General Partner agrees that should a Partner (including the Managing General Partner) or its Affiliate provide Debt Financing, the Managing General Partner shall only be permitted to approve such Debt Financing if it is on substantially similar terms, and on terms that are no less favourable to the Limited

Partnership, as the terms of any Debt Financing that is offered by third party arms-length commercial lenders to the Limited Partnership.

- (c) The Capital Budget and the pro forma financial projections for the Project shall be delivered by the Managing General Partner to the Partners at least sixty (60) days prior to Financial Close.
- 3.6 **Equity Contributions Prior to Financial Close.** Each Class A Unit Holder shall contribute its Class A Proportion of the equity that is required to develop the Project from the Effective Date until Financial Close as contemplated by the Capital Budget.
- 3.7 **Equity Contributions at Financial Close.** Each Class A Unit Holder agrees that, subject to receiving all required internal approvals, it shall contribute its Class A Proportion of the equity required to be contributed by the Class A Unit Holders pursuant to a Debt Financing as a Capital Contribution at Financial Close unless, as a condition precedent to Financial Close under a Debt Financing, the Class A Unit Holders are required to make their respective Capital Contributions on a Business Day prior to Financial Close, in which case the Class A Unit Holders shall make their respective Capital Contributions on such earlier date.
- 3.8 **Bank.** The principal bank for the Limited Partnership will be the bank as determined from time to time by the Managing General Partner. All funds of the Limited Partnership, including the Capital Contributions and the funds raised through Debt Financing as contemplated in this Article 3, will be deposited in a separate bank account maintained with the principal bank for the Limited Partnership, or any other separate bank account with any other Canadian bank as may be considered necessary or desirable by the Managing General Partner, in the name of the Limited Partnership or as may be required under the terms of any Debt Financing. Withdrawals from that account or accounts will be permitted by Persons authorized by the Managing General Partner from time to time and subject to any requirements imposed by the lender while the Debt Financing remains in force.
- 3.9 **Additional Capital Requirements.** It is intended that, to the greatest extent possible, all additional funds required for the Limited Partnership Business will be obtained by way of additional Debt Financing and from revenues arising from or out of the Limited Partnership Business. It is also intended that recourse against the Partners under the terms of any Debt Financing will be limited to their respective Partnership Interests so that obligations of the Partners in respect of any Debt Financing will be satisfied and paid only out of and enforced only against the property, assets and undertaking of the Limited Partnership and the Partners' respective Partnership Interests. If the Limited Partnership is not able to obtain the required Debt Financing, then each Class A Unit Holder will, subject to receiving all required internal approvals, contribute its Class A Proportion of such additional Capital Contributions within a reasonable time as required by the circumstances or as necessary pursuant to a Debt Financing, to the Limited Partnership as and when, and in the amounts, required by the Managing General Partner acting reasonably, from time to time. Upon the contribution by a Class A Unit Holder of any such additional amounts

from time to time, additional Class A Units shall be issued to that Class A Unit Holder on the basis of one new Class A Unit for every \$1.00 of Capital Contribution.

- 3.10 **Failure to Make Additional Capital Contributions.** If, and so often as a Class A Unit Holder (the “**Non-Contributing Partner**”) fails to make the additional Capital Contributions required to be advanced by it pursuant to Section 3.9, then:

(a) **Loan by Other Partners**

- (i) the other Partner(s) (the “**Contributing Partner(s)**”) may, but, shall not be required to, lend, and the Non-Contributing Partner may, but, subject as provided in Section 3.10(a)(ii), shall not be required to accept, the funds required to be contributed as a Capital Contribution by the Non-Contributing Partner to it in accordance with the provisions of this Section, and such loan, provided that the Non-Contributing Partner agrees to accept it, shall be a “**Partner Loan**”; and
 - (ii) where an additional Capital Contribution is required by any Debt Financing and the Contributing Partner has determined to make its required Capital Contribution to avoid any default under any Debt Financing, and the Non-Contributing Partner does not otherwise have the required additional Capital Contribution, then the Contributing Partner shall at such time lend the funds required by the Non-Contributing Partner to be contributed by the Non-Contributing Partner to avoid such default and the Non-Contributing Partner shall accept such Partner Loan; for clarity, if the Contributing Partner has determined to make its required Capital Contribution to avoid any default under a Debt Financing and if the Non-Contributing Partner does have funds on hand or payable to it as a distribution of Distributable Cash sufficient to pay some or all of its additional Capital Contribution required by the lender, then the Non-Contributing Partner agrees that it shall apply such amounts to the required Capital Contribution and any Partner Loan by the Contributing Partner in such instance shall only be for the balance of the Capital Contribution that the Non-Contributing Partner is unable to pay;
- (b) **Dilution** – in a circumstance where a Debt Financing does not require an additional Capital Contribution, if the Contributing Partner does not advance the funds required to be contributed as a Capital Contribution by the Non-Contributing Partner as Partner Loan, then the Contributing Partner may make an additional Capital Contribution on its own behalf up to the amount that was not contributed by the Non-Contributing Partner pursuant to Section 3.9 and shall receive additional Class A Units in its own name in respect thereof and the Percentage Interest of the Non-Contributing Partner shall be reduced and diluted accordingly.
- (c) **Interest on Partner Loan** – each Partner Loan will bear interest at the annual rate of interest equal to 18% per annum calculated on the last day of each and every month from the date of advance until repaid in full.

- (d) **Repayment of Partner Loan** – each Partner Loan and the accrued interest payable on the Partner Loan will be due and payable at the earlier of (i) on or before the expiration of the Term or its earlier termination; or (ii) any Disposition of the Partner's Partnership Interest; but may be repaid by the Non-Contributing Partner without penalty at any time.
 - (e) **Issued Units** – the Class A Units issued for the funds advanced by the Contributing Partner as a Partner Loan (but not the Class A Units issued pursuant to Section 3.10(b)), will be issued by the Limited Partnership to and in the name of the Non-Contributing Partner, and subject to the provisions of a Debt Financing, shall be held as security by the Contributing Partner for the Partner Loan and the Non-Contributing Partner will, as a condition precedent to the Partner Loan in favour of the Contributing Partner, enter into a security agreement in respect thereof on such terms as the Contributing Partner may reasonably require;
 - (f) **Further Assurances** – the Non-Contributing Partner shall execute and deliver all such documents or instruments including one or more promissory notes and grant such security as may be reasonably required to the Contributing Partner to evidence each Partner Loan and interest rate(s) thereon.
- 3.11 **No Right to Withdraw Amounts.** Except as expressly provided in this Agreement, no Partner will have any right to withdraw any amount or receive any distribution from the Limited Partnership and no distribution to any Partner will be deemed a return or withdrawal of capital. Without limiting the generality of the foregoing, no Partner shall have the right to demand the return of capital, and the Partners shall not demand the return of capital, and capital shall not be returned to the Partners except at the end of the Term. Nothing in this Agreement will prohibit a return of capital in a form other than cash, but no Partner will have the right to demand or receive a return of capital or other distribution in a form other than cash.
- 3.12 **No Interest Payable on Accounts.** No Partner will have the right to receive interest on any credit balance in the Capital Account of that Partner.
- 3.13 **Negative Balance of Capital.** The interest of a Partner in the Limited Partnership will not terminate by reason of a return of capital to that Partner or a negative balance in the Capital Account of that Partner.
- 3.14 **Subordinate Security.** The Parties agree that any security taken or remedies invoked by the Contributing Partner in accordance with this Article 3 shall be subordinate to security and remedies in favour of the lender pursuant to a Debt Financing.

ARTICLE 4

PROFITS, LOSSES, ALLOCATIONS AND DISTRIBUTIONS

- 4.1 **Reimbursement of Costs and Expenses.** The Limited Partnership will reimburse the Managing General Partner for all reasonable costs and expenses properly incurred by it in the performance of its duties under this Agreement, including reasonable costs and expenses directly incurred for the benefit of the Limited Partnership in the Ordinary

Course of Business and other costs and expenses incidental to its acting as the Managing General Partner of the Limited Partnership including any general overhead or administrative costs or expenses incurred by it for this purpose, provided that it is not in default of its duties under this Agreement in connection with the incurring of such costs and expenses, such costs and expenses being “**Partnership Costs and Expenses**”. In allocating general overhead or administrative costs or expenses incurred by it for the benefit of the Limited Partnership in the Ordinary Course of Business the Managing General Partner may allocate the appropriate share of the salary and the cost to it of any associated employee benefits of any of its employees engaged in the performance of the Managing General Partner’s duties under this Agreement. The Managing General Partner will not be entitled to any further fees for acting as Managing General Partner other than as set out in this Agreement and as provided in this Section 4.1 and shall not include a profit element or markup on its costs and expenses beyond what is reasonable and typical of a general partner in similar circumstances or as approved by the lenders in relation to a Debt Financing.

- 4.2 **Allocation of Net Income and Losses.** The net income and net losses of the Limited Partnership for a Fiscal Year will be allocated as to 99.99% to the Class A Unit Holders and the Class B Unit Holders in the same manner as Section 4.4 below and as to 0.01% to the Managing General Partner.
- 4.3 **Determination of Income.** The Managing General Partner will, for each Fiscal Year, compute Taxable Income, if any, or Tax Loss, if any, by claiming the maximum amount of capital cost allowance and all other deductions permitted by the *Income Tax Act*.
- 4.4 **Allocation of Taxable Income and Tax Loss.** The Taxable Income and Tax Loss, if any, of the Limited Partnership for each Fiscal Year will be allocated among the Partners in proportion to their share of Distributable Cash in each Fiscal Year or their Percentage Interest for any taxation year in which there is no Distributable Cash.
- 4.5 **Distributions of Distributable Cash.** Subject to Section 4.6, the Managing General Partner shall distribute Distributable Cash in accordance with the following:
- (a) the Managing General Partner may in its sole discretion and on such dates as the Managing General Partner determines (each such date, a “**Declaration Date**”), which shall not occur until such date as the Project reaches the Commercial Operation Date, make distributions of income or capital to the Partners in any amounts that it considers appropriate. Notwithstanding the foregoing, if the Managing General Partner makes such distributions, it shall do so in accordance with the following:
 - (i) first, Distributable Cash will be distributed to the Managing General Partner in an amount equal to 0.01% of Distributable Cash up to a maximum of \$1,000 in any Fiscal Year;
 - (ii) second, Distributable Cash will be distributed to the Class A Unit Holders in proportion to their Class A Proportion up to a maximum aggregate

distribution equal to a Cash Yield of eleven percent (11%) in a Fiscal Year (the “**Priority Distribution**”);

- (iii) third, Distributable Cash will be distributed to the Class A Unit Holders in proportion to their Class A Proportion up to a maximum aggregate distribution equal to any Shortfall Distribution (the “**Priority Catch-up Distribution**”); and
- (iv) thereafter, the balance of any Distributable Cash will be distributed to the Class B Unit Holders in proportion to their Class B Proportion as indicated on the Record and Register on the Declaration Date.

- (b) The Partners acknowledge and agree that distributions of Distributable Cash contemplated in this Section 4.4 are based on the assumption that the number of Class A Units and Class B Units held by a Partner and the total number of Class A Units and Class B Units will be constant in any Fiscal Year. To the extent that such assumptions are not true in any given Fiscal Year, the distribution will be adjusted accordingly by the Managing General Partner, acting reasonably.

- 4.6 **Restrictions on Distributions.** No distribution of Distributable Cash will be made by the Managing General Partner, if and to the extent that doing so would result in a breach of or default under the terms of any Debt Financing.
- 4.7 **Limitation Prescribed by Statute.** Notwithstanding any other provision of this Agreement, neither the Limited Partnership nor the Managing General Partner will be liable to any Partner for any failure to make any distribution contemplated by this Agreement if such failure arises by reason of statutory or court ordered prohibition.
- 4.8 **Authority to Withhold.** Notwithstanding any other provision in this Agreement, the Managing General Partner may withhold any amounts from any distribution to a Partner required to be withheld under the *Income Tax Act* or any other applicable taxation statute and will pay any such amount on behalf of such Partner in the manner required by law.

ARTICLE 5

POWERS, RIGHTS, AND DUTIES OF THE MANAGING GENERAL PARTNER

- 5.1 **Management of Limited Partnership.** Subject to any matters set out in this Agreement requiring approval by Unanimous Resolution, the Managing General Partner will, acting at all times in accordance with Prudent Industry Practice, without the further authority of any other Partners:
 - (a) have exclusive authority to manage, control, administer and operate, and will manage, control, administer and operate, the operations and affairs of the Limited Partnership and the Limited Partnership Business and the authority to delegate the foregoing to Affiliates or third parties;
 - (b) do or cause to be done any and all acts necessary, appropriate, or incidental to the Limited Partnership Business;

- (c) make all decisions regarding the Limited Partnership Business;
- (d) have full, exclusive, and complete discretion in the management, operation and decommissioning of the Limited Partnership Business; and
- (e) have exclusive authority to bind the Limited Partnership.

The Managing General Partner will have the rights and powers that may be possessed by a general partner pursuant to the *Partnership Act*. No person dealing with the Limited Partnership will be required to verify the authority of the Managing General Partner to take any action or to make any decision in the name of the Limited Partnership.

5.2 **Powers of Managing General Partner.** Subject to, but without limiting the generality of Section 5.1, and in pursuance of the Limited Partnership Business, the Managing General Partner has the following powers, to be exercised in accordance with Prudent Industry Practice, without further authority from any other Partners:

- (a) to negotiate, enter into, execute, and carry out, on behalf of the Limited Partnership, the terms of all agreements involving matters or transactions that are in the Ordinary Course of Business, including, subject to Section 5.8, each of the Material Contracts and all agreements with third parties for rendering services to the Limited Partnership and to represent the Limited Partnership pursuant to such agreements and to enforce the rights of the Limited Partnership under such agreements without further authority from any Partner;
- (b) to borrow funds and to undertake Debt Financing on such terms and conditions as the Managing General Partner considers appropriate and give security in the name of the Limited Partnership or the Managing General Partner for the purpose of financing and refinancing the Limited Partnership Business and operations of the Limited Partnership, but not for any other purpose;
- (c) to purchase liability and other insurance that the Managing General Partner considers necessary or appropriate;
- (d) to execute, on behalf of the Limited Partnership, or designate such Persons as may execute on behalf of the Limited Partnership, any and all documents or instruments or elections for tax or other purposes of any kind which the Managing General Partner may consider appropriate in carrying out the Limited Partnership Business;
- (e) to open and manage in the name of the Limited Partnership bank accounts for the Limited Partnership and to designate from time to time the signatories to such accounts and borrow money from banks and other lenders on behalf of the Limited Partnership and to execute loan, credit, and security agreements on behalf of the Limited Partnership, including a Debt Financing;
- (f) to manage, administer, conserve, develop, operate and dispose of any and all properties or assets of the Limited Partnership and in general to engage in any and all phases of the Limited Partnership Business;

- (g) to hold the Limited Partnership properties in the Limited Partnership name or the name of the Managing General Partner on behalf of the Limited Partnership or cause the properties to be held by such Person or Persons in trust for the Limited Partnership in circumstances where it considers such manner of holding title to be expedient or appropriate;
- (h) to invest cash held as Reserves and subject to the requirements of any Debt Financing to determine the amount of Reserves;
- (i) to engage, at the expense of the Limited Partnership, such legal, accounting, and other professional advisers as the Managing General Partner considers necessary to assist it in performing its duties under this Agreement;
- (j) to commence or defend on behalf of the Limited Partnership any and all actions and other proceedings pertaining to the Limited Partnership Business and the affairs, property, and assets of the Limited Partnership; and
- (k) to execute any and all other deeds, documents, and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement.

5.3 Duties of Managing General Partner. The Managing General Partner will do the following:

- (a) exercise its powers and discharge its duties under this Agreement honestly, in good faith, and with a view to the best interests of the Limited Partnership, and will exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances;
- (b) maintain complete and adequate records of all rights and interests acquired for or disposed of by the Limited Partnership, all correspondence relating to the Limited Partnership Business, and the original records of the statements, bills, and other instruments furnished to the Limited Partnership in connection with the Limited Partnership Business. Such books, records, and registers will be made available for inspection and audit by the Partners or their duly authorized representatives during normal business hours at the office of the Managing General Partner upon three (3) Business Days prior notice by such Partner or representative and the Partners or their duly authorized representatives shall have the right to make copies of our take extracts from the Limited Partnership's books and records;
- (c) maintain adequate records and accounts of all operations and expenditures and submit to the Partners on request a summary of Limited Partnership activities;
- (d) commencing in the Fiscal Year of the Commercial Operation Date, within 90 days following the end of each Fiscal Year and within 90 days after the date of dissolution of the Limited Partnership, forward or cause to be forwarded to the Partners annual financial statements of the Limited Partnership and all necessary income tax reporting information to enable the Partners each to file an income tax

return concerning that Partner's income from the Limited Partnership for such Fiscal Year or upon dissolution as the case may be;

- (e) upon request, to the extent not otherwise provided pursuant to this Agreement or otherwise provide the Limited Partners with copies of any material reports or updates regarding the Limited Partnership Business that are prepared for and provided to any third parties, including those providing Debt Financing.

5.4 **Report to the Partners.**

- (a) If requested by a Class A Unit Holder, the Managing General Partner will, within 15 Business Days of receiving the request, deliver to such Class A Unit Holder:
 - (i) an update on the status of the Limited Partnership Business including all relevant and material details;
 - (ii) a copy of the Capital Budget and any material change thereto;
 - (iii) any proposal in relation to Debt Financing;
 - (iv) executed copies of any material agreements relating to the development of the Project including, without limitation, the power purchase agreement and turbine supply agreement;
 - (v) any proposal that requires a Unanimous Resolution;
 - (vi) a right to inspect and make copies of or take extracts from the Limited Partnership's books.
- (b) If requested by a Class B Unit Holder, the Managing General Partner will, within 15 Business Days of receiving the request, grant such Class B Unit Holder a right to inspect and make copies of or take extracts from the Limited Partnership's books and will provide such Class B Unit Holder true and full information of all things affecting the Limited Partnership.

5.5 **Commingling Of Funds.** The funds of the Limited Partnership will not be commingled with the funds of the Managing General Partner.

5.6 **Withholding Of Limited Partnership Revenues.** The Managing General Partner may withhold and apply revenue from operations, interest, and proceeds of the sale of any Limited Partnership assets to pay Partnership Cost and Expenses but not for any other purpose.

5.7 **Restriction On Partners.** A Partner, other than the Managing General Partner, will not take any part in the management or control of the Limited Partnership Business, transact any business for the Limited Partnership, or have the power to sign for or bind the Limited Partnership.

5.8 **Material Contracts.**

- (a) The Managing General Partner shall have the responsibility to negotiate on behalf of the Limited Partnership, all of the terms and agreements regarding the Material Contracts.
- (b) Where the Managing General Partner proposes to enter into any contract with an Affiliate of the Managing General Partner or of any other Partner for the provision of goods or services to the Limited Partnership the provision of such goods or services must be on *bona fide* arms-length terms that are reasonable and competitive with the costs and terms of the provision of similar goods and services by independent third parties.
- (c) The Managing General Partner shall consider any particular reasonable issues or comments that are identified by the other Partners, but shall not be obliged to amend such Material Contract. For greater certainty, the Managing General Partner in its sole discretion, and without liability, shall determine if any comments or issues identified by the other Partners are to be incorporated into or addressed by the Material Contract.

ARTICLE 6 LIABILITIES OF THE PARTNERS

- 6.1 **The General Partners.** Each General Partner has unlimited liability for the undertakings, liabilities, and obligations of the Limited Partnership. Except in cases of the Managing General Partner's gross negligence or wilful misconduct, the Managing General Partner will not be liable to the Partners for any mistake or error in judgment, any act or omission believed in good faith to be within the scope of the authority conferred on the Managing General Partner by this Agreement, or any loss or damage to the property or assets of the Limited Partnership caused by circumstances beyond the control of the Managing General Partner.
- 6.2 **The Limited Partners.** The liability of a Limited Partner for the undertakings, liabilities, and obligations of the Limited Partnership will, for so long as it remains a limited partner in the Limited Partnership, be limited to the amount of its Capital Contribution plus its Percentage Interest of the undistributed assets of the Limited Partnership. Where a Limited Partner has received a return of all or part of its Capital Contribution, it is liable to the Limited Partnership, or, where the Limited Partnership is dissolved, to its creditors, for an amount, limited to its Capital Contribution returned to it plus any Capital Contribution that has not been returned plus its Percentage Interest of the undistributed income and assets of the Limited Partnership, as necessary to discharge the liabilities of the Limited Partnership to all creditors who become creditors before the return of the Capital Contribution. Each Limited Partner acknowledges and agrees that its limited liability as described above may be lost if such Limited Partner takes an active part in the management of the Limited Partnership Business.

ARTICLE 7 DISPOSITIONS AND ACQUISITIONS

- 7.1 **Transfer Of Interest Of Managing General Partner.** The interest of the Managing General Partner as the General Partner of the Limited Partnership may not be transferred without another general partner of the Limited Partnership first being appointed as the Managing General Partner and the approval of such transfer and appointment by Unanimous Resolution.
- 7.2 **Dispositions.** Subject to the restrictions set out in this Article 7, a Partner may Dispose of its Partnership Interest.
- 7.3 **Prohibitions.** No Disposition of any Partnership Interest may be made or attempted to be made which would be in breach of this Agreement or prohibited by law or if:
- (a) **Breach of Debt Financing or Agreements** – the Disposition or attempted Disposition would constitute a breach of or default under any term, condition of any Debt Financing or any Material Contract or other instrument affecting the Limited Partnership or the Limited Partnership Business unless all consents and approvals are obtained and such consent or approval is provided without any condition that adversely affects the Limited Partnership;
 - (b) **Acceleration of Obligations** – the acceleration of any material indebtedness, liabilities or obligations secured by any Encumbrance or any other material indebtedness, liabilities or obligations of the Limited Partnership or any Debt Financing would occur as a result of the Disposition or attempted Disposition;
 - (c) **Lack of Legal Capacity** – the Transferee is not a Qualified Person or does not have the legal right, power and capacity to carry on business in Canada and become a partner in the Limited Partnership;
 - (d) **Increase in Taxes** – such a Disposition would negatively impact the tax position of the Partners or the Limited Partnership, unless the Partners and/or Limited Partnership are fully compensated for such loss;
 - (e) **Governmental Authority** – if the Disposition causes the loss of an authorization, consent, permit, exemption, approval or other action by, or filing with, or notice to, any Governmental Authority in connection with the Disposition that negatively impacts the Partners or the Limited Partnership or the Disposition causes the Partners or the Limited Partnership to become subject to the control of or regulation by a Governmental Authority;
 - (f) **Representations and Warranties** - if the Transferee is unable to give the representations and warranties of a Partner provided for in this Agreement; or
 - (g) **Sanctions Lists** - if the Transferee is a Person listed under any order or regulation of the *Anti-Terrorism Act*, SC 2001, c 41, the *Special Economic Measures Act*, SC 1992 C 17, the *Freezing Assets of Corrupt Foreign Officials Act*, SC 2011 C10,

the *United Nations Act RSC 1985 CU-2, Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law) SC 2017, c 21, Criminal Code RSC 1985, c C-46*, or any other applicable sanctions law.

The Partners agree to make all reasonable efforts to obtain the consents of any third parties to any Disposition which would be permitted under this Article 7 if those consents were obtained.

- 7.4 **Agreement with Transferee.** No Disposition of any Partnership Interest may be made unless at the time of the Disposition the Transferee enters into an agreement with the other Partners, whereby the Transferee agrees to be bound by and entitled to the benefit of this Agreement to the extent of the Partnership Interest which is the subject of the Disposition and assumes and agrees to pay and perform all the liabilities and obligations of the Partner whose Partnership Interest is the subject of the Disposition to the extent of the Partnership Interest which is the subject of the Disposition and the Transferee and any applicable obligations under any other Material Contracts, as applicable. For purposes thereof, all references in this Agreement to the Partner whose Partnership Interest is the subject of the Disposition will thereafter be construed as references to the Transferee.
- 7.5 **Release of Obligations.** Upon a Disposition permitted by this Agreement which involves a sale, assignment or transfer of the entire Partnership Interest of a Partner, provided it is in compliance with the provisions of a Debt Financing, other than a Disposition required by way of security in favour of a Debt Financing for the Limited Partnership or by a Partner to any lender in respect of financing its initial Capital Contribution or any additional Capital Contribution, that Partner will be released from all indebtedness, liabilities and obligations under this Agreement except to the extent that the indebtedness, liabilities and obligations have arisen from or out of any default of any obligation of that Partner under this Agreement prior to or existing at the time of completion of the Disposition.
- 7.6 **Dispositions by Group.**
- (a) If at any time Group or any Affiliate of Group wishes and intends to sell any of its Units other than to an Affiliate of Group:
 - (i) Group or such Affiliate shall give to DevCo a notice of that intention (the “**First Offer Notice**”) which shall include the Units that it proposes to sell (the “**First Offer Units**”) and to whom if applicable. DevCo will have 30 days from the date of delivery of the First Offer Notice to deliver in writing a binding, *bona fide* offer to purchase the First Offer Units (the “**First Offer**”) which First Offer must specify the price per Unit and all other material terms on which DevCo is prepared to purchase the First Offer Units from Group or such Affiliate.
 - (ii) The First Offer shall be irrevocable and shall remain open for acceptance by Group or its Affiliate for a period of 20 days after the date of delivery of the First Offer. If Group or its Affiliate does not accept the First Offer

within the time allotted, then the First Offer shall be deemed to have been rejected by Group or its Affiliate and Group or its Affiliate shall have the right to sell the First Offer Units to a third party or another Partner on terms and conditions that are no more favourable to such Person(s) than those set out in the First Offer and otherwise subject to the other provisions of this Article 7.

- (b) In the event that an Affiliate of Group holds any Units, Group agrees that it will not transfer the shares or any ownership interest in such Affiliate to any other Person other than another Affiliate of Group unless (i) such transfer satisfies the restrictions on Dispositions as contemplated in Section 7.3; and (ii) without the prior written consent of DevCo, such consent not to be unreasonably withheld, conditioned or delayed.

7.7 Dispositions by DevCo.

- (a) Subject to Sections 7.3, 7.4, 7.5 and 17.16, if at any time DevCo wishes to admit a new Limited Partner to the Limited Partnership, DevCo shall be entitled to sell a portion of its Partnership Interest to the new Limited Partner at a price determined by DevCo in its sole discretion.
- (b) Subject to Sections 7.3, 7.4 and 7.5, DevCo shall have the right to assign and transfer its Units, rights and obligations under this Agreement to an Affiliate, and upon such assignment and transfer, DevCo will be released from all indebtedness, liabilities and obligations pursuant to this Agreement to the extent such indebtedness, liabilities and obligations are transferred to and assumed by such other entity.

7.8 Abandonment of the Project.

- (a) If at any time prior to Financial Close, DevCo wishes to abandon the Project (which shall not include a Disposition of its Partnership Interests), DevCo and Group agree to abide by the procedure set out in this Section 7.8.
- (b) DevCo shall give Group written notice (the “**DevCo Negotiation Notice**”) that it wishes to abandon the Project and proposes to transfer to Group: (1) all of its Partnership Interests, (2) all of Northland BC’s shares in the capital of the General Partner and (3) all of Northland BC’s shares in the capital of DevCo or its shares in the capital of or other ownership interests in any successor to DevCo resulting from a transfer of any permits, approval, permissions, consents, authorizations or similar instruments relating to the Project (collectively the “**DevCo Interest**”) for a purchase price equal to DevCo’s Capital Contributions, or those of its Affiliates, as of the date of the DevCo Negotiation Notice, less:
 - (i) Fifty percent (50%) of the realized value to DevCo or Northland BC of the losses on the books of DevCo as of the Effective Date (the “**DevCo Tax Losses**”) to the extent that such DevCo Tax Losses are no longer available as of the date of the DevCo Negotiation Notice and if the DevCo

Negotiation Notice is issued to Group on or before a date that is two (2) years from the Effective Date; or

(ii) no amounts, if the DevCo Negotiation Notice is issued to Group thereafter, (the “**DevCo Transfer Price**”).

(c) Group shall give DevCo written notice that it is willing to acquire the DevCo Interest as set out in the DevCo Negotiation Notice within thirty (30) days of the date of the DevCo Negotiation Notice.

(d) Group and DevCo agree that Group shall pay the DevCo Transfer Price to Northland BC at various milestone dates (“**Milestone Dates**”) during the Project’s development which shall be agreed to by both parties, acting reasonably.

(e) Closing of the transfer of the DevCo Interest will take place as soon as practicable following the date of the DevCo Negotiation Notice.

7.9 **Pledging Security.** A Partner shall only be permitted to pledge a security interest of its Partnership Interest or of its shares of the Managing General Partner pursuant to a Debt Financing or in the case of a Non-Contributing Partner to a Contributing Partner as security for repayment of to a Partner Loan owed to the Contributing Partner.

ARTICLE 8 ISSUANCE OF UNITS

8.1 **Class B Units.** Other than to a First Nations partner, the Limited Partnership shall not be entitled to issue any Class B Units and the Managing General Partner shall not take any steps to issue any Class B Units to the extent that following such issue, Group will have less than thirty-five per cent (35%) of the Class B Units then issued except with the prior written consent of Group, which consent can be withheld by Group for any reason at its sole discretion.

8.2 **Requirement to Give Pre-Emptive Rights.** If the Managing General Partner resolves to cause the Limited Partnership to issue any Units in addition to those Units listed in Schedule A – INITIAL ISSUED UNITS, the Limited Partnership shall first offer the Units, in accordance with the provisions of this Article 8 to each Partner.

8.3 **Notice of Proposed Issue** The Limited Partnership shall make every offer of Units by written notice to each Partner (a “**Pre-Emptive Right Notice**”), which shall set out:

(a) a description of the Units being offered (the “**Offered Units**”);

(b) the subscription price for each Offered Unit; and

(c) the subscription date (the “**Subscription Date**”), which shall be a date not earlier than thirty (30) days after the date of the notice.

- 8.4 **Subscription.** Each Partner may subscribe for up to its Class A Proportion in respect of Offered Units that are Class A Units or its Class B Proportion in respect of Offered Units that are Class B Units of the Offered Units determined as at the date of the Pre-Emptive Right Notice by giving notice of its subscription (“**Subscription Notice**”) to the Managing General Partner within seven (7) Business Days after receipt of the Pre-Emptive Right Notice (the “**Subscription Period**”). In the event that not all of the Partners elect to purchase their Class A Proportion or Class B Proportion, as the case may be, of the Offered Units within such time, then the Managing General Partner shall promptly give written notice of such to each of the Partners who provided a Subscription Notice, and each such Partner shall then have five (5) Business Days after receipt of such notice to deliver a written notice to the Managing General Partner specifying the number or dollar amount, as the case may be, of Offered Units in excess of its portion that it wishes to purchase.
- 8.5 **Waiver.** If a Partner does not subscribe for any of its portion of the Offered Units within the Subscription Period, it shall be deemed to have waived the offer contained in the Pre-Emptive Right Notice, and the unsubscribed Offered Units of such Partner shall be used to satisfy the subscriptions of the other Partners for Offered Units in excess of their Class A Proportion or Class B Proportion, as the case may be, but no Partner shall be bound to purchase any Offered Units in excess of the amount it requested to purchase in its Subscription Notice.
- 8.6 **Fractions.** If the Offered Units of any issue are not capable, without division into fractions, of being offered to or being allocated between the subscribing Partners according to their Class A Proportion or Class B Proportion, as the case may be, the Offered Units to be purchased by each subscribing Partner shall be rounded down to the nearest whole number.
- 8.7 **Payment and Issuance.** Each Partner subscribing for Offered Units shall pay for, and the Limited Partnership shall issue, the Offered Units on the Subscription Date.
- 8.8 **Offer to Any Person.** If not all of the Offered Units of any issue are subscribed for within the Subscription Period, the Limited Partnership may, during the following period of 180 days, offer and sell to any Person all or any of the Offered Units not taken up by the Partners at a price that is not less than the subscription price offered to the Partners pursuant to this Article 8 and on terms that are no more favourable (from a purchaser’s perspective) in the aggregate than those offered to the Partners under this Article 8 provided and on the condition that such Person has entered into an agreement to be bound by the terms of this Agreement.

ARTICLE 9

ACCOUNTING AND REPORTING

- 9.1 **Books and Records.** The Managing General Partner will keep, during the Term and for a period of 6 years thereafter, at its principal place of business, proper and complete records and books of account reflecting the assets, liabilities, income and expenditures of the

Limited Partnership and such other records and registers as may be required in accordance with Prudent Industry Practice and applicable law.

- 9.2 **Financial Reporting.** The Managing General Partner will furnish to the Partners all the reports and financial statements which may be required by this Agreement and applicable corporate legislation within the required time periods.

ARTICLE 10 DEFAULT

- 10.1 **Events of Default.** For the purposes of this Article 10 any of the following circumstances are Events of Default with respect to a Partner:

- (a) if that Partner is in material default under any of the provisions of this Agreement or the SPA and that default continues for a period of 60 days after written notice of the default has been given by any of the other Partners, or any longer period as may be required to cure the default provided that reasonable steps to cure the default are taken and diligently pursued (*i.e.* an Event of Default occurs only after such time has elapsed and the default has not been cured);
- (b) if that Partner ceases to be a Qualified Person or does not have the legal right, power and capacity to carry on business in Canada;
- (c) in the case of a Partner, the Partner Disposes of its Partnership Interest without complying with the provisions of Article 7 or Article 11;
- (d) that Partner becomes an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy;
- (e) any proceeding is commenced or any step taken by or against that Partner for the dissolution, liquidation or winding-up of that Partner or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other Person with similar powers with respect to that Partner or its Partnership Interest or any substantial part of its Partnership Interest unless it is being contested, actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or stayed within sixty (60) days of institution;
- (f) if an encumbrancer takes possession of that Partner's Partnership Interest or any substantial part of that Partnership Interest, or if a distress or execution or any similar process is levied or enforced upon or against that Partner's Partnership Interest, provided that the process will not be considered an Event of Default if:
 - (i) it is in good faith being diligently disputed by that Partner; or

- (ii) non-payment to the encumbrancer shall not in the reasonable opinion of the other Partners adversely affect the title to the Partnership Interest against which the process is levied; and
- (iii) if that Partner desires to contest the process, it gives security which, in the reasonable opinion of all of the other Partners is deemed sufficient to pay in full the amount claimed if it is held to be a valid claim.
- (g) if that Partner is in breach of the terms of a Debt Financing and the lenders to such Debt Financing have called an Event of Default under the Credit Agreement applicable to the Debt Financing.
- (h) if the Partner, its Affiliates or Person who Controls such Partner, is a Person listed under any order or regulation of the *Anti-Terrorism Act*, SC 2001, c 41, the *Special Economic Measures Act*, SC 1992 C 17, the *Freezing Assets of Corrupt Foreign Officials Act*, SC 2011 C10, the *United Nations Act RSC 1985 CU-2*, *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* SC 2017, c 21, *Criminal Code RSC 1985, c C-46*, or any other applicable sanctions law.

In the event of the occurrence of more than one of the circumstances set forth in this Section 10.1 in respect to a Partner, each such circumstance shall be deemed to be a separate Event of Default. However, the continuation of an Event of Default for more than one day does not in itself constitute a separate Event of Default.

10.2 Remedies Available to Non-Defaulting Partners. If an Event of Default has occurred and is continuing, any Non-Defaulting Partner shall have the right to do any or all of the following:

- (a) bring any proceedings in the nature of specific performance, injunction, or other equitable remedy, it being acknowledged and agreed by each of the Partners that damages at law may be an inadequate remedy for a default or breach of this Agreement; or
- (b) remedy the Event of Default and any other default of the Defaulting Partner under this Agreement or under any other agreements entered into by or on behalf of the Limited Partnership, and be entitled upon demand to be reimbursed by the Defaulting Partner for any money expended to remedy any Event of Default and any other reasonable expenses incurred by the Non-Defaulting Partner, together with interest at the rate of 18% per annum from the time such money is expended until reimbursed;
- (c) bring any action at law as may be necessary or advisable in order to recover damages and costs;
- (d) in the case of an Event of Default by a Partner, a Non-Defaulting Partner may elect to purchase the Defaulting Partner's Partnership Interest and all of the shares of the Managing General Partner owned by the Defaulting Partner or its Affiliate for a price equal to the Discounted Appraised Value by delivering to the Defaulting

Partner a Default Notice of that election, whereupon a binding contract of purchase and sale for the Defaulting Partner's Partnership Interest and all of the shares of the Managing General Partner owned by the Defaulting Partner or its Affiliate for that price will be deemed to be formed between the Non-Defaulting Partner and the Defaulting Partner which will be completed in accordance with the provisions of Article 11 within 30 days of the determination of the Appraised Value of the Defaulting Partner's Partnership Interest and all of the shares of the Managing General Partner owned by the Defaulting Partner or its Affiliate;

10.3 Consequences of an Event of Default.

- (a) If an Event of Default has occurred and is continuing, if the Defaulting Partner is a Class A Unit Holder, the Defaulting Partner's voting rights shall be suspended during the duration of the Event of Default, and the Defaulting Partner shall be prohibited from Disposing of its Units to any Person, except for in accordance with Section 10.2(d).
- (b) If Group is a Defaulting Partner due to a breach of the SPA as contemplated by Section 10.1(a), DevCo shall have the right to send a notice of such Event of Default to the Managing General Partner (a "**Notice of Default**"), and upon receipt of any Notice of Default by the Managing General Partner, the Managing General Partner will hold any Distributable Cash otherwise payable to Group from and after the date of such Notice of Default in escrow until either (a) DevCo provides notice to the Managing General Partner that such Event of Default has been cured, (b) DevCo and Group provide joint notice to the Managing General Partner relating to the release of such Distributable Cash, or (c) either DevCo or Group provide the Managing General Partner with a final and non-appealable judgment of a court of competent jurisdiction ordering the release of such Distributable Cash.

ARTICLE 11 COMPLETION

11.1 Determination of Appraised Value.

- (a) In any case where a Partnership Interest is to be sold at its Discounted Appraised Value pursuant to Section 10.2(d), the Appraised Value will be:
 - (i) Prior to Financial Close, the fair market value of the Class A Units, being the Seller's Percentage Interest in respect of the cash price which a ready, willing and able arm's length purchaser would pay to purchase all of its Class A Units. The Appraised Value of Class B Units shall be \$1 in total.
 - (ii) Following Financial Close, the fair market value of the Class A Units and Class B Units, being the Seller's Percentage Interest in respect of the cash price which a ready, willing and able arm's length purchaser would pay to purchase all of its Partnership Interest.

- (b) The Partners will attempt to agree upon the Appraised Value within 60 days after the delivery of the notice giving rise to the purchase and sale of the Partnership Interest. If the Partners fail to agree upon the Appraised Value within that 60 day period or such longer period as they agree, a Person qualified to provide a determination of the fair market value by virtue of its knowledge of the Ontario or British Columbia electricity sector, (the “**Evaluator**”) will determine the Appraised Value based on the criteria set out in this Section 11.1. Notwithstanding the foregoing, the Partner’s agree that prior to Financial Close, the Class B Units have an Appraised Value of \$1 pursuant to Section 11.1(a)(i).
- (c) The Evaluator will be appointed by agreement of the Partners and if the Partners fail to agree upon an Evaluator within 10 days after the expiration of the 60 day period or such longer period as they agree, the Evaluator will be selected by the auditor for the Limited Partnership. The Evaluator will be at arm’s length from the Partners and their Affiliates and be experienced in the business of appraising assets similar to those comprising the Limited Partnership Business.
- (d) The Evaluator will have access to all books of account, records, vouchers, cheques, papers and documents of each of the Partners which may relate to the Limited Partnership Business and the Partnership Interest being sold. Each Partner will cooperate with the Evaluator for such purpose and provide all information and documents requested by the Evaluator.
- (e) In the determination of the Appraised Value, the Evaluator will have regard to all relevant considerations including historic and potential performance and will make all proper and necessary allowances for contingent or other liabilities of the Limited Partnership. The Evaluator will have the right to retain those experts as the Evaluator may deem necessary to assist the Evaluator in making the valuation.
- (f) The Evaluator will be instructed to report the Evaluator’s determination of any matter referred to the Evaluator pursuant this Section 11.1 in writing to the Partners and the Evaluator’s report will be binding upon them.
- (g) At the time of the Evaluator’s appointment, the Evaluator will be requested to make the Evaluator’s report within 30 days, but the Evaluator will not make the Evaluator’s report until the Evaluator has given to the Partners reasonable opportunity to present arguments and evidence in respect of the appraisal, which period shall not exceed 60 days after the date of the Evaluator’s appointment. The Evaluator will be deemed to be acting as an expert and not as an arbitrator, and the Evaluator’s fees and expenses will be paid:
 - (i) in the case of the determination of an Appraised Value in connection with a sale and purchase of a Defaulting Partner’s Partnership Interest and all shares of the General Partner owned by the Defaulting Partner or its Affiliate(s) under Article 10, by the Defaulting Partner, and failing such payment may be deducted from any amount otherwise payable to the Defaulting Partner; and

(ii) in all other cases, equally by each of the Partners.

11.2 Time and Place of Closing. The Closing of any purchase and sale of a Partnership Interest and the shares of the Managing General Partner shares from a Buyer to a Seller will be held at 10:00 a.m., local time, at such place as the Buyer and the Seller may agree, or failing such agreement at the office of the Buyer's solicitors, on the date within the relevant timeframe stipulated under this Agreement or on such earlier day as the Buyer and the Seller may agree, in accordance with the provisions of this Article 11. In the event that the Buyer and Seller do not agree as to the date of Closing, the Buyer shall determine a date for Closing which shall be 30 days after the delivery of the Evaluator's report under Section 11.1(f).

11.3 Purchase Price Payable at the Closing. The purchase price for the Seller's Partnership Interest and all shares of the Managing General Partner owned by the Seller or its Affiliate(s) will be payable by the Buyer to the Seller at the Closing provided that, if the Seller is indebted to the Buyer, the Buyer will be entitled to deduct the amount of that indebtedness from the purchase price and apply that amount on account of the indebtedness.

11.4 Documents and Payment to be Delivered at the Closing. At the Closing:

- (a) the Seller will represent and warrant to the Buyer that upon Closing the Buyer will acquire the absolute legal and beneficial ownership of the Seller's Partnership Interest and all shares of the Managing General Partner owned by the Seller or its Affiliate(s) free and clear of any Encumbrance of any nature or kind whatsoever (unless Buyer agrees to acquire and to be bound by same) and will deliver to the Buyer all documents, instruments and releases and will take all such steps and do all such acts and things as may be necessary or desirable to vest such title in the Buyer and to comply with and to fulfil the intent of this Agreement, and any books and records of the Limited Partnership which are then in the possession or control of the Seller;
- (b) the Buyer will pay the purchase price for the Seller's Partnership Interest and all shares of the Managing General Partner in full, less the amount of any indebtedness of the Seller to the Buyer paid out of the purchase price pursuant to Section 11.3, in lawful money of Canada by bank draft or certified cheque and will execute and deliver all such documents and do all such acts as may be required to comply with and to fulfil the intent of this Agreement;
- (c) if after giving effect to any indebtedness of the Seller to the Buyer paid out of the purchase price pursuant to Section 11.3 the Seller is still indebted to the Buyer, the Seller will pay that indebtedness to the Buyer, and
- (d) if the Buyer is indebted to the Seller, the Buyer will pay that indebtedness to the Seller.

11.5 Failure to Complete by the Seller. Subject to Section 11.7, if the Seller fails to attend the Closing or is present but fails for any reason whatsoever other than due to a default by

the Buyer to complete the sale of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner as provided in this Article 11, and the Buyer is ready, willing and able to complete the purchase of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner as provided in this Article 11, then:

- (a) the purchase price for the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner, less the amount of any indebtedness of the Seller to the Buyer paid out of the purchase price pursuant to Section 11.3, may be deposited in a special account in the name of the Seller at the main branch of the principal banker for the Limited Partnership, and upon that deposit the Buyer is hereby irrevocably appointed and constituted attorney for the Seller with the full power and authority to execute and deliver any and all assignments and other instruments of transfers as may be necessary or desirable to complete the transaction of purchase and sale (and such appointment and power of attorney will not be revoked by the bankruptcy, insolvency, winding-up, liquidation, dissolution or incapacity of the Seller) and the Seller hereby ratifies and confirms and agrees to ratify and confirm all that the Buyer, as attorney in fact and agent for, in the name of and on behalf of the Seller, may lawfully do or cause to be done by virtue of this Section 11.5(a); or
- (b) the Buyer may, by delivering written notice to the Seller, terminate the obligation of the Buyer to complete the purchase of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner without prejudice to any further claim by the Buyer against the Seller arising pursuant to this Agreement, including any claim for further damages.

11.6 Failure to Complete by the Buyer. Subject to Section 11.7, if the Buyer fails to attend the Closing or is present but fails for any reason whatsoever other than due to a default by the Seller to complete the purchase of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner as provided in this Article 11, and:

- (a) the Seller is ready, willing and able to complete the sale of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner as provided herein, then the Seller may, by delivering written notice in writing to the Buyer, terminate the obligation of the Seller to complete the sale of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner without prejudice to any further claim by the Seller against the Buyer arising pursuant to this Agreement including any claim for further damages; or
- (b) the Seller is not ready, willing and able to complete the sale of the Seller's Partnership Interest as provided in this Section 11.6, the obligations of the Buyer and the Seller to complete the purchase and sale of the Seller's Partnership Interest and, if applicable, all shares of the Managing General Partner will terminate.

11.7 Failure of Either to Complete. If either the Seller or the Buyer fails to complete as required in this Article 11, the obligation of that party to complete is specifically enforceable subject to any provision of this Agreement to the contrary. Notwithstanding

the foregoing sentence, the Buyer where it is purchasing pursuant to its rights pursuant to Section 10.2(d), may choose in its sole discretion whether to complete the purchase of the Seller's Partnership Interest and if it determines not to proceed, it shall have no liability for failure to do so under Section 11.6 and shall not be subject to any claim for specific performance of such purchase.

- 11.8 **Obligations After Closing.** If at the time of Closing the Seller is liable or responsible for any indebtedness, liabilities or obligations of the Limited Partnership which the Buyer has agreed to assume, the Buyer will use reasonable good faith efforts to cause the Seller to be released from the indebtedness, liabilities or obligations and, to the extent that the Buyer is unable to deliver up any such releases, the Buyer will indemnify and hold harmless the Seller from all claims arising out of such indebtedness, liabilities and obligations after Closing.

ARTICLE 12 DISSOLUTION AND TERMINATION

- 12.1 **Events of Dissolution.** The Limited Partnership will dissolve upon the occurrence of the first of any of the following to occur:
- (a) the bankruptcy, insolvency, liquidation, or dissolution of the Managing General Partner or the occurrence of any other event which would permit a trustee or receiver to administer the affairs of the Managing General Partner, and the Managing General Partner is not replaced as provided for in Section 14.3;
 - (b) the occurrence of any event which, under the laws of British Columbia, causes the dissolution of a limited partnership;
 - (c) the end of the Fiscal Year in which all of the property of the Limited Partnership is sold; and
 - (d) if all Partners agree to dissolve the Limited Partnership.
- 12.2 **Distribution Of Assets.** Upon the dissolution of the Limited Partnership, the Managing General Partner or, if the dissolution is caused by the dissolution, insolvency, or bankruptcy of the Managing General Partner, such other Person ("**Liquidator**") as may be appointed by Unanimous Resolution, will in the following order:
- (a) sell or otherwise dispose of such of the Limited Partnership's assets as the Managing General Partner or Liquidator will consider appropriate for the purpose of making the payments contemplated by this Agreement;
 - (b) pay or provide for the payment of the debts and liabilities of the Limited Partnership and liquidation expenses;
 - (c) pay or provide to the extent permitted by law for the payment of the loans, if any, from the Partners to the Limited Partnership;

- (d) distribute the remaining assets of the Limited Partnership to the Partners pro rata to their respective Class A Unit ownership; and
 - (e) satisfy all applicable formalities in such circumstances as may be prescribed by the laws of British Columbia and such other jurisdictions where the Limited Partnership may be registered.
- 12.3 **Restriction On Dissolution and Distribution.** Except as otherwise permitted under this Agreement, the Partners will not have the right to call for the dissolution of the Limited Partnership, for the winding-up of its affairs or for the distribution of its assets.
- 12.4 **Effective Date of Dissolution.** Dissolution of the Limited Partnership is effective on the day on which the event occurs which gives rise to the dissolution, but notwithstanding the dissolution of the Limited Partnership, this Agreement will not terminate until all the provisions of Section 12.2 have been complied with.

ARTICLE 13 REPRESENTATIONS, WARRANTIES AND COVENANTS

13.1 **Representations, Warranties and Covenants of the Managing General Partner.** The Managing General Partner represents and warrants to and covenants with the Partners that:

- (a) it is a body corporate, duly incorporated under the laws of British Columbia, and it is and will continue to be duly existing and in good standing under those laws and under the laws of any jurisdiction where it carries on business;
- (b) it has, and will continue to have, the capacity to act as the Managing General Partner, and its obligations in this Agreement do not conflict with or constitute a default under its constating documents, or any agreements by which it is bound, and this Agreement has been duly authorized by all necessary corporate action by the Managing General Partner and constitutes a valid and legally binding obligation of the Managing General Partner; enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (c) it will exercise the powers conferred upon it under this Agreement in pursuance of the Limited Partnership Business;
- (d) it holds or will obtain and will maintain the registrations necessary for the conduct of the Limited Partnership Business and it has and will continue to have the licences and permits necessary to exploit the Limited Partnership Business in all jurisdictions where the activities of the Limited Partnership require such licensing or other form of registration; and
- (e) it is a Qualified Person.

13.2 **Representations and Warranties.** Each Partner represents and warrants to each of the other Partners that:

- (a) is a corporation duly incorporated, amalgamated or continued, and existing, under the laws of the jurisdiction of its incorporation, amalgamation or continuance, and has all necessary corporate power and capacity to enter into and perform its obligations under this Agreement;
- (b) has taken all necessary corporate action to authorize the execution and delivery by it of its obligations under this Agreement;
- (c) has duly executed and delivered this Agreement, and that this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies, such as specific performance and injunction, are discretionary remedies;
- (d) requires no authorization, consent, permit, exemption, approval or other action by, or filing with, or notice to, any Governmental Authority in connection with the execution and delivery by it of this Agreement or the performance of its obligations under this Agreement;
- (e) is not a Person listed under any order or regulation of the *Anti-Terrorism Act*, SC 2001, c 41, the *Special Economic Measures Act*, SC 1992 C 17, the *Freezing Assets of Corrupt Foreign Officials Act*, SC 2011 C10, the *United Nations Act RSC 1985 CU-2*, or any other applicable sanctions law;
- (f) is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or committed or threatened to commit any act of bankruptcy;
- (g) there are no proceedings commenced or any steps taken by or against it for the dissolution, liquidation or winding-up of it or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other Person with similar powers;
- (h) it is a Qualified Person;
- (i) will not, in the execution and delivery by it of this Agreement, and the performance of its obligations under this Agreement, breach or create a default under:
 - (i) any of its constating documents;
 - (ii) any applicable law; or
 - (iii) any contract or covenant by which it is bound; and

- (j) is not a party to any action, litigation or other proceeding in progress, pending or, to its knowledge, threatened against it which might result in a material adverse change in its financial condition or which would materially adversely affect its ability to perform its obligations under this Agreement.

13.3 **Survival of Representations and Warranties.** The representations and warranties made in this Article 13 will survive execution of this Agreement and each Partner will ensure that each representation and warranty made in this Article 13 remains true so long as that Partner remains a partner in the Limited Partnership.

13.4 **Development Fee.**

- (a) On Financial Close, the Managing General Partner will cause the Limited Partnership to pay Group a development fee in an amount equal to Sixty Seven Thousand Five Hundred (\$67,500.00) dollars multiplied by the total number of megawatts of capacity actually built as part of the Project (the “**Development Fee**”), up to a maximum size of 500 megawatts of capacity which will result in a maximum payment of \$33,750,000.00 dollars (the “**Development Fee Cap**”). On Financial Close, the Limited Partnership shall pay the Development Fee to Group by official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds to Group, that is acceptable to the Limited Partnership and Group, acting reasonably.
- (b) If the Development Fee does not equal the Development Fee Cap, Group will be entitled to receive a further development fee (the “**Future Phase Development Fee**”) which shall be calculated by multiplying Sixty Seven Thousand Five Hundred (\$67,500.00) dollars by the total number of megawatts of capacity actually built as part of the future phase of the Project up to the Development Fee Cap. On financial close of the future phase of the Project, the Limited Partnership shall ensure the Future Phase Development Fee is paid to Group by official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds to Group, that is acceptable to the Limited Partnership and Group, acting reasonably.

ARTICLE 14 PARTNERSHIP MEETINGS

14.1 **General Meetings.** The Managing General Partner will, at least once per annum, call a general meeting of the Partners and the location of such meetings shall be at the registered office of the Limited Partnership or such other place determined by the Managing General Partner from time to time.

14.2 **Meetings.** If requested by a Partner, the Managing General Partner will, within 20 Business Days of receiving the request, call a meeting of the Limited Partnership.

- 14.3 **Unanimous Resolution.** Subject to the requirements of the lenders pursuant to a Debt Financing, in addition to all other powers conferred on the Partners by this Agreement, the following may only occur by Unanimous Resolution:
- (a) removal and replacement of the Managing General Partner or transfer of the interest of the Managing General Partner in the Limited Partnership;
 - (b) subject to Section 17.19, any amendments to this Agreement;
 - (c) the disposal of all or substantially all the assets of the Limited Partnership or the Project; and
 - (d) approval of participation of the Limited Partnership in generation projects other than the Project.
- 14.4 **Decisions By the Managing General Partner.** Any matters or actions to be determined, undertaken, or implemented by the Limited Partnership other than as is otherwise expressly provided for in Section 14.3 of this Agreement will be determined, undertaken, or implemented solely by the Managing General Partner.

ARTICLE 15 NOTICES

15.1 **Notices.** In this Agreement:

- (a) Any notice, demand or other communication (in this Section 15.1, a “**notice**”) required or permitted to be given or made under this Agreement must be in writing and is sufficiently given or made if:
 - (i) delivered in person and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below;
 - (ii) sent by prepaid courier service or mail (except in the case of actual or apprehended disruption of postal service); or
 - (iii) sent by facsimile transmission, with confirmation of transmission by the transmitting equipment (a “**Transmission**”);

in the case of a notice to Group addressed to it at:

570 – 355 Burrard St.
Vancouver, British Columbia V6C 2G8
Attention: Michael O’Connor
Fax: 604 685 4215

with a copy to:

Mogan Daniels Slager

1700 – 1185 West Georgia St.
Vancouver, British Columbia, Canada V6E 4E6
Attention: Geoff Peters
Fax: 604 689 8835

and in the case of a notice to DevCo, addressed to it at:

30 St. Clair Avenue West
12th Floor
Toronto, Ontario
M4V 3A1
Attention: General Counsel
Facsimile No.: 416-962-6266

- (b) Any notice sent in accordance with this Section 15.1 shall be deemed to have been received:
 - (i) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery;
 - (ii) if sent by email with acknowledgement of receipt;
 - (iii) if sent by mail, on the 5th Business Day in the place where the notice is received after mailing, or, in the case of disruption of postal service, on the 5th such Business Day after cessation of that disruption;
 - (iv) if sent by facsimile during normal business hours on a Business Day in the place where the Transmission is received, on the same day that it was received by Transmission, on production of a Transmission report from the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the relevant facsimile number of the recipient; or
 - (v) if sent in any other manner, on the date of actual receipt; except that any notice delivered in person or sent by Transmission not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, shall be deemed to have been received on the next succeeding Business Day in the place where the notice is received.
- (c) Any Party may change its address for notice by giving notice to the other Parties.

ARTICLE 16

POWER OF ATTORNEY

- 16.1 **Power Of Attorney.** Each Partner, excluding the Managing General Partner, irrevocably constitutes and appoints the Managing General Partner as may be appointed in accordance with the terms of this Agreement, with such power of substitution, as its true and lawful

attorney and agent, with full power and authority in its name, place, and stead, to do the following:

- (a) execute, swear to, file, and record in the appropriate public offices any and all of the following:
 - (i) all certificates, amendments to certificates, declarations, and other instruments necessary or appropriate to qualify, or continue the qualification of, the Limited Partnership as a limited partnership in all jurisdictions in which it may conduct business;
 - (ii) all instruments, declarations, and certificates necessary or appropriate to reflect any amendment, change, or modification to this Agreement in accordance with its terms;
 - (iii) all conveyances and other instruments or documents necessary or appropriate to effect the dissolution and liquidation of the Limited Partnership, including the cancellation of any certificates, in accordance with the terms of this Agreement;
 - (iv) all documents and instruments relating to the admission of additional or substituted limited partners in the Limited Partnership; and
 - (v) all elections, determinations, or designations in connection with the business of the Limited Partnership permitted under the *Income Tax Act* or any other applicable taxation or other similar legislation or laws of Canada or of any Province in respect of a Partner's Partnership Interest or the affairs of the Limited Partnership;
- (b) enter into, execute, and deliver on behalf of the Partners, such agreements, notices, and directions to pay as may be necessary or desirable in the opinion of the General Partner to facilitate any financing arrangements relating to the business of the Limited Partnership including any Debt Financing;
- (c) execute and file on behalf of the Limited Partnership with any Governmental Authority any documents necessary or appropriate to be filed in connection with the business of the Limited Partnership or in connection with this Agreement;
- (d) execute and deliver transfer forms and such other documents and instruments on behalf of or in the name of the Partners as may be necessary to effect the sale of Units in accordance with the provisions of this Agreement; and
- (e) execute and deliver all other documents or instruments on behalf of or in the name of the Limited Partnership and for the Partners as may be considered necessary or appropriate by the Managing General Partner to carry out fully the provisions of this Agreement in accordance with its terms.

The foregoing power of attorney is hereby declared by each Partner to: be irrevocable for so long as the Partner is a Partner; be a power coupled with an interest; survive the assignment (to the extent of the Partner's obligations under this Agreement) by the Partner of the whole or any part of its Partnership Interest and shall extend to the successors, and assigns of the Partner; and may be exercised by the Managing General Partner executing on behalf of the Partner any instrument with a single signature as attorney and agent for the Partner. The Partners agree to be bound by any representations and actions made or taken in good faith by the Managing General Partner pursuant to such power of attorney in accordance with the terms of it and waive any and all defences which may be available to contest, negate, or disaffirm the actions of the Managing General Partner taken in good faith under such power of attorney.

- 16.2 **Binding Effect.** Each Partner agrees and acknowledges that they are bound by the provisions of this Agreement and will be bound by any representations and actions made or taken by the Managing General Partner and any successor to it, while acting in good faith pursuant to the power of attorney as granted, and will make contributions of capital as required pursuant to this Agreement.

ARTICLE 17 MISCELLANEOUS

- 17.1 **Confidentiality.** Each Party shall hold in the strictest confidence and shall not, without the prior written consent of the other Parties, use or disclose to any Person who is not a Party, directly or indirectly, any Confidential Information, except that a Party shall not be precluded by this Section 17.1 from disclosing Confidential Information if:
- (a) the Confidential Information is generally available to the public other than as a result of disclosure by that Party;
 - (b) at the time of disclosure the Confidential Information is already known to the receiving party otherwise than pursuant to a breach of an obligation of confidentiality;
 - (c) the disclosure of the Confidential Information is required by any applicable law, regulation, court order or Governmental Authority, and, if permitted by applicable law, reasonable prior notice and opportunity to comment is provided to the other Parties;
 - (d) the Confidential Information relates to the terms and conditions of this Agreement, is disclosed by a Party to any of its shareholders, directors, officers, employees, auditors, advisors, lenders including potential lenders, and investors including potential investors, as required to conduct their respective businesses and affairs, and is disclosed on the condition that the Persons receiving such information do not disclose such information to any other Person; and
 - (e) a legal proceeding is commenced by any Party as against any other Party and Confidential Information must be disclosed to a court of competent jurisdiction in

respect of the proceeding, but such disclosing Party shall seek an order from such court to seal such information such that it is not available to the public.

The provisions of this Section 17.1 shall survive the end of the Term and the termination of this Agreement.

- 17.2 **Governing Law and Jurisdiction.** The Parties agree that this Agreement is governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in the Province. In respect of this Agreement and its interpretation and enforcement, each Party irrevocably and unconditionally attorns to the exclusive jurisdiction of the courts of the Province of British Columbia.
- 17.3 **Counterpart Signatures.** This Agreement may be executed in two or more counterparts, all such counterparts shall together constitute one and the same Agreement.
- 17.4 **Construction.** This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.
- 17.5 **Certain Rules of Interpretation.** In this Agreement:
- (a) the division into Articles and Sections, and the insertion of headings and the Table of Contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
 - (b) the expressions “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**”, “**hereby**” and similar expressions refer to this Agreement as a whole and not to any particular portion of this Agreement; and
 - (c) unless specified otherwise or the context otherwise requires:
 - (i) references to any Article, Section or Schedule are references to the Article or Section of, or Schedule to, this Agreement;
 - (ii) “**including**” or “**includes**” means “including (or includes) but is not limited to”, and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
 - (iii) “**the aggregate of**”, “**the total of**”, “**the sum of**”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”;
 - (iv) references to any legislation, statutory instrument or regulation, or a section thereof, are references to the legislation, statutory instrument, regulation or section as amended, restated and in effect from time to time; and
 - (v) words in the singular include the plural and vice versa, and words in one gender include all genders; and (vi) references to any agreement or

contract are references to any amendment, restatement or revision thereof or a supplemental or replacement agreement or contract.

- 17.6 **Computation of Time.** In this Agreement, unless specified otherwise or the context otherwise requires:
- (a) a reference to a period of days is deemed to begin on the first day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;
 - (b) all references to specific dates mean 5:00 p.m. on the dates;
 - (c) all references to specific times shall be references to Vancouver, British Columbia time; and
 - (d) with respect to the calculation of any period of time, references to “**from**” mean “from and excluding” and references to “**to**” or “**until**” mean “to and including”.
- 17.7 **Performance on Business Days.** If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.
- 17.8 **Currency.** In this Agreement, unless specified otherwise, references to dollar amounts or “\$” are to Canadian dollars.
- 17.9 **Accounting Terms.** In this Agreement, unless specified otherwise, each accounting term has the meaning assigned to it under IFRS.
- 17.10 **Provisions Severable.** If any provision of this Agreement, or the application of such provision to any Person or circumstance, will be held invalid, the remainder of this Agreement, or the application of such provision to any Person or circumstance other than those to which it is held invalid, will not be affected by the offending provision, or the application thereof, as the case may be.
- 17.11 **Independent Advice.** Each of the Parties acknowledges and agrees that it has been advised to seek independent legal advice with respect to entering into this Agreement and each of them states that it has done so.
- 17.12 **Further Assurances.** Each Party agrees to do all such things and take all such actions as may be necessary to give full force and effect to the matters contemplated by this Agreement.
- 17.13 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersede any previous agreements, understandings, negotiations and discussions between the Parties concerning the subject matter, and there are no other written or verbal agreements or representations, warranties,

covenants, conditions or other terms other than those expressly contained in this Agreement.

17.14 **Time is of the Essence.** Time shall be of the essence of this Agreement.

17.15 **Successors And Assigns.** This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

17.16 **First Nation Participation.** The Partners agree that if and to the extent that a First Nations group participates in the Project:

- (a) where a First Nations group is admitted as a Partner, by the existing Partner's Partnership Interests being diluted pro rata to their respective Partnership Interests and, for clarity, where a First Nations group receives any other distribution of cash from the Partnership (by way of royalty agreement or otherwise) it shall be considered to be a Partnership Cost and Expense;
- (b) should a First Nations group be admitted as a Partner, subject to the principle in Section 17.16(a), the Partners agree to work in good faith to adopt an organizational structure between the Partners that is in the best interests of the Limited Partnership and the Limited Partnership Business, as determined by the General Partner acting reasonably, which may include the creation of another limited partnership and establishing a leasehold arrangement for assets required to operate the Project or such other structures to be determined; and
- (c) the Partners agree to do all such things and take all such actions as may be necessary to give full force and effect to the matters contemplated by this Section 17.16.

17.17 **Assignment.** No Party shall be entitled to assign any of its rights or obligations under this Agreement except in connection with a Disposition of a Partnership Interest made in accordance with the provisions of Article 7.

17.18 **Non-Competition.** Each Partner agrees, for so long as it is a Partner, that it shall not and shall cause its officers, directors, employees, agents, and Affiliates to not, directly or indirectly through one or more of any of its or their respective Affiliates, own, manage, operate, Control or participate in the ownership, management, operation or Control of any Person that directly or indirectly competes with the Limited Partnership Business or any future phase of the Project (or any portion thereof) or whose business is or includes the Limited Partnership Business (or any portion thereof) or any future phase of the Project (collectively a "**Competitor**"); provided that nothing in this Section 17.18 shall prohibit:

- (a) such party from acquiring or owning directly or indirectly voting securities of any Competitor that is a publicly traded Person;
- (b) Joe Houssian from owning, managing, operating, Controlling or participating in the ownership, management, operation or Control of Elemental Energy;

- (c) Philip Hughes from owning, managing, operating, Controlling or participating in the ownership, management, operation or Control of Instream Energy Systems Corp. and Kinetikor Resources Inc.; or
- (d) Northland Power Inc., or its Affiliates, from engaging, either directly or indirectly, in the ownership, management, operation or maintenance of (i) an onshore electricity power project or (ii) an offshore electricity power project that is located at least 50 km from the Site.

17.19 **Amendments.** No amendment may be made to this Agreement unless such amendment is in writing and signed by all of the Parties to this Agreement.

[Execution Page Immediately Follows]

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement as of the date first set out above.

[● WIND GP INC.]

Per:

Per:

**NAIKUN WIND ENERGY GROUP
INC.**

**[NAIKUN WIND
DEVELOPMENT INC.]**

Per:

Per:

Per:

Per:

SCHEDULE A – INITIAL ISSUED UNITS

Partner	Type of Unit	Number of Units
● GP Inc.	General Partner Unit	1
NaiKun Wind Energy Group Inc.	Class B	35
NaiKun Wind Development Inc.	Class A	100
NaiKun Wind Development Inc.	Class B	65

SCHEDULE 1.1(91) SPECIFIED AREA

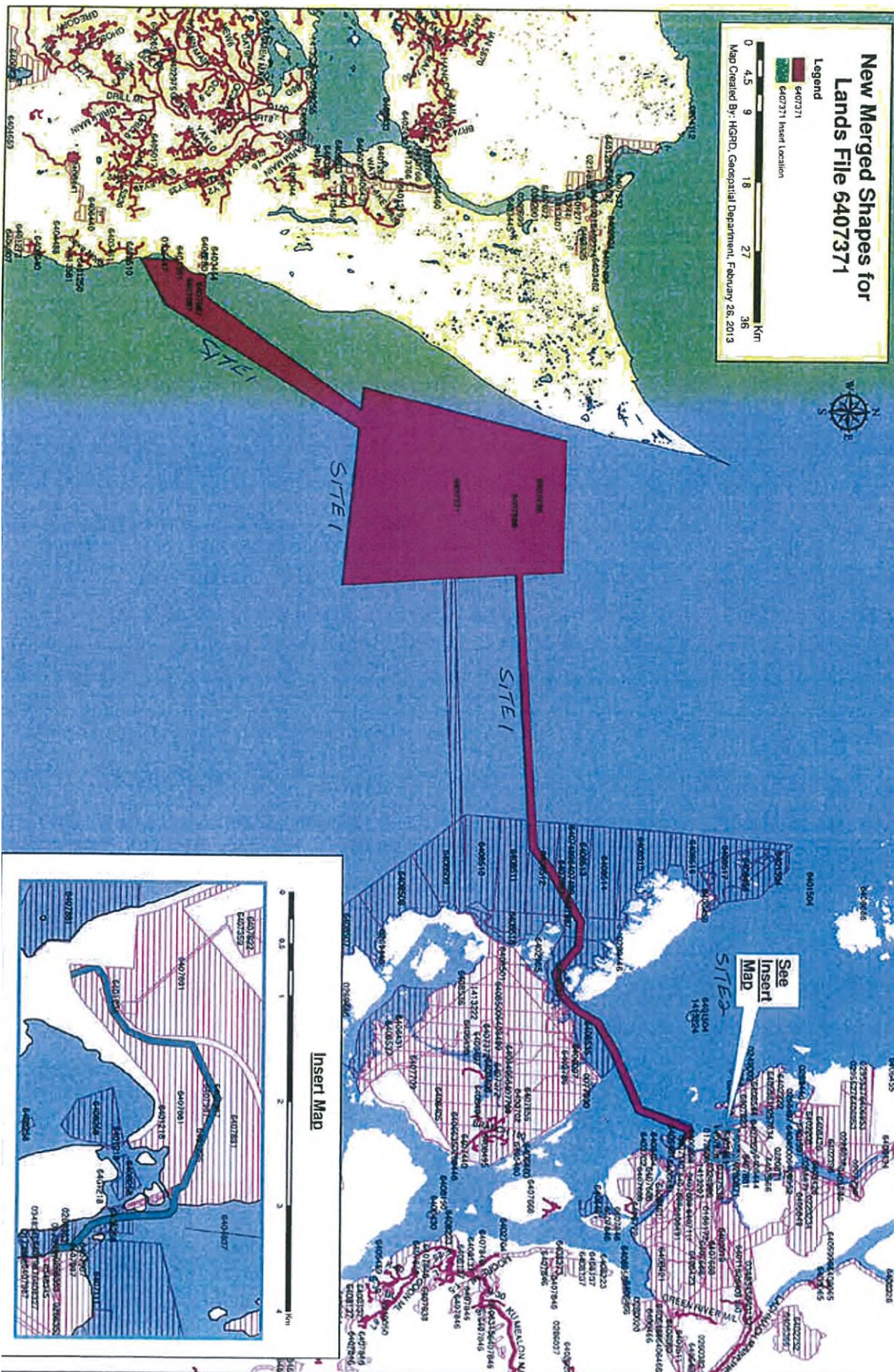
Legend

4407371

4407371 Inset Location

0 4.5 9 18 27 36 Km

Map Created By: HGRD, Geospatial Department, February 26, 2013



SCHEDULE 1.1(96) TAX REORGANIZATION

The “Tax Reorganization” shall involve the following steps:

- (1) DevCo will incorporate a new wholly owned corporation under the Canada Business Corporations Act (for the purposes of this Schedule, “**SubCo**”).
- (2) The Vendor will then sell its DevCo note with a principal amount of approximately CAD \$27,837,984 (for the purposes of this Schedule, “**DevCo Note 1**”) to SubCo at fair market value (\$1) for sole consideration which consists of a \$1 note payable from SubCo to the Vendor (for the purposes of this Schedule, the “**SubCo Note**”).
- (3) The capital loss realized by the Vendor on the disposition of DevCo Note 1 will be denied. The amount of the capital loss denied will be added to the adjusted cost base of DevCo Note 2 held by SubCo.
- (4) SubCo will then be wound-up into DevCo under subsection 88(1) of the Tax Act.
- (5) DevCo will elect pursuant to paragraph 80.01(4)(c), in prescribed form and within the time referred to therein. As a result, DevCo Note 2 will be deemed to have been settled or extinguished on the winding-up by the payment of an amount equal to the cost amount.
- (6) The SubCo Note held by the Vendor immediately before the wind-up will then become a debt owing by DevCo (for the purposes of this Schedule, the “**Assumed SubCo Note**”).
- (7) The Vendor will then sell its (i) shares of DevCo and (ii) its Assumed SubCo Note to the Purchaser.

SCHEDULE 5.1(1) ORGANIZATION AND STATUS

Corporation	Jurisdiction	Status
DevCo	Federal	Good Standing

SCHEDULE 5.2(3) SHARE CAPITAL

DEV CO.					
<i>Authorized</i>	<i>Name of Class</i>	<i>Voting</i>	<i>Par Value</i>	<i>Special Rights</i>	<i>Issued</i>
Unlimited	Common	Yes	None	Yes	11,260,002.5
Unlimited	Preference	No	None	Yes	None

DEV CO.	
<i>Name of Shareholder</i>	<i>Number and Class of Shares</i>
NaiKun Wind Energy Group Inc.	11,260,002.5 Common

SCHEDULE 5.2(12) PERSONAL PROPERTY MATTERS

The equipment comprising a meteorological mast deployed on an aquatic TRIPOD, which consist of vertical corner pipes, which support the mast by means of a truss style frame, secured to the seabed by pin piles driven to a depth of 24m (max) below the seabed at geographical location (UTM Zone 9) coordinates: 333198E, 5983623N all as more particularly described in the Naikun Investigative Plan dated April 8, 2019, a copy of which is attached hereto.

SCHEDULE 5.2(18) INSURANCE POLICIES

Name of Insurer	Risks Insured Against	Amount of Coverage	Amount of Annual Premium	Amount of Deductible	Details of Premium	Policy Number	Pending Claims under the Policy
Royal & Sun Alliance	Property, crime, CGL	CGL \$10MMM	\$11,236	\$1,000	Prepaid	COM 034440980	None
AIG Insurance	Directors' & Officers' Liability	\$10MM	\$29,800	\$25,000	Prepaid	01-913-12-53	None

SCHEDULE 5.2(20) MATERIAL CONTRACTS AND OTHER CONTRACTS

None.

SCHEDULE 5.2(22) PERMITS

Permits Held

1. The Federal Screening;
2. The Met Mast Licence;
3. The EA Certificate;

Permits Required

1. DevCo requires such investigative licence or licences as are necessary to replace the Investigative Licence dated May 9, 2013 between Her Majesty the Queen in Right of the Province of British Columbia and DevCo. which expired on May 9, 2018. DevCo has submitted applications for such investigative licences including:
 - a. Crown Land Tenure Application in respect of the Met Mast (Tracking Number 100285610) submitted April 11, 2019 (as amended by Application Tracking Number 100285926 submitted April 12, 2019) and accepted April 17, 2019 as Crown Land File No. 6407436;
 - b. Crown Land Tenure Application in respect of the wind turbine site (Tracking Number 100286098) submitted April 16, 2019 and accepted May 9, 2019 as Crown Land File No. 6407371; and
 - c. Crown Land Tenure Application in respect of the right of way for the offshore portion of the Project (Tracking Number 100286129) submitted on April 16, 2019.
2. The EA Certificate is set to expire on December 10, 2019 and a new application under the new British Columbia Environmental Assessment Act (being Bill 51 once it comes into force) will be required.

Consents re Permits

3. The Federal Screening requires consent from the Canadian Environmental Assessment Agency or its successor for a change of control of DevCo.
4. Pursuant to Section 7.2 of the Met Mast Licence, a change of control of DevCo is deemed a transfer requiring the prior written consent of Canada, which may be withheld at its sole discretion.

SCHEDULE 5.2(23)(a) REGULATORY APPROVALS

1. DevCo requires such investigative licence or licences as are necessary to replace the Investigative Licence dated May 9, 2013 between Her Majesty the Queen in Right of the Province of British Columbia and Naikun Wind Development Inc. which expired on May 9, 2018. DevCo has submitted applications for such investigative licences including:
 - a. Crown Land Tenure Application in respect of the Met Mast (Tracking Number 100285610) submitted April 11, 2019 (as amended by Application Tracking Number 100285926 submitted April 12, 2019) and accepted April 17, 2019 as Crown Land File No. 6407436;
 - b. Crown Land Tenure Application in respect of the wind turbine site (Tracking Number 100286098) submitted April 16, 2019 and accepted May 9, 2019 as Crown Land File No. 6407371; and
 - c. Crown Land Tenure Application in respect of the right of way for the offshore portion of the Project (Tracking Number 100286129) submitted on April 16, 2019.
2. The EA Certificate is set to expire on December 10, 2019 and a new application under the new British Columbia Environmental Assessment Act (being Bill 51 once it comes into force) will be required.

SCHEDULE 5.2(23)(b) THIRD PARTY APPROVALS

1. The Federal Screening requires consent from the Canadian Environmental Assessment Agency or its successor for a change of control of DevCo.
2. Pursuant to Section 7.2 of the Met Mast Licence, a change of control of DevCo is deemed a transfer requiring the prior written consent of Canada, which may be withheld at its sole discretion.

SCHEDULE 5.2(26) CORPORATE RECORDS

The following deficiencies exist in the corporate records of DevCo:

BC Extraprovincial Registration

1. Missing signed copies of the annual reports for the years 2004, 2007 and 2009 to 2015.
2. Missing a filed copy of the Notice of Change Respecting Extraprovincial Company dated April 1, 2007.

Resignations/Consents of Directors

1. There is a consent to act as director for Brian Bentz, dated August __, 2005 but he was never appointed as a director.
2. There is a resignation as director and officer signed by Francis Waldbillig dated March 31, 2007, but the register show his resignation as director as November 12, 2002 and his last resignation as an officer is shown as January 13, 2004.
3. There is a consent to act as director dated March 26, 2007 for Gary Holden, but he was never appointed as a director.
4. Graham Wilson and Michael Altman, do not have dated consents to act as directors.
 - There is a second consent to act as director from Graham Wilson dated April 10, 2007, but the resolutions and documents filed do not show that he was re-appointed on this date.
5. There is a resignation as director and Executive Vice President for Raymond Castelli dated January 25, 2008, but his officer title was Senior Vice President.
6. There are no consents to act as director for:
 - Harvey Permack
 - Ken McCready
 - Fred Dabiri
 - Milton Woensdregt
 - Ray Castelli
 - Peter Hunter
 - Steven Eckert
 - Paul Taylor
- There are no resignations for:
 - Graham Wilson
 - Harvey Permack
 - Michael Burns

- Michael Altman
 - David Korbin
 - Jack Austin
 - Ken McCready
 - Fred Dabiri
 - Milton Woensdregt
 - Peter Hunter
 - Steven Eckert
 - Paul Taylor
- There is a resignation as Vice President dated June 1, 2012 from Matt Burns resigning, but the register of directors lists him as the VP Commercial Operations.
 - There is an additional resignation from Matt Burns dated April 4, 2008 resigning as the VP Commercial Operations, but this has not been signed, his resignation on the register of directors is April 4, 2008.

Documents Filed with the Registrar

1. Missing filed copies of the annual returns for the years 2007 to 2009.
2. Missing signed and filed copies of the annual returns for the years 2011 to 2015.
3. Missing signed copy of the annual return for the year 2018.
4. There are multiple changes regarding directors that do not have either signed copies or proof of filing.

Financial Statements

1. The financial statements have been approved each year since incorporation, but they are not in the records book.

Shareholders Minutes/Resolutions

1. Shareholder's resolution approving the resignation of Francis Waldbillig and the appointment of 6 new directors has not been dated, it shows as September __, 2002.
 - It does not look as though this change was ever filed with the Registrar. It was filed after DevCo continued federally in December.
 - There are 2 resolutions for this, one is dated September ____, 2002 and the second is dated November 12, 2002
2. The annual consent resolutions approve financial statements for the years 2003 to 2010, but there are no financial statements in the records book.

- The resolutions for the years 2010 and 2011 are dated December 20th of that year and approve financial statements dated December 31st of the year before, which is outside of the six month period in which financial statements need to be approved. Accordingly, interim financial statements should have been prepared.
- 3. There are no shareholder's resolutions approving the appointment of Ken McCready, Fred Dabiri, Michael O'Connor and Philip Hughes.
- 4. There are no shareholder's resolutions approving the resignation of Graham Wilson, Harvey Permack, Michael Altman, David Korbin, Ken McCready, Milton Woensdregt, Ray Castelli or Peter C Hunter, Michael Burns, Fred Dabiri, Steven Eckert, Paul Taylor.
- 5. Shareholder's resolution dated December 31, 2006:
 - Approves the transfer of 300,000 Common shares to the Vendor, approves the cancellation of share certificates in connection with this and issues share certificate 11C.
 - This should have been done by a director's resolution and dated October 11, 2006.
 - Approves the issuance of 85,996,800 Flow-Through Common shares to the Vendor for \$0.05 each pursuant to Flow-Through Share Subscription Agreements between 2003 and the date of the resolutions:
 - This should have been done by a director's resolutions and dated October 11, 2006.
 - The records book does not contain Flow-Through Share Subscription Agreements for 59,316,600 of these shares.
- 6. Missing annual consent resolutions for the years 2007, 2011 to 2016 and 2018.
- 7. There are no shareholder's resolution in the records books between the years 2011 and 2017.

Directors Minutes/Resolutions

1. The initial resolution of the directors post-continuation has not been dated or signed.
2. The director's resolution dated November 12, 2002 approving the resignation of Francis Waldbillig and appointing new directors should set out that the resignations and appointments were to have taken effect at different times.
3. Missing annual consent resolutions for 2003, 2006 to 2009, 2012 to 2016 and 2018.
4. There are multiple Flow-Through Share Subscription Agreements from 2003 to 2007 that have not been approved by the directors.

5. The annual consent resolutions for the years 2004 and 2011 only approve the officers but do not approve the financial statements.
6. There is a document in the records book that approves M.C. Burns resignation as President and his appointment as Executive Chair, this does not have a heading nor does it look like a resolution (looks more like a letter or memo) and it has not been signed.
7. There is no director's resolution approving the allotment of 300,000 Common shares on April 19, 2006.
8. There is no director's resolution approving the transfer of 300,000 Common shares to the Vendor on October 11, 2006.
9. There is no director's resolution approving the share consolidation on December 31, 2006.
10. Director's resolution dated December 6, 2007 is missing Peter Hunter's signature.
11. The 2017 annual consent resolution does not appoint officers, it only approves the financial statements.
 - The resolution is dated December 5, 2017 and approve financial statements dated December 31, 2016, which is outside of the six month period in which financial statements need to be approved. Accordingly, interim financial statements should have been prepared.
12. There are no director's resolution in the records books between the years 2011 and 2017.

Share Certificates

1. The date of the issuance of the Vendor's 1 Common share pursuant to the continuation from BC to Canada is incorrect, it is listed on the CSR and the share certificate as December 23, 2002, and it should be December 20, 2002.

Documents Approved by Directors

1. Missing Flow-Through Share Subscription Agreements for the allotment of 59,316,600 of the 85,996,800 Common shares that were issued on October 11, 2006.

SCHEDULE 5.2(28) ABSENCE OF CHANGES

None.

SCHEDULE 5.2(29)(k) TAXES

None.

SCHEDULE 5.2(30) LITIGATION

None.

SCHEDULE 5.2(31) ACCOUNTS AND ATTORNEYS

Bank: HSBC Bank Canada
999 West Hastings Street
Vancouver, B.C. V6C 1M3

Transit No.: 10280-016

Account No. 082339-001

Signing authority: Michael O'Connor and Wilbur Lang jointly

SCHEDULE 5.2(33) NON-ARM'S LENGTH TRANSACTIONS

Philip Hughes, a director of DevCo, owns an interest in and is a director of Instream Energy Systems Corp. and owns an interest in and is the Chairman of Kineticor Resources Inc.

SCHEDULE 5.2(34) ENVIRONMENTAL MATTERS

Environmental Permits: the Permits set out at Schedule 5.2(22) are disclosed here as if set out here in full.

SCHEDULE 5.2(37) EMPLOYEES AND OTHERS

None.

SCHEDULE 5.2(45) INDIGENOUS CONTRACTS

- (1) Pre-Consultation Capacity Agreement between DevCo and Coast Tsimshian Tribal Society dated July 4, 2007
- (2) Letter from DevCo to Metlakatla Indian Band dated November 26, 2007
- (3) Metlakatla Commercial Agreement between Metlakatla Indian Band and DevCo dated November 27, 2007
- (4) Letter from the Vendor to Metlakatla Indian Band dated December 4, 2007
- (5) Lax Kw'alaams Commercial Agreement between Lax Kw'alaams Indian Band and DevCo dated January 31, 2008
- (6) Unexecuted Letter from DevCo to Lax Kw'alaams Indian Band dated December 4, 2007
- (7) Draft Gitxaala Commercial Agreement between Gitxaala Nation and DevCo, dated April 24, 2008
- (8) Draft Side Letter from DevCo to Kitkatla Indian Band dated December 3, 2007
- (9) Memorandum of Understanding between the Haida Power Authority and the Vendor dated May 7, 2007
- (10) Memorandum of Understanding between the Haida Power Authority and the Vendor dated May 9, 2007
- (11) Unexecuted Warrants for Purchase of Common Shares to The Lax Kw'alaams Indian Band from the Vendor dated December 4, 2007
- (12) Unexecuted Warrants for Purchase of Common Shares to Metlakatla Indian Band from the Vendor dated December 4, 2007
- (13) Draft HaidaLink Inc. Shareholders' Agreement between HaidaLink Inc., [Haida Power Authority], and the Vendor dated April 22, 2008
- (14) Draft NaiKun Wind Operating Inc. Shareholders' Agreement between NaiKun Wind Operating Inc., [Haida Power Authority], and the Vendor dated April 22, 2008
- (15) Draft Limited Partnership Agreement re Haida Naikun Wind Operating Limited Partnership between NaiKun Wind Operating Inc., Council of the Haida Nation, and each party who from time to time is accepted as a limited partner in Haida NaiKun Wind Operating Limited Partnership by the General Partner, dated November 26, 2008
- (16) Option Agreement dated January 22, 2009 between the Council of the Haida Nation and Naikun Wind Operating Inc.

SCHEDULE 5.3(5) PURCHASER CONSENTS AND APPROVALS

None.