

This is the 1st Affidavit
of FRANK SEMINARA in this case
and was made on AUGUST 3, 2022



No. S-226284
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

CEDAR ROAD BIOENRGY INC.
SUNCURRENT INDUSTRIES INC.
PAUL LIDDY

Respondents

AFFIDAVIT

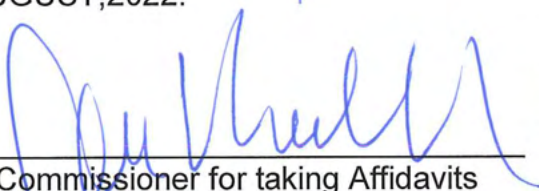
I, FRANK SEMINARA, of 183 Terminal Avenue, the City of Vancouver, in the Province of British Columbia, SWEAR THAT:

1. I am the Account Manager – Special Accounts Department – Risk Division of the Petitioner herein, and as such, am authorized to swear this Affidavit on behalf of the Petitioner and have personal knowledge of the matters and facts hereinafter set forth, except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.
2. Capitalized terms are as defined in the Petition.
3. Attached hereto and marked Exhibit "A" is a copy of the Term Loan.

4. Attached hereto and marked Exhibit "B" is a copy of the Operating Loan.
5. Attached hereto and marked Exhibit "C" is a copy of the Bioenergy GSA.
6. Attached hereto and marked Exhibit "D" is a copy of the Suncurrent Guarantee.
7. Attached hereto and marked Exhibit "E" is a copy of the Suncurrent GSA.
8. Attached hereto and marked Exhibit "F" is a copy of the Liddy Guarantee.
9. Attached hereto and marked Exhibit "G" is a copy of the Development Agreement.
10. Attached hereto and marked Exhibit "H" is a copy of the Operating Agreement.
11. Attached hereto and marked Exhibit "I" is a copy of the Assignment Agreement;
12. Attached hereto and marked Exhibit "J" is a copy of the Amending Agreement to the Development and Operating Agreement;
13. Attached hereto and marked Exhibit "K" is a copy of the Second Amending Agreement to the Development and Operating Agreement;
14. Attached hereto and marked Exhibit "L" is a copy of the Third Amending Agreement to the Development and Operating Agreement;
15. Attached hereto and marked Exhibit "M" is a copy of the Fourth Amending Agreement to the Development and Operating Agreement;
16. Attached hereto and marked Exhibit "N" is a copy of the Fifth Amending Agreement to the Development and Operating Agreement;
17. Attached hereto and marked Exhibit "O" is a copy of the Sixth Amending Agreement to the Development and Operating Agreement;

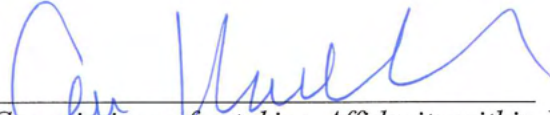
- 18. Attached hereto and marked Exhibit "P" is a copy of the Collaboration Agreement.
- 19. Attached hereto and marked Exhibit "Q" is a copy of the Non-Disturbance Agreement.
- 20. Attached hereto and marked Exhibit "R" is a copy of the Termination Notice.
- 21. Attached hereto and marked collectively as Exhibit "S" are copies of the Demand Letters.
- 22. Attached hereto and marked as Exhibit "T" is a copy of the electricity purchase contract between Cedar Road (now Bioenergy) and British Columbia Hydro and Power Authority.
- 23. I have reviewed our file read the Petition herein and say that I believe the facts in paragraphs 1-15, 18-23, 26-29, 32 and 33 to be true.
- 24. I am advised by Liddy and believe to be true that paragraphs 16, 17, 24, 25 and 24 of the Petition are true.
- 25. The amount due to the Petitioner as set out in the Petition does not include any penalty or bonus.

SWORN BEFORE ME at Coquitlam,)
 British Columbia, this 3rd day of)
 AUGUST, 2022.)


 _____)
 A Commissioner for taking Affidavits)
 within British Columbia)
ALAN A. FRYDENLUND, Q.C.)
BARRISTER & SOLICITOR)
 29th FLOOR - 595 BURRARD ST.)
 VANCOUVER, B.C. V7X 1J5)
 (604) 691-7511)


 _____)
 FRANK SEMINARA)

This is Exhibit "A" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia



business banking promissory note

495788 Account Number 69 Branch Number

Undertaking

FOR THE VALUE RECEIVED CEDAR ROAD BIOENERGY INC. Member(s) Name promises to pay to VANCOUVER CITY SAVINGS CREDIT UNION at 100 - 800 Kelly Road, Victoria, B.C. Location ON DEMAND the sum of ONE MILLION THREE HUNDRED THOUSAND Written Dollar Amount dollars (\$ 1,300,000.00 Numeric Amount) together with interest; (indicated and agreed to by initials below)

X [Signature] Initial ...at a fixed rate of 3.25 % per annum (This rate will remain unchanged until, January 31, 2017 at which time the rates then prevailing will apply) N/A ...at a variable rate at all times of N/A % per annum in excess of the Reference Rate (as hereinafter defined)

Interest calculated monthly, not in advance, as well after as before maturity, as well after as before default and as well after as before judgment, from the date hereof.

Presentment for payment and notice of dishonour waived.

"Reference Rate" means that per annum rate of interest regardless of compounding frequency designated by Vancouver City Savings Credit Union from time to time as its "Prime Lending Rate". If and whenever the Reference Rate is varied the rate of interest payable hereunder shall also be varied accordingly.

Dated at Nanaimo, B.C. this 18th day of January in the year 2017.

Corporation, Association, or Society


CEDAR ROAD BIOENERGY INC. Debtor's Name By its duly authorized signatories: [Signature] Paul Liddy Signature Paul Liddy Title President + Director

Individuals, Joint or Partnership

N/A Debtor's Signature N/A Witness' Signature N/A Debtor's Signature N/A Witness' Signature N/A Debtor's Signature N/A Witness' Signature N/A Debtor's Signature N/A Witness' Signature

- 1. Interest Act (Canada) Section 4 - Floating Rate For the purposes of the Interest Act (Canada), it is hereby declared that the yearly rate of which the Reference Rate, as defined herein, is the equivalent (that is, the equivalent rate expressed for a one year period based on yearly compounding), expressed as a percentage, may be determined by the formula: E = 100(1+R/1200)^12 -100, where E^12 represents the said equivalent yearly rate and R represents the Reference Rate as defined herein. An illustrative table disclosing equivalent annual rates based on yearly compounding is annexed hereto. (See reverse for table of equivalents.)
2. Interest Act (Canada) Section 4 - Fixed Rate For the purposes of the Interest Act (Canada), it is hereby declared that the rate of interest payable hereunder, 3.25 % per annum calculated monthly not in advance, is equivalent to 3.29 % per annum calculated yearly not in advance.

This is Exhibit "B" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.


A Commissioner for taking Affidavits within British Columbia

Vancity

BUSINESS OPERATING LOAN AGREEMENT

Reference Date: January 18, 2017

PARTIES TO THIS AGREEMENT:

THIS AGREEMENT is made between Vancouver City Savings Credit Union ("Vancity") and:

CEDAR ROAD BIOENERGY INC.

Borrower(s) Name (the "Borrower")

c/o 106 - 360 Selby Street, Nanaimo, B.C., V9R 2R5

Address (Street, City, Town, Province, Postal Code)

Langford Centre Community Branch

Branch Name

495788 Br 69

Business Account Number

BUSINESS OPERATING LOAN (REVOLVING BY LINE OF CREDIT)

\$20,000.00
Credit Limit (as per Commitment)

Vancity Prime + 1.50%
Interest Rate (as per Commitment)

Last day of each calendar month
Interest Payment Due Date

SIGNATURES

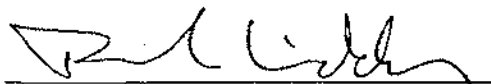
By signing this Agreement, the Borrower, by its authorized signatory(ies), if applicable, agrees to be bound by the terms and conditions of the Business Operating Loan Agreement above and on the following pages.

(Complete this Section ONLY if the Borrower is a Corporation, a Society, or a Limited Partnership)

CEDAR ROAD BIOENERGY INC.

Borrower Name

By its Authorized Signatories:


Name: Paul Liddy Authorized Signatory

Name: _____ Authorized Signatory

Name: _____ Authorized Signatory

Name: _____ Authorized Signatory

(Complete this Section ONLY if the Borrower is a General Partnership or a Sole Proprietorship)

N/A	X	N/A
Name:		Witness Signature
		N/A
		Witness Name (Please Print)
		N/A
		Witness Address (Please Print)

N/A	X	N/A
Name:		Witness Signature
		N/A
		Witness Name (Please Print)
		N/A
		Witness Address (Please Print)

N/A	X	N/A
Name:		Witness Signature
		N/A
		Witness Name (Please Print)
		N/A
		Witness Address (Please Print)

N/A	X	N/A
Name:		Witness Signature
		N/A
		Witness Name (Please Print)
		N/A
		Witness Address (Please Print)

1. **AGREEMENT** — The following are the terms and conditions of the Business Operating Loan Agreement between the Borrower and Vancity.
2. **DEFINITIONS** — In this Agreement: Capitalized terms such as "Interest Payment Due Date" which appear on the first page of this Agreement and are not otherwise defined in this Agreement are as indicated on the first page of this Agreement; capitalized terms such as "Guarantor", "Lands" and "Security Documents" which are not otherwise defined in this Agreement have the meanings given to them in the Commitment; "Business Account" means the account indicated on the first page of this Agreement and each other Vancity account of the Borrower that Vancity may designate for the purposes of this Agreement; "Credit Limit" means the amount described in the Commitment as the authorized limit or credit limit for the business operating loan, set out for ease of reference as the Credit Limit on the first page of this Agreement, as may be increased or reduced under Section 4; "Commitment" means the commitment letter in respect of the Operating Loan and any other credit facility granted to the Borrower by Vancity and accepted by the Borrower, as amended, restated or replaced from time to time; "Interest Rate" means the rate of interest for the business operating loan indicated in the Commitment, set out for ease of reference as the Interest Rate on the first page of this Agreement, as may be increased or reduced under Section 7; "Intermittent Rate" means the rate designated by Vancity from time to time as its "Intermittent Rate", or if at any time Vancity has not designated a rate as its "Intermittent Rate", a rate of 21% per annum; "Operating Loan" means the Business Operating Loan described on the first page of this Agreement and includes, without limitation, all principal, interest, fees, costs and any expenses, including without limitation all legal fees and disbursements for the preparation, registration and enforcement of this Agreement, the Security Documents or any other security granted from time to time in connection with this Agreement, incurred by Vancity or owing by the Borrower in connection with the Operating Loan, this Agreement or such security; "Vancity Prime" means the annual interest rate designated by Vancity as its "prime rate" from time to time or if more than one rate of interest is so designated at any time, the higher or highest of such rates.
3. **OPERATING LOAN** — Vancity will lend to the Borrower, subject to and upon the terms and conditions of this Agreement and the Commitment, the Operating Loan, in an amount up to the Credit Limit and such further amounts as provided in this Agreement, as a continuing operating loan available by way of advances and readvances on a current or running account basis. The Operating Loan will be made available through the Business Account(s). The Operating Loan must revolve in a manner satisfactory to Vancity.
4. **CHANGE TO CREDIT LIMIT** — Vancity may increase or reduce the Credit Limit at any time. Vancity will notify the Borrower of any change to the Credit Limit, but is not required to do so in advance. If Vancity reduces the Credit Limit to an amount less than the outstanding principal balance of the Operating Loan (the "Outstanding Balance"), the difference between the Credit Limit and the Outstanding Balance will be considered an Overdraft Loan by Vancity to the Borrower.
5. **BUSINESS ACCOUNT(S)** — The Borrower's Business Member Agreement (as amended or replaced from time to time) applies to each Business Account. The Borrower may request advances of the Operating Loan by accessing a Business Account in any manner Vancity may permit from time to time, including by drawing cheques on the account and making withdrawals or transfers from the account. All advances made by Vancity on account of the Operating Loan will be credited to the Business Account accessed by the Borrower.
6. **INTEREST RATE** — The Outstanding Balance, including without limitation any interest, fees, costs and charges debited to the Business Account from time to time, will bear interest at the Interest Rate in effect from time to time, calculated daily, compounded and payable monthly not in advance, before as well as after default, judgment and maturity.
7. **CHANGE TO INTEREST RATE** — If and whenever Vancity Prime fluctuates the Interest Rate will also fluctuate accordingly, and Vancity is not obligated to give the Borrower notice of such fluctuations. In addition, Vancity may change the Interest Rate, or the basis for determining the Interest Rate, at any time, including by changing the increment added to Vancity Prime. Vancity will notify the Borrower of any change (other than prime rate fluctuations as above) and the date the change is effective.
8. **PAYMENT OF INTEREST** — Interest at the Interest Rate will be payable by the Borrower to Vancity on the Interest Payment Due Date of each and every month, if any, until the whole of the Operating Loan and interest at the Interest Rate has been paid in full. The Borrower authorizes Vancity to debit a Business Account for such interest and fees when the same become payable.
9. **REPAYMENT** — The Borrower agrees that the Outstanding Balance, together with interest, fees, charges and expenses on or in connection with the Operating Loan, is payable by the Borrower ON DEMAND. Without limiting the generality of the foregoing, Vancity may at any time in its sole discretion cancel the Operating Loan and require the Borrower to repay the Operating Loan in full.
10. **REQUESTS FOR ADVANCES** — The Borrower authorizes Vancity to treat each instruction to transfer funds from a Business Account (an "Instruction") as a request for an advance on account of the Operating Loan if there are insufficient funds to the credit of the Business Account to enable payment of the Instruction.
11. **EXAMINING ENDORSEMENTS** — Vancity will not be obliged to examine or assure itself of the regularity or validity of any endorsement or signature appearing on any Instruction. The Borrower releases Vancity from all claims by the Borrower or others concerning the regularity or validity of any endorsement or signature. The Borrower will not however be responsible for any Instruction paid by Vancity after the Borrower has given Vancity reasonable written notice that such Instruction has been or may have been signed or otherwise given by an unauthorized person.
12. **FUNDS NOT SUFFICIENT/OVERDRAFTS** — If payment of all Instructions on a particular day would cause the Outstanding Balance to exceed the Credit Limit, Vancity may pay such of these Instructions as Vancity, in its absolute discretion, sees fit and may refuse to pay the remaining Instructions, howsoever presented or delivered to Vancity. Although Vancity is not obliged to honour any Instruction if payment of such Instruction would result in the Outstanding Balance exceeding the Credit Limit, Vancity may make any charge to a Business Account, which Vancity is entitled to make under this Agreement or otherwise, even if such charge would result in the Outstanding Balance exceeding the Credit Limit. If the Borrower issues an Instruction and Vancity honours the Instruction, and/or if Vancity makes any such charge, the amount of any advance to a Business Account in excess of the Credit Limit to enable payment of the Instruction and/or charge will constitute an Overdraft Loan by Vancity to the Borrower. If the Outstanding Balance exceeds the Credit Limit by only accrued interest not yet compounded, the excess amount will not constitute an Overdraft Loan until 30 days after such interest is charged. The Borrower will repay any Overdraft Loan forthwith without demand. On each Interest Payment Due Date, the Borrower will pay to Vancity interest on an Overdraft Loan at the Intermittent Rate, calculated daily, compounded monthly, not in advance.
13. **DEPOSITS** — Until the Operating Loan has been repaid in full, all deposits to the credit of the Business Account will be applied by Vancity firstly, to repay any Overdraft Loan, and interest on any Overdraft Loan, and secondly, to repay the Operating Loan.

14. **FEES** — The Borrower agrees to pay to Vancity all fees and charges in connection with the Operating Loan, a Business Account, the handling and processing of instructions or otherwise in connection with this Agreement, as described in the Commitment or in any applicable fee schedule of Vancity (as amended or replaced from time to time), which may be charged by Vancity. The Borrower agrees that Vancity may add to the Outstanding Balance, or deduct from any account the Borrower may have with Vancity, the amount of any such fees or charges Vancity determines to be payable in accordance with this Section.
15. **REPRESENTATIONS** — The Borrower represents and warrants to Vancity that:
- (a) **Corporate Requirements** - if the Borrower is an incorporated company: the company is duly incorporated and in good standing under the laws of the Province of British Columbia; the company has the full power and authority to carry on the business now being carried on by it, to enter into this Agreement and to execute and deliver the Security Documents; all necessary and requisite corporate proceedings, resolutions and authorizations have been taken, passed and given by the company and its directors to authorize, permit and enable it to borrow the Operating Loan and to execute and deliver this Agreement and the Security Documents; entering into this Agreement does not breach the organizational or constating documents of the company; and all advances of the Operating Loan are to be used for the company's business.
 - (b) **Actions, Right and Authority** - there are no current or threatened actions or proceedings which challenge the validity of this Agreement or which might materially adversely affect the Borrower's ability to perform its obligations under this Agreement; and the Borrower has the right and authority to enter into this Agreement, and doing so does not breach any statute or any agreement or other writing of the Borrower's.
16. **POSITIVE COVENANTS** — The Borrower covenants with Vancity that:
- (a) the Borrower will keep the Lands, if any, in good condition and repair, defend such Lands against all claims and give Vancity written notice of any litigation affecting the Lands;
 - (b) the Borrower will provide to Vancity in writing such financial and other information requested by Vancity from time to time concerning the Borrower's business, assets and undertaking (including the Lands, if any), including without limitation financial or insurance information, whether in conjunction with a periodic review of the Operating Loan by Vancity under Section 34 or otherwise;
 - (c) the Borrower will insure and keep insured to its full insurable value its assets, undertaking, business and premises, including without limitation the Lands, if any, against such perils as may be prudent having regard to the nature of the Borrower's assets, undertaking, business, premises, and Lands, if any, and the Borrower will, if requested by Vancity, cause to be endorsed on the policies of insurance a notation that any amounts payable under such policies shall be paid to Vancity as its interest may appear and ensure that such policies include a standard mortgage clause;
 - (d) the Borrower will pay as they become due all payments due and owing under any previous indebtedness owing by the Borrower to any person or company and will perform all the Borrower's obligations relating to such indebtedness;
 - (e) Vancity has the right to enter the Borrower's premises and to inspect the Lands and all the Borrower's books of account and records, to make copies or extracts and generally to conduct such examinations as Vancity may see fit;
 - (f) the Borrower will pay all of Vancity's legal and other fees, costs and expenses incurred in connection with the preparation, execution, registration and enforcement of this Agreement and the Security Documents, including without limitation, in recovering, keeping possession of or inspecting the Lands and enforcing its rights and remedies in or in relation to this Agreement or the Security Documents, and the Borrower authorizes Vancity to debit the Business Account for all such fees, costs and expenses;
 - (g) the Borrower will keep or cause to be kept proper books of account in accordance with sound accounting practice, carry on and conduct the Borrower's business in a proper, efficient and businesslike manner and in accordance with good business practice and, if the Borrower is a company, the Borrower will at all times maintain the Borrower's corporate existence;
 - (h) the Borrower will do all things and execute all documents Vancity reasonably requires for the purpose of carrying out the matters contemplated in this Agreement;
 - (i) the Borrower will pay all Vancity's applicable handling and service charges relating to the Operating Loan and the Business Account;
 - (j) the Borrower will maintain a minimum of \$5.00 in equity shares of Vancity;
 - (k) the Borrower will operate the Borrower's business and use the Borrower's lands and premises (including the Lands, if applicable) in compliance with all environmental laws and promptly carry out, or cause to be carried out, any clean-up measures required by such laws, at the Borrower's expense; and
 - (l) the Borrower will pay all taxes, rates, levies, charges and assessments levied, charged or assessed in relation to the Borrower's business and against the Lands which are not in good faith contested by the Borrower within a reasonable period of time.
17. **NEGATIVE COVENANTS** — The Borrower covenants and agrees with Vancity that it will not, without the prior written consent of Vancity: change its name; permit the Lands or any other asset (or any part or parts thereof) to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Borrower or otherwise; sell, agree to sell, lease or otherwise dispose of (except in the ordinary course of business and on commercially reasonable terms), or release, surrender or abandon, all or any part of its assets, undertaking, business and premises, including without limitation the Lands, if any; repay any shareholder or equity loans to its business; or demolish, remove or destroy any of the Lands or permit any of the same, except in the ordinary course of business.
18. **BASELINE ETHICAL POLICY** — The Borrower represents and warrants to Vancity that it understands Vancity's Baseline Ethical Policy ("BEP") and the benefits of social, environmental and ethical business leadership and that, to the best of the Borrower's knowledge, the Borrower's business is in full compliance with the BEP. If the nature of the Borrower's business changes such that it potentially conflicts with the BEP, the Borrower will promptly notify Vancity of such change. Vancity may choose to withdraw business services as a result of such change.
19. **EVENTS OF DEFAULT** — Each of the following events and circumstances constitutes an event of default (a "Default"):
- (a) The Borrower or any Guarantor does not pay on the due date any amount payable by it under this Agreement, the Commitment, or any Security Document.
 - (b) The Borrower fails to comply with any of the terms and conditions in this Agreement, the Commitment, or in any Security Document.
 - (c) There is, in Vancity's view, a material adverse change to the financial condition of the Borrower or any Guarantor.
 - (d) Any event occurs or series of events occur which, in Vancity's view, is likely to have a material adverse effect on the financial condition of the Borrower or any Guarantor.

- (e) Any claim, litigation, arbitration or administrative proceeding is taking place or threatened against the Borrower or any Guarantor which, if adversely determined, is in Vancity's view likely to have a material adverse effect on the financial condition of the Borrower or the Guarantor.
- (f) The Borrower or any Guarantor (i) is, or is deemed for the purposes of any law to be, unable to pay its debts or insolvent, (ii) admits its inability to pay its debts, or (iii) suspends or stops making payments on any of its debts or announces an intention to do so.
- (g) Any corporate action, legal proceeding or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganization of the Borrower or any Guarantor,
 - (ii) an assignment or arrangement with any creditor of the Borrower or any Guarantor,
 - (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Borrower or any Guarantor or any of their assets, or
 - (iv) the enforcement of any security interest over any asset of the Borrower or any Guarantor, or
 - (v) any analogous procedure or step is taken.
- (h) The Borrower ceases, or threatens to cease, to carry on business.
- (i) If the Borrower or any Guarantor is an individual and such individual dies or is declared incompetent;
- (j) If the Borrower or any Guarantor is a company, any change in the ownership of such company which, in Vancity's view, has a material impact on the business or direction of the Company.
- (k) It is or it becomes unlawful for the Borrower or any Guarantor to comply with this Agreement, the Commitment or any provision of any Security Document.
- (l) Any provision of this Agreement, the Commitment, or any Security Document is or becomes or is alleged by any party to be invalid, illegal, ineffective or unenforceable.
- (m) Any Security Document is terminated or rescinded.
- (n) Any information provided by the Borrower or any Guarantor to Vancity is, or proves to have been, incorrect or misleading in any material respect when made.
- (o) The Borrower or any Guarantor defaults under any prior or subsequent agreement with Vancity.
- (p) The Borrower or any Guarantor fails to pay any debt owing to any other creditor when due or within any originally applicable grace period or any such debt (i) is declared or otherwise becomes due and payable prior to its specified maturity, or (ii) is capable of being declared by a creditor to be due and payable prior to its specified maturity or is capable of being placed on demand.

If a Default occurs, the Borrower will, without demand, pay the Outstanding Balance, together with interest, fees, charges and expense on or in connection with the Operating Loan, including legal costs. Vancity may also exercise its rights under the Commitment and any Security Document.

- 20. **WAIVER OF BREACHES** — Vancity may waive any breach by the Borrower of any of the provisions contained in this Agreement or in the Security Documents, or any default by the Borrower in observing or performing any covenant or condition required to be observed or performed pursuant to the terms of this Agreement or the Security Documents, but no such waiver by Vancity will be deemed to operate as a waiver of any subsequent breach or default.
- 21. **NO OBLIGATION TO ADVANCE** — The Borrower acknowledges and agrees that neither the execution and delivery of this Agreement nor the execution and delivery of the Security Documents or any other security will bind Vancity to advance or readvance any portion of the Operating Loan, nor will any advance or readvance of the Operating Loan bind Vancity to advance or readvance any unadvanced portion of the Operating Loan, but nevertheless any security will attach upon the execution and delivery of such security.
- 22. **SET OFF** — At any time the whole of the Outstanding Balance and any other obligations of the Borrower under this Agreement shall, at Vancity's option (and without prior notice to the Borrower), be reduced by Vancity's set-off against any and all accounts, credits and balances maintained by the Borrower with Vancity, and any other amount or amounts ("Vancity's Obligations") payable (whether at such time or in the future or upon the occurrence of a contingency) to the Borrower by Vancity, and Vancity's Obligations shall be discharged promptly and in all respects to the extent it is so set-off under this section 22. For this purpose, if any of Vancity's Obligations are unascertained, Vancity may in good faith estimate such obligations and set-off in respect of such estimate, subject to Vancity accounting to the Borrower when such obligations are ascertained. Nothing in this section 22 shall be effective to create a charge or other security interest. This section 22 shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which Vancity is at any time otherwise entitled, whether by operation of law, contract or otherwise.
- 23. **RECORDS** — The records of Vancity as to a Business Account, the Outstanding Balance and any amount outstanding under the Security Documents and any default by the Borrower under this Agreement, the Security Documents or both will be final and conclusive without further proof.
- 24. **CERTIFICATE OF RATE** — A certificate of any manager of Vancity stating what Vancity Prime or the Interim Rate was on any day or during any period will be conclusive evidence of Vancity Prime or the Interim Rate on such day or during such period.
- 25. **JOINT OBLIGATIONS** — If more than one person constitutes the Borrower, the agreements of, and all obligations and covenants to be performed and observed by, the Borrower under this Agreement will be the joint and several obligations and covenants of each of the persons comprising the Borrower and any request or authorization (including any instruction) given to Vancity under this Agreement by any such person will be deemed to be the joint and several request or authorization of each of the persons comprising the Borrower.
- 26. **FORM OF INSTRUCTIONS** — All instructions must be given by the Borrower to Vancity in a form and manner specified by Vancity.
- 27. **PREPAYMENT** — The Borrower may repay the whole or any part of the Outstanding Balance at any time without notice or bonus.
- 28. **DISCHARGE & REALIZATION OF SECURITY** — Any mortgage or other security (including without limitation the Security Documents) granted by the Borrower to Vancity will not be deemed to have been discharged or redeemed by reason only of the Borrower ceasing to be indebted or liable to Vancity under this Agreement.

and Vancity will not be bound to realize on any or all of the security assigned, hypothecated or pledged but may, in its sole and absolute discretion, take any other steps or proceedings available to it at law or in equity.

29. **BUSINESS PURPOSES** — The Borrower declares that it has entered into this Agreement for primarily business purposes.
30. **USE OF INFORMATION** — Vancity will collect, use and disclose personal information (as defined in applicable Canadian privacy laws) only in accordance with Vancity's Privacy Policy, a copy of which is available upon request, and this Agreement.
31. **INVALIDITY OF ANY PROVISION** — If any covenant, obligation or provision contained in this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement will not be affected by such determination and each covenant, obligation or provision contained in this Agreement will be separately valid and enforceable to the fullest extent permitted by law.
32. **NOTICES** — Any notice to be given to the Borrower under this Agreement or under any Security Document may be either mailed to the Borrower at the address set out on the first page of this Agreement or delivered to the Borrower personally, and any notice sent by mail will be effective on the second day following the mailing of such notice.
33. **AMENDMENTS** — Vancity may amend this Agreement by notice to the Borrower. Vancity will notify the Borrower of any amendment and the date such amendment is effective. Unless the Borrower, prior to the effective date of an amendment, terminates this Agreement and repays to Vancity in full the Outstanding Balance, together with all interest, costs, charges and expenses on or in connection with the Operating Loan, the Borrower will be deemed to have agreed to the amendment and the amendment will be binding on the Borrower.
34. **PERIODIC REVIEW** — Without limiting Vancity's right to demand repayment of the Operating Loan at any time, the Operating Loan will be subject to periodic review by Vancity as and when determined by Vancity in its discretion.
35. **TERMINATION OF AGREEMENT** — Either the Borrower or Vancity may terminate this Agreement by giving written notice of such termination to the other. However, this Agreement will continue in full force and effect until the Outstanding Balance, together with all interest, costs, charges and expenses on or in connection with the Operating Loan have been paid in full following or concurrently with the delivery of such notice by the Borrower or Vancity to the other or following demand for payment in full by Vancity.
36. **RECEIPT AND ACKNOWLEDGEMENT** — The Borrower acknowledges having received and read a copy of this Agreement and understanding the terms and conditions of this Agreement.
37. **ASSIGNMENT & ENUREMENT** — This Agreement may not be assigned by the Borrower and will enure to the benefit of Vancity and its successors and assigns and will be binding upon the Borrower and its executors, administrators, successors and other legal representatives.

This is Exhibit "C" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

GENERAL INFORMATION

BRANCH ADDRESS 100 - 800 Kelly Road Victoria, BC V9B 5T6	AGREEMENT REFERENCE DATE The 16 th day of January, 2017
DEBTOR FULL LEGAL NAME AND ADDRESS CEDAR ROAD BIOENERGY INC. c/o 106 - 360 Selby Street Nanaimo, BC V9R 2R5	ACCOUNT NO. 495788
	BIRTH DATE OR INC NO C0893418

In this Security Agreement "Credit Union" means the Credit Union named above and "Debtor" means the Debtor or Debtors named above.

OBLIGATIONS SECURED

This Security Agreement and the security interests hereby created shall.

- be continuing security for the payment of all and every indebtedness, both present and future, and whether arising on current account or otherwise, together with interest thereon and all and every liability, present and future, direct or indirect, absolute or contingent of the Debtor to the Credit Union, including, and without derogating from the generality of the foregoing, any advance or readvance, including every unpaid balance thereof, by the Credit Union to the Debtor, whenever made, and interest thereon to the same extent as if the advance or readvance had been made at the time of creation of this Security Agreement, and for performance of all obligations of the Debtor to the Credit Union, whether or not contained in this Security Agreement (which indebtedness, liabilities and obligations are herein collectively called the "Obligations").
- secure payment by the Debtor to the Credit Union of the sum of \$ [] and interest thereon at such rate or rates as are from time to time agreed to between the Debtor and the Credit Union (herein collectively called the "Obligations"), according to the terms of, and as evidenced by, a promissory note dated [] and any and all renewals thereof and substitutions therefor.

Secure:

(herein called the "Obligations")

(Mark applicable provision with an "X" in the appropriate box. If no provision is marked then provision will apply).

FURTHER TERMS AND CONDITIONS

The Credit Union and the Debtor agree to be bound by the terms and conditions appearing on the pages following (herein called the "Further Terms and Conditions") and appearing on the Schedules attached hereto, all of which form part of this Security Agreement.

ACKNOWLEDGMENT AND WAIVER

The Debtor hereby:

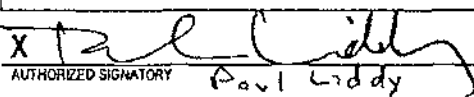
- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) waives all rights to receive from the Credit Union a copy of any financing statement, financing change statement, or verification statement filed at any time in respect of this Security Agreement or any amendments hereto.

EXECUTION

(IF THE DEBTOR IS AN INDIVIDUAL)

DEBTOR SIGNATURE N/A
WITNESS SIGNATURE N/A
DEBTOR SIGNATURE N/A
WITNESS SIGNATURE N/A

(IF THE DEBTOR IS A CORPORATION OR PARTNERSHIP)

DEBTOR NAME CEDAR ROAD BIOENERGY INC.
BUSINESS OR TRADE NAME CEDAR ROAD BIOENERGY INC.
 AUTHORIZED SIGNATORY Paul Liddy
X AUTHORIZED SIGNATORY

PART 1 – SECURITY INTERESTS**1.01 Security Interests**

For valuable consideration and as security for the payment and performance of the Obligations the Debtor hereby mortgages, charges, assigns and transfers to the Credit Union, and grants to the Credit Union a security interest in, and the Credit Union hereby takes a security interest in, all the Debtor's right, title and interest in and to

all of the Debtor's present and after-acquired property (except the property of the Debtor described in section 1.02) and all proceeds thereof of whatsoever nature and kind and wherever situated (herein collectively called the "Collateral") including, without limiting the generality of the foregoing:

- (a) **Accounts** – all debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be due or owing to or owned by the Debtor, and all books, records, documents, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and choses in action or any part or parts thereof (herein collectively called the "Accounts");
- (b) **Equipment** – all present and future equipment owned by the Debtor, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessories and accessories located at or installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto and any other goods that are not inventory (herein collectively called the "Equipment");
- (c) **Inventory** – all present and future inventory of whatever kind now or hereafter owned by the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Debtor whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service (herein collectively called the "Inventory");
- (d) **Other Tangible Personal Property** – all chattel paper, documents of title, instruments, securities and other goods of the Debtor that are not Accounts, Equipment or Inventory;
- (e) **Intangibles** – all intangible property of the Debtor (save and except for Accounts) now owned or hereafter acquired by the Debtor including, without limitation, all contractual rights, licenses, goodwill, patents, trademarks, tradenames, copyrights, other industrial designs and other industrial or intellectual property and undertaking of the Debtor and all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor which is not Accounts, goods, chattel paper, documents of title, instruments, money or securities;
- (f) **Specific Property** – all the property of the Debtor described in Schedule A hereto, if any;
- (g) **Proceeds** – all proceeds of the property described above.

1.02 Exclusions – The security interests granted herein do not apply or extend to:

- (a) any real property or interests therein of the Debtor;
- (b) the last day of any term created by any lease or agreement therefore now held or hereafter acquired by the Debtor but the Debtor shall stand possessed of the reversion thereby remaining in the Debtor or any leasehold premises upon trust for the Credit Union to assign and dispose thereof as the Credit Union or any purchaser of such leasehold premises shall direct;
- (c) if any lease or agreement therefor contains a provision which provides in effect that such lease or agreement may not be assigned, subleased, charged or encumbered without the leave, licence, consent or approval of the lessor, the application of the security interest created hereby to any such lease or agreement shall be conditional upon such leave, licence, consent or approval having been obtained and the security interest created hereby shall attach to such lease or agreements as soon as such leave, licence, consent or approval is obtained;
- (d) any consumer goods of the Debtor;
- (e) any property of the Debtor described in Schedule E hereto.

1.03 Attachment – The Credit Union and the Debtor do not intend to postpone the attachment of the security interests hereby created save as provided in section 1.02(c) and except as provided therein the security interests hereby created shall attach when:

- (a) this Security Agreement has been executed, or in the case of after-acquired property, such property has been acquired by the Debtor;
- (b) value has been given; and
- (c) the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

1.04 Notification – If this Security Agreement grants a security interest in Accounts, before or after an Event of Default (as herein after defined) has occurred, the Credit Union may notify any debtor of the Debtor on an intangible, chattel paper, or account, or any obligor on an instrument (herein called an "Account Debtor") to make all payments on Collateral to the Credit Union and the Debtor acknowledges that the proceeds of all sales, or any payments on or other proceeds of the Collateral, including but not limited to payments on, or other proceeds of, the Collateral received by the Debtor from any Account Debtor, whether before or after notification of this security interest to such Account Debtor and whether before or after default under this Agreement shall be received and held by the Debtor in trust for the Credit Union and shall be turned over to the Credit Union upon request and the Debtor shall not co-mingle any proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

1.05 – Purchase Money Security Interests – The security interest created hereby shall constitute purchase money security interests to the extent that any of the Obligations are moneys advanced by the Credit Union to the Debtor for the purpose of enabling the Debtor to purchase any of the Collateral and were so used by the Debtor and a certificate of an officer of the Credit Union as to the extent that the Obligations are moneys so advanced and used shall be prima facie proof of the purchase money security interests constituted hereby.

PART 2 – REPRESENTATIONS AND WARRANTIES

2.01 Representations and Warranties – The Debtor represents and warrants to the Credit Union that:

- (a) **Corporate Requirements** – if the Debtor is a corporation,
 - i. It is duly incorporated and it is in good standing under the laws of the Province of British Columbia;
 - ii. it has the power and authority to carry on the business now being carried on by it and has the full power and authority to execute and deliver this Security Agreement;
 - iii. all necessary and requisite corporate proceedings, resolutions and authorizations have been taken, passed, done and given by it and by its directors to authorize, permit and enable it to execute and deliver this Security Agreement; and
 - iv. the entering into this Security Agreement is not in contravention of any statute, the organizational or constituting documents of the Debtor or any agreement or other document to which the Debtor is a party;
- (b) **No Actions** – there are no actions or proceedings pending or, to the knowledge of the Debtor, threatened which challenge the validity of this Security Agreement or which might result in a material adverse change in the financial condition of the Debtor or which would materially adversely affect the ability of the Debtor to perform its obligation under this Security Agreement or any document evidencing any indebtedness of the Debtor to the Credit Union;
- (c) **Owms Collateral** – the Debtor owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only those, if any, shown in Schedule B hereto;
- (d) **Right and Authority** – the Debtor has the right and authority to create the security interests herein created;
- (e) **Location of Collateral** – the only locations of Collateral (other than Inventory in transit) and the only places the Debtor carries on business are the Debtor's address set out on page 1 and such other locations, if any, described in Schedule C hereto.

PART 3 - POSITIVE COVENANTS

3.01 Positive Covenants - The Debtor covenants with the Credit Union:

- (a) **Defend Collateral** - that the Debtor will defend the Collateral against all claims and demands of all persons claiming the Collateral or an interest therein at any time;
- (b) **Financial Statements** - that it will deliver to the Credit Union within 90 days after the end of each fiscal year of the Debtor audited financial statements of the Debtor, including the auditor's report and any notes accompanying such statements;
- (c) **Provide Information** - that upon the demand by the Credit Union it will furnish in writing to the Credit Union all information requested concerning the Collateral and that it will promptly advise the Credit Union of the serial number, year, make and model of each serial number good at any time included in the Collateral;
- (d) **Insurance** - that it will insure and keep insured to their full insurable value with a company or companies selected by the Debtor and approved in writing by the Credit Union all the Collateral against such perils as may be prudent having regard to the nature of the Collateral and the business of the Debtor (including an extended coverage insurance clause) and whenever and to the extent required in writing by the Credit Union, the Debtor will:
- i. furnish a certificate by an independent appraiser or insurance adjuster selected by the Debtor and approved by the Credit Union as to the sufficiency of such insurance, which certificate shall be conclusive as against the Debtor both as to the amount of insurance required hereunder and the perils against which coverage is required hereunder and the Debtor shall immediately insure in accordance with such certificate;
 - ii. cause to be included in such policy or policies a mortgage clause in such form as may be approved by the Credit Union;
 - iii. cause to be endorsed in such form as may be required by the Credit Union on the policies evidencing such insurance a notation that any amounts payable under such policies shall be paid to the Credit Union as its interest may appear; and
 - iv. deposit with the Credit Union every policy and renewal certificate for such insurance or a certified copy thereof.
- (e) **Repair** - that it will keep the Collateral in good condition and repair according to the nature and description thereof respectively and if the Debtor neglects to keep the Collateral or any part thereof in good condition and repair then the Credit Union may from time to time, without any notice to the Debtor in situations deemed by the Credit Union to be emergency situations and otherwise upon not less than 15 days notice, make such repairs as it in its sole discretion deems necessary;
- (f) **Other Indebtedness** - that it will pay and discharge as they become due all payments due and owing under or with respect to any previous indebtedness created or security given by the Debtor to any person or corporation and will observe, perform and carry out all the terms, covenants, provisions and agreements relating thereto and any default in payment of any moneys due and payable under or relating to any previous indebtedness or security or in the observance, performance or carrying out of any of the terms, covenants, provisions and agreements relating thereto shall be deemed to be a default hereunder at the option of the Credit Union and any and all remedies available to the Credit Union hereunder by reason of any default hereunder or by law or otherwise shall be forthwith available to the Credit Union upon any default of the Debtor under the previous indebtedness created or security given by the Debtor;
- (g) **Right of Inspection** - that the Credit Union shall have the right whenever it deems reasonable necessary either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral, all books of accounts and records of the Debtor and copies of all returns made from time to time by the Debtor to boards, agencies or governmental departments and to make extracts therefrom and generally to conduct such examinations as it may see fit and without limiting the generality of the foregoing, the Credit Union may request information from the solicitor, auditor and other advisors and agents of the Debtor for the time being concerning the affairs and the conduct of business of the Debtor and the Debtor hereby irrevocably authorizes and directs and this shall constitute the sufficient authority and direction to any such solicitor, auditor or other person to disclose to the Credit Union such information as to any and all matters touching upon the affairs and conduct of the business of the Debtor whether of a confidential nature or otherwise and any costs, expenses and outlays which the Credit Union may incur pursuant hereto shall be payable forthwith by the Debtor to the Credit Union, shall bear interest at the highest rate borne by any of the other Obligations and shall, together with such interest, form part of the Obligations secured by this Security Agreement;
- (h) **Costs of Preparation and Enforcement** - that it will pay all costs, charges and expenses of and incidental to the taking, preparation, execution and registering notice (and any amendments and renewals of such notice), of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in relation to this Security Agreement or by reason of non-payment or procuring payment of the moneys hereby secured;
- (i) **Costs Caused by Default** - that if the Debtor shall make default in any covenant to be performed by it hereunder, the Credit Union may perform any covenant of the Debtor capable of being performed by the Credit Union and if the Credit Union shall be put to any costs, charges, expenses or outlays to perform such covenant, the Debtor shall indemnify the Credit Union for such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Credit Union on an "own client" basis) shall be payable forthwith by the Debtor to the Credit Union, shall bear interest at the highest rate borne by any of the other Obligations and shall, together with such interest, form part of the Obligations secured by this Security Agreement;
- (j) **Court Costs** - that in any judicial proceedings taken to cancel this Security Agreement or to enforce this Security Agreement and the covenants of the Debtor hereunder the Credit Union shall be entitled to costs on a solicitor and client basis. Any costs so recovered shall be credited against any solicitors' fees and charges paid or incurred by the Credit Union relating to the matters in respect of which the costs were awarded and which have been added to the monies secured hereunder pursuant to the foregoing clause;
- (k) **Notice of Litigation** - that it will give written notice to the Credit Union of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral or any part thereof;
- (l) **Corporate Existence, Etc.** - that it will at all times maintain its corporate existence; that it will carry on and conduct its business in a proper, efficient, and businesslike manner and in accordance with good business practice; and that it will keep or cause to be kept proper books of account in accordance with sound accounting practice;
- (m) **Taxes** - that it will pay all taxes, rates, levies, charges, assessments, statute labour or other impositions whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Credit Union in respect of the Collateral or any part or parts thereof, or any other matter or thing in relation to this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Credit Union, furnish for inspection the receipts for any such payments;
- (n) **Payments** - that it will promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (o) **Further Assurances** - that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Credit Union shall reasonably require for the better assuring, charging, assigning and conferring upon the Credit Union the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and affecting the intention of this Security Agreement;
- (p) **Purchase Moneys** - that if the Credit Union advances money to the Debtor for the purpose of enabling the Debtor to acquire any Collateral the Debtor shall use such money only for that purpose and will promptly provide the Credit Union with evidence that such money was so applied;
- (q) **Securities** - that if the Collateral at any time includes a security, the Debtor shall if required by the Credit Union transfer the security into the name of the Credit Union or the Credit Union's nominee and until an Event of Default the Credit Union will provide the Debtor with all notices and other communications received by it or its nominee as registered owner of such security and will appoint, or cause its nominee to appoint the Debtor as proxy to vote with respect to the security;
- (r) **Additional Covenants** - that it will observe and perform the additional covenants, if any, set forth in Schedule D hereto

PART 4 – NEGATIVE COVENANTS

- 4.01 Negative Covenants** – The Debtor covenants and agrees with the Credit Union that it shall not, without the prior written consent of the Credit Union:
- (a) **Change Name** – change its name;
 - (b) **Permit Charges** – permit the Collateral or any part or parts thereof to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Debtor or otherwise;
 - (c) **Sell Collateral** – save as permitted in Section 4.02 sell, lease or otherwise dispose of the Collateral or any part or parts thereof (and in the event of any permitted sale, lease or other disposition will deposit the proceeds with the Credit Union);
 - (d) **Abandon Collateral** – release, surrender or abandon the Collateral or any part or parts thereof;
 - (e) **Move Collateral** – move the Collateral or any part or parts thereof from its present location or locations (and will promptly advise the Credit Union of the new location or locations);
 - (f) **Accessions** – permit any of the Collateral to become an accession to any property other than other Collateral.
- 4.02 Sale of Inventory** – If this Security Agreement grants a security interest in Inventory, until an Event of Default has occurred and the Credit Union has determined to enforce the security interest hereby created the Debtor may only sell Inventory in the ordinary course of business and provided that:
- (a) **Terms** – all sales shall be on commercially reasonable terms;
 - (b) **Deposit Proceeds** – all cash proceeds of sales shall immediately be deposited with the Credit Union, and
 - (c) **Apply Proceeds** – the proceeds of any such sales may, at the option of the Credit Union, be applied to the Obligations.

PART 5 – DEFAULT AND ENFORCEMENT

5.01 Events of Default – The happening of any one of the following events or conditions shall constitute an event of default hereunder (herein called an "Event of Default"):

- (a) **Default** – if the Debtor shall make default in the observance or performance of something required to be done or some covenant or condition required to be observed or performed in this Security Agreement or in any other agreement or instrument between the Debtor and the Credit Union;
 - (b) **Misrepresentation** – if any representation or warranty given by the Debtor, or if the Debtor is a corporation by any director or officer thereof, is untrue in any material respect;
 - (c) **Winding Up** – if the Debtor is a corporation and an order shall be made or a resolution passed for the winding-up of the Debtor, or if a petition shall be filed for the winding-up of the Debtor;
 - (d) **Death or Incapacity** – if the Debtor is an individual and the Debtor dies or is declared incompetent by a court of competent jurisdiction;
 - (e) **Bankruptcy** – if the Debtor shall commit or threaten to commit any act of bankruptcy or shall become insolvent or shall make an assignment or proposal under the Bankruptcy Act or a general assignment in favour of its creditors or a bulk sale of its assets, or if a bankruptcy petition shall be filed or presented against the Debtor;
 - (f) **Receiver, Etc.** – if any receiver, receiver-manager, trustee, custodian, liquidator or similar agent is appointed for the Debtor or for any of the Debtor's property;
 - (g) **Arrangement** – if the Debtor is a corporation and any proceedings with respect to the Debtor shall be commenced under the Companies Creditors Arrangement Act;
 - (h) **Execution etc.** – if any execution, sequestration, extent or any other process of any Court shall become enforceable against the Debtor or if a distress or analogous process shall be levied upon the Collateral or any part thereof;
 - (i) **Other Indebtedness** – if the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral in priority to the security interests created by this Security Agreement to remain unpaid for thirty (30) days;
 - (j) **Cease Business** – if the Debtor shall cease or threaten to cease to carry on its business;
 - (k) **Default in Other Payment** – if the Debtor shall make default in payment of any indebtedness or liability to the Credit Union or any other person, whether secured hereby or not;
 - (l) **Material Adverse Change** – if a material adverse change occurs in the financial condition of the Debtor determined by the Credit Union in its sole and absolute discretion;
 - (m) **Impaired Ability or Security** – if the Credit Union in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay any of the Obligations to the Credit Union or to perform any of the covenants contained herein is impaired or any security granted by the Debtor to the Credit Union is or is about to be impaired or in jeopardy;
 - (n) **Change of Control** – if the Debtor is a corporation and if, in the opinion of the Credit Union, effective control of the Debtor changes.
- 5.02 Acceleration** – If an Event of Default occurs the Credit Union, in its sole and absolute discretion, may declare all or any part of the Obligations (whether or not by its terms payable on demand) immediately due and payable, without any further demand or notice of any kind.
- 5.03 Demand Obligations** – The Debtor agrees that the provisions of Section 5.01 and 5.02 shall not affect the demand nature of any indebtedness or obligations payable on demand and the Credit Union may demand payment such indebtedness and obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Security Agreement or any other instrument between the Debtor and the Credit Union.
- 5.04 Security Interests Enforceable** – The occurrence of an Event of Default shall cause the security interests created hereby to become enforceable without the need for any action or notice on the part of the Credit Union.
- 5.05 Remedies of the Credit Union** – If the security interest created hereby shall become enforceable, the Credit Union may enforce its rights by any one or more of the following remedies:
- (a) **Take Possession** – by taking possession of the Collateral or any part thereof, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the same and for that purpose entering into and upon any lands, tenements, buildings, houses and premises whatsoever and whatsoever and to do any act and take any proceedings in the name of the Debtor, or otherwise, as the Credit Union shall deem necessary;
 - (b) **Court Appointed Receiver** – by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
 - (c) **File Proofs of Claim** – by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
 - (d) **Appoint Receiver** – by appointment by instrument in writing of a receiver or receiver-manager of all or any part of the Collateral;
 - (e) **Sale or Lease** – by sale or lease by the Credit Union of all or any part of the Collateral (whether or not it has taken possession of the same), and
 - (f) **Other Remedies** – by any other remedy or proceeding authorized or permitted hereby or by law or equity (including all of the rights and remedies of a secured party under the Personal Property Security Act in effect from time to time); and in exercising, delaying in exercising or failing to exercise such right or remedy the Credit Union shall not incur any liability to the Debtor.
- 5.06 Power of Sale** – The provisions of section 5.07(g) shall apply, mutatis mutandis, to a sale or lease of any of the Collateral by the Credit Union pursuant to section 5.05(f).
- 5.07 Receiver or Receiver-Manager** – Any time after the security interests hereby created shall have become enforceable, the Credit Union may from time to time appoint in writing any qualified person to be a Receiver or Receiver and Manager (hereinafter called the "Receiver") of the Collateral and may

likewise remove any such person so appointed and appoint another qualified person in his stead. Any such Receiver appointed hereunder shall have the following powers:

- (a) **Take Possession** – to take possession of the Collateral or any part thereof, and to collect and get in the same and for that purpose to enter into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to any act and take any proceedings in the name of the Debtor, or otherwise, as the Receiver shall deem necessary;
 - (b) **Carry On Business** – if this Security Agreement creates security interests in substantially all of the Debtor's present and after-acquired personal property, to carry on or concur in carrying on the business of the Debtor (including, without limiting the generality of the powers herein contained, the payment of the obligations of the Debtor whether or not the same are due and the cancellation or amendment of the contracts between the Debtor and any other person) and the employment and discharge of such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such salaries, wage or remuneration as the Receiver thinks proper;
 - (c) **Repair** – to repair and keep in repair the Collateral or any part or parts thereof and to do all necessary acts and things for the protection of the Collateral;
 - (d) **Arrangements** – to make any arrangement or compromise which he shall think expedient in the interest of the Credit Union or the Debtor and to assent to any modification or change in or omission from the provisions of this Security Agreement;
 - (e) **Exchange** – to exchange any part or parts of the Collateral for any other property suitable for the purposes of the Debtor upon such terms as may seem expedient and either with or without payment or exchange of money or equality of exchange or otherwise;
 - (f) **Borrow** – to raise on the security of the Collateral or any part or parts thereof, by mortgage, charge or otherwise any sum of money required for the repair, insurance or protection thereof, or any other purposes herein mentioned, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Collateral or any part thereof, which would or might have priority over the security interests hereby created;
 - (g) **Sell or Lease** – whether or not the Receiver has taken possession, to sell or lease or concur in the sale or leasing of any of the Collateral or any part or parts thereof after giving the Debtor not less than thirty (30) days' written notice of his intention to sell or lease and to carry any such sale or lease into effect by conveying, transferring, letting or assigning in the name of or on behalf of the Debtor or otherwise; and any such sale or lease may be made either at public auction or privately as the Receiver shall determine and any such sale or lease may be made from time to time as to the whole or any part or parts of the Collateral, and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which the Receiver shall deem proper; and the Receiver may buy in or rescind or vary any contract for the sale or lease of any of the Collateral or any part or parts thereof, and may resell and re-lease without being answerable for any loss occasioned thereby; and the Receiver may sell or lease any of the same as to cash or part cash and part credit or otherwise as shall appear to be most advantageous and at such prices as can be reasonably obtained therefor and in the event of a sale or lease on credit neither he nor the Credit Union shall be accountable or charged with any monies until actually received
- 5.08 **Liability of Receiver** – The Receiver appointed and exercising powers under the provisions hereof shall not be liable for any loss howsoever arising unless the same shall be caused by the Receiver's own negligence or willful default, and the Receiver shall when so appointed be deemed to be the agent of the Debtor and the Debtor shall be solely responsible for the Receiver's acts and defaults and for the Receiver's remuneration.
- 5.09 **Validity of Sale or Lease** – No purchaser at any sale and no lessee under any lease purporting to be made in pursuance of the power set forth in sections 5.05 (f) and 5.07(g) shall be bound to see or enquire whether any default has been made or continues or whether any notice required hereunder has been given or as to the necessity or expediency of the stipulations subject to which sale or lease shall have been made or otherwise as to the propriety of such sale or lease, or regularity of proceedings or to be affected by notice that such default has been made or continues or notice given as aforesaid, or that the sale or lease as regards such purchaser or lessee shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Debtor in respect of any impropriety or irregularity whatsoever in any such sale or lease shall be in damages only.
- 5.10 **Proceeds of Disposition** – The proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied as follows:
- (a) FIRSTLY to pay and discharge all rents, taxes, rates, insurance premiums and out-goings affecting the Collateral;
 - (b) SECONDLY to pay all costs and expenses of taking possession and/or sale or lease or otherwise (including the Receiver's remuneration, if any);
 - (c) THIRDLY to pay such amounts as are necessary to keep in good standing all liens and charges on the Collateral prior to the security interests hereby created;
 - (d) FOURTHLY to pay any principal, interest, and other monies due and payable hereunder (in such order as the Credit Union may require); and
 - (e) Should any surplus remain in the hands of the Receiver or the Credit Union then the Debtor shall be entitled to such surplus but only upon demand in writing made therefore
- 5.11 **Deficiency** – if the proceeds of the realization of the Collateral are insufficient to fully pay to the Credit Union the Obligations, the Debtor shall forthwith pay such deficiency or cause it to be paid to the Credit Union
- 5.12 **Waiver** – The Credit Union may waive any breach by the Debtor of any of the provisions contained in this Security Agreement or any Event of Default, provided always that no act or omission of the Credit Union shall extend to or be taken in any manner whatsoever to affect any subsequent breach or Event of Default or the rights resulting therefrom

PART 6 – NOTICES

- 6.01 **Notices** – All demands or notices which may or are required to be given herein shall be in writing and shall be given personally by serving the same upon the party (or in the case of a corporation any officer of the party) to be served or by mail by posting the same by prepaid registered mail addressed to the respective address set out on page 1 or such other addresses as the parties may advise by notice in writing and any such demand or notice shall be deemed to have been received and effectively served, if mailed, on the third business day (excluding Saturday, Sunday, and statutory holidays) following posting and if served personally, on the day of delivery
- 6.02 **Delays** – In the event that, at the time a notice is mailed as provided in section 6.01 or at any time during the period of three business days (excluding Saturday, Sunday, and statutory holidays) following such mailing, postal or airline or airport employees are engaged in a strike, work slowdown or other work stoppage at the place at which the notice is mailed or at the place to which the notice is mailed or at any point through which such notice must pass, such notice shall be deemed to have been given and received at the time when such notice would be received in the ordinary course of the mails, allowing for such strikes, work slowdown or other work stoppage.

PART 7 – GENERAL

- 7.01 **No Automatic Discharge** – This Security Agreement shall not be or be deemed to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Credit Union.
- 7.02 **Discharge** – If at any time there are no obligations then in existence and the Debtor is not in default of any of the covenants, terms and provisions on the Debtor's part herein contained, then, at the request and at the expense of the Debtor and upon payment by the Debtor to the Credit Union of the Credit Union's standard discharge fee for discharging a security agreement to the Credit Union shall cancel and discharge this Security Agreement and the security interests herein granted and the Credit Union shall execute and deliver to the Debtor all such documents as are required to effect such discharge.
- 7.03 **No Obligation to Advance** – The Debtor acknowledges and agrees that none of the preparation, execution or registration of notice of this Security Agreement shall bind the Credit Union to advance monies hereby secured nor shall the advance of a part of the monies hereby secured bind the Credit Union to advance any unadvanced portion thereof.
- 7.04 **Security Additional** – The Debtor agrees that the security interests created by this Security Agreement are in addition to and not in substitution for any other security now or hereafter held by the Credit Union.
- 7.05 **Realization** – The Debtor acknowledges and agrees that the Credit Union may realize upon various securities securing the Obligations or any part thereof in such order as it may be advised and any such realization by any means upon any security or any part thereof shall not bar realization upon any other security or the security hereby constituted or parts thereof.
- 7.06 **No Merger** – This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Credit Union from the Debtor or from any other person whomsoever. The taking of a judgment with respect of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.
- 7.07 **Extensions** – The Credit Union may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, Account Debtors, sureties and others and with the Collateral and other security interests as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize on the security constituted by this Security Agreement.
- 7.08 **Assignment** – The Credit Union may, without notice to the Debtor, at any time assign, transfer or grant a security interest in this Security Agreement and the security interests hereby granted. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all the Credit Union's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counter-claim, right of set-off or otherwise any claim which the Debtor now has or hereafter acquires against the Credit Union in any action commenced by any such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.
- 7.09 **Appropriation of Payments** – Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held herefore (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Credit Union may see fit and the Credit Union may at all times and from time to time change any appropriation as the Credit Union may see fit.
- 7.10 **No Representations** – The Debtor acknowledges and agrees that the Credit Union has made no representations or warranties other than those contained in this Security Agreement.
- 7.11 **Use of Collateral by Debtor** – Save as provided in section 7.04, until an Event of Default occurs the Debtor shall be entitled to possess, operate, collect, use and enjoy the Collateral in any manner not inconsistent with the terms hereof.
- 7.12 **Modifications, Etc.** – No modification or amendment of this Security Agreement shall be effective unless in writing and executed by the Debtor and the Credit Union and no waiver of any of the provisions of this Security Agreement shall be effective unless in writing and signed by the party waiving the provision.
- 7.13 **Disclosure of Information** – The Debtor hereby consents to the Credit Union, in compliance or purported compliance with any statutory disclosure requirements, disclosing information about the Debtor, this Security Agreement, the Collateral and the Obligations to any person the Credit Union believes is entitled to such information and the Debtor acknowledges and agrees that the Credit Union may charge and retain a fee and its costs incurred in

PART 8 – INTERPRETATION

- 8.01 **Incorporated Definitions** – In this Security Agreement words which are defined in the *Personal Property Security Act* of British Columbia which are not defined herein shall have the meaning set out in the *Personal Property Security Act*.
- 8.02 **Headings** – The headings in this Security Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
- 8.03 **Severability** – If any provision contained in this Security Agreement shall be invalid or unenforceable the remainder of this Security Agreement shall not be affected thereby and each provision of this Security Agreement shall separately be valid and enforceable to the fullest extent permitted by law.
- 8.04 **Laws of British Columbia** – This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia.
- 8.05 **Joint Obligations** – If more than one person constitutes the Debtor, the agreements of, and all obligations and covenants to be performed and observed by, the Debtor hereunder shall be the joint and several agreements, obligations and covenants of each of the persons comprising the Debtor and any request or authorization given to the Credit Union by any of the persons comprising the Debtor shall be deemed to be the joint and several requests or authorizations of each of the persons comprising the Debtor.
- 8.06 **Included Words** – Whenever the singular or masculine is used in this Security Agreement the same shall be deemed to include the plural or the feminine or the body corporate where the context or the parties so require.
- 8.07 **Entirement** – This Security Agreement shall entire to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

SCHEDULE "A"

1. Fuel Gas Booster;
2. Gas Conditioner Skid (#FGB560001);
3. GE Jenbacher Engines/Generator Sets (#4721681 Module #4721701 JD390 and #4721691 Module #4721702 JD390;
4. Engine Housing for each engine;
5. All permits, licences, and approvals held by the Debtor in relation to its project at the Regional District of Nanaimo landfill site on property legally described as PID 013-239-813, Lot 1, Sections 2 and 3, Nanaimo District, Plan 48020, Except Part in Plan VIP66090.

This is Exhibit "D" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

January 18 2017
Reference Date

Member Information

CEDAR ROAD BIOENERGY INC.
c/o 106 - 360 Selby Street
Nanaimo, BC V9R 2R5

IN CONSIDERATION of Vancouver City Savings Credit Union ("Vancity") agreeing to lend money to, or otherwise incur liabilities on behalf of, the above noted individual(s) (the "Member") each of the undersigned (individually, and if more than one, collectively, the "Guarantor") hereby unconditionally guarantees payment to Vancity of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent and howsoever arising of the Member to Vancity, whether or not the Guarantor is aware of such indebtedness or liabilities when incurred, together with all fees, costs, charges and expenses (collectively, the "Obligations") incurred by Vancity, including costs of the receiver, receiver-manager or agent of the Member and/or the agent of Vancity incurred in the perfection and enforcement of this Guarantee and of any security held by Vancity in respect of the Obligations.

And the Guarantor and each of them (if more than one) hereby jointly and severally agree(s) with Vancity as follows:

1. **Nature of Obligation.** This Guarantee is a continuing guarantee, is unlimited and will cover all Obligations and will include interest accruing on such Obligations from the date of demand. Such interest will accrue before as well as after default, judgment and maturity.
2. **Acknowledgement.** The Guarantor (and each of them if more than one) acknowledges that he or she has requested Vancity to advance money to, or otherwise incur liabilities on behalf of, the Member (the "Loan") and to induce Vancity so to do, has agreed to give this Guarantee.
3. **Unconditional Guarantee.** This Guarantee is absolute, unconditional and will extend to all indebtedness and liabilities to Vancity of any person or corporation who or which assumes all or part of the Obligations in any manner whatsoever and the Guarantor's liability hereunder will not be released, diminished or adversely affected by anything whatsoever, including any of the following: (a) if the Member is a corporation, any change in the directors, shareholders, name, objects, share capital, memorandum, articles, bylaws or other organizational documents of the Member, the amalgamation of the Member with any other corporation, the continuance of the Member, the winding-up, liquidation or dissolution of the Member or that the Obligations or any of them were incurred irregularly, defectively or informally or in excess of the powers of the Member or of its directors or other agents notwithstanding that Vancity may have had specific notice of the extent of the relevant powers of the Member or of its directors or agents; (b) if the Member is a partnership, any change in the name of the Member's firm or in the membership of the Member's firm through death, retirement, introduction of one or more partners or otherwise or the disposition of all or part of the Member's business; (c) the bankruptcy, insolvency or receivership of the Member or of the Guarantor or the release and discharge of the Member or the Guarantor in connection therewith; (d) the inability of Vancity by reason of law or otherwise to enforce any security instrument, or any of the terms, conditions or other provisions contained in any security instrument, for the Obligations against the security which is subject to such security instrument or against the Member or any other person (including by reason of any bankruptcy or similar law, any other law or any order of any government or agency thereof purporting to reduce, amend or otherwise affect any of the Obligations or any security therefor); (e) the novation of any agreement or security instrument in respect of the Obligations; (f) that any of the Obligations or any security in respect thereof may be invalid, void, voidable or unenforceable; (g) the release in whole or in part of any security given by the Member or any other person to Vancity; (h) the sale by the Member of any of the Member's assets, including any assets in which Vancity has taken a security interest as security for the Obligations; (i) the failure of Vancity to fully advance the Loan; (j) the failure of any proposed signatory or signatories to execute this Guarantee or other guarantee or to provide security; (k) if more than one person constitutes the Guarantor, the release by Vancity of any of those persons from their obligations hereunder (and this Guarantee will remain a valid and enforceable obligation of the persons not released by Vancity); or (l) that Vancity may have granted time or other indulgences to the Member or any other person liable to Vancity in respect of the Obligations, discontinued, reduced, increased, renewed, or otherwise varied any credit extended to the Member, given up, modified, exchanged, renewed or obtained from perfecting or taking advantage of any security or securities in whole or in part now or hereafter held by Vancity in respect of the Obligations, accepted any compromise, composition, proposal or arrangement offered by the Member or agreed with the Member to amend and vary the interest rate and terms of repayment of any of the Obligations.
4. **No Requirement to Realize Against Member First.** Vancity will not be bound to exhaust its recourses against the Member or other parties, or any security or securities or evidence of debt which Vancity may hold before requiring payment by the Guarantor and Vancity may enforce the various remedies available to it and may realize upon the various securities or any part or parts thereof in any order as it may determine. Vancity may apply all monies received from the Guarantor, the Member or any other person (including under any security that Vancity may hold from time to time) to such part of the Obligations as Vancity in its sole discretion considers appropriate.
5. **Record of Accounts.** The Guarantor agrees that any account settled or stated by or between Vancity and the Member, or admitted by or on behalf of the Member, may be adduced by Vancity and will in that case be accepted by the Guarantor as the conclusive evidence that the balance or amount thereof thereby appearing as due by the Member to Vancity is correct. Furthermore, every certificate issued under the hand of any manager of Vancity's Business Services Department purporting to show the amount at any particular time due and payable to Vancity and covered by this Guarantee will be received as conclusive evidence against the Guarantor that such amount is at such time due and payable to Vancity and is covered by this Guarantee.
6. **Waiver / No Set off.** The Guarantor waives notice of default by the Member and acknowledges that Vancity will not be obliged to give any such notice. In no case will Vancity be responsible or owe any duty (fiduciary or otherwise) to the Guarantor and the liabilities of the Guarantor will not be diminished as a result of any neglect, act or omission by Vancity. The Guarantor will make all payments required to be made under this Guarantee without regard to any right of set off or counterclaim he or she may have against the Member or Vancity.

7. **Assignment and Postponement.** All present and future debts and liabilities of the Member to the Guarantor are hereby assigned to Vancity and postponed to the Obligations and all monies which the Guarantor receives from the Member will be received in trust for Vancity and upon receipt the Guarantor will forthwith pay over such amounts to Vancity until the Obligations are fully paid and satisfied; all without prejudice to or without in any way limiting or lessening the liability of the Guarantor to Vancity.
8. **Principal Debtor.** The Guarantor will continue to be liable to Vancity as principal debtor notwithstanding any transaction which may take place between the Member and Vancity or any neglect or default of Vancity which might otherwise operate as a discharge, whether partially or absolutely, of the Guarantor if he or she was surety of the Member only and without limiting the generality of the foregoing, notwithstanding the occurrence of any event or circumstance set out in paragraph 3 above.
9. **Subrogation.** The Guarantor will not at any time claim to be subrogated in any manner to the position of Vancity and will not claim benefit of any security at any time held by it, PROVIDED HOWEVER that upon the Guarantor paying to Vancity and satisfying all of the Obligations, the Guarantor may on demand in writing to Vancity request the assignment of any securities taken by Vancity from the Member and held by Vancity at the time of such payment to secure repayment of the Obligations.
10. **Demand.** The Guarantor agrees that a demand for payment made upon the Guarantor is effective when the envelope containing the demand, addressed to the Guarantor (or to any of them if the Guarantor is comprised of more than one person) at the address of the Guarantor (or such person) last known to Vancity is posted, postage prepaid, in any government post office in Canada or given personally to the Guarantor (or any of them). Any notice so posted will be deemed to have been effectually made on the Guarantor on the third business day following the posting of the demand and if given personally, on the day of delivery. The Guarantor will forthwith, upon such demand being made by Vancity, pay to Vancity the Obligations.
11. **Additional Security.** This Guarantee is in addition to and not in substitution for any other securities, negotiable or otherwise, which Vancity may now or hereafter possess and Vancity will be under no obligation to marshal in favour of the Guarantor any securities or any funds or assets which Vancity may be entitled to receive or have a claim upon.
12. **Claims.** The Guarantor will file all claims against the Member in any bankruptcy or other proceedings in which the filing of claims is required by law or upon any indebtedness of the Member to the Guarantor and will assign to Vancity all of the Guarantor's rights thereunder. In all such cases, whether an administration, bankruptcy, or otherwise, the person or persons authorized to pay such claims will pay to Vancity the full amount payable on the claim in the proceeding before making any payment to the Guarantor; all without in any way limiting or diminishing the liability of the Guarantor to Vancity. All moneys received by the Guarantor in all such cases will be received in trust for Vancity and forthwith upon receipt will be paid over to Vancity until the Obligations are fully paid and satisfied. To the fullest extent necessary for the purposes of this paragraph 12 the Guarantor hereby assigns to Vancity all the Guarantor's rights to any payments or distributions to which the Guarantor would otherwise be entitled.
13. **Termination of Obligations.** The Guarantor may determine the Guarantor's further liability under this Guarantee by giving Vancity 30 days' written notice of termination to the attention of the branch manager specifying the correct name of the Guarantor and the Member and delivered to the branch referred to in this Guarantee. This Guarantee will not apply to any liabilities of the Member to Vancity incurred after the expiration of 30 days from the date Vancity receives such notice at such branch.
14. **Set Off.** The Guarantor hereby grants to Vancity the right to set off against any and all accounts, credits or balances maintained by the Guarantor with Vancity, the aggregate amount of any and all of the Obligations if and when the same are or become due and payable by the Guarantor hereunder.
15. **Use of Information.** Vancity will collect, use and disclose personal information (as defined in applicable Canadian privacy laws) only in accordance with Vancity's Privacy Statement, a copy of which is available upon request. The Guarantor, for and on behalf of each of its principals, if applicable, consents to the collection, use and disclosure of personal information, including credit, financial and other information, by Vancity in connection with this Guarantee from time to time as necessary for establishing and enforcing this Guarantee, including without limitation for the purposes of: verifying, evaluating and re-evaluating the current and ongoing creditworthiness of the Guarantor, and its principals, if applicable, and any other information provided to Vancity in connection with this Guarantee; administering and enforcing this Guarantee; and communicating with the Guarantor, and its principals, if applicable, and with other creditors and potential creditors of the Guarantor, and its principals, if applicable, for the foregoing purposes. For the above purposes, the Guarantor, for and on behalf of each of its principals, if applicable, consents to Vancity collecting credit, financial and related personal information from, and disclosing such information to: the respective affiliates, subsidiaries and other associated companies of the Guarantor; credit bureaus and reporting agencies; business and financial institutions with whom the Guarantor or any such principal has, has had or may have a financial relationship; and other references provided in connection with this Guarantee. The Guarantor, for and on behalf of each of its principals, if applicable, consents to the above parties disclosing such personal information to Vancity. The Guarantor warrants that it is authorized to consent on behalf of each of its principals.
16. **Entire Agreement.** This Guarantee embodies all agreements between the Guarantor and Vancity relating to this Guarantee, the Obligations, or the Member. The Guarantor specifically acknowledges that Vancity has not made any promise or representation to the Guarantor and Vancity is not bound by any promise made by the Member to the Guarantor.
17. **Governing Law / Courts.** This Guarantee will be governed by, and construed in accordance with the laws of the Province of British Columbia. The Guarantor submits to the jurisdiction of the courts of the Province of British Columbia and agrees to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding. The foregoing will in no way limit the right of Vancity to commence suits, actions, or proceedings based on this Guarantee in any jurisdiction.
18. **Assignment / Enturement.** Nothing herein will operate to prevent Vancity from assigning this Guarantee and/or any security taken by it from the Member to any other person or corporation absolutely or by way of security, and no such assignment will operate to release or discharge the Guarantor from his obligations hereunder. This Guarantee will extend to and enure to the benefit of Vancity, its successors and assigns and will be binding upon the Guarantor and his heirs, executors, administrators, successors and assigns and each of them.
19. **Survival.** No action or proceeding brought or instituted under this Guarantee and no recovery in pursuance thereof will be a bar or defense to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults under this Guarantee or in the performance or observance of the terms, covenants, conditions and provisions in any instrument evidencing or securing the Obligations or otherwise executed in connection therewith. This Guarantee will survive foreclosure or exercise of any other remedy contained in any instrument evidencing or securing the Obligations or otherwise executed in connection therewith.
20. **Joint and Several Liability.** If more than one person constitutes the Guarantor the obligations and agreements of each of the persons comprising the Guarantor will be joint and several and the Guarantee will be read and construed accordingly with all necessary grammatical and other changes.

Vancity

guarantee and postponement of claim
Suncurrent Industries Inc.

21. Remedies Cumulative. All the rights, powers and remedies of Vancity hereunder and under any other agreement now or at any time hereafter in force between Vancity and the Guarantor (or any of them if more than one) will be cumulative and will be in addition to and not in substitution for all rights, powers and remedies of Vancity at law or in equity.

22. No Collateral Agreements. There are no representations, collateral agreements, or conditions with respect to, or affecting the Guarantor's liability under, this Guarantee other than as expressly set out in this Guarantee.

23. Interpretation. Wherever the singular or masculine is used throughout this Guarantee it will be construed as meaning the plural or the feminine or body corporate where the context or the parties hereto so require. The headings of this Guarantee are for convenience of reference only and do not affect the interpretation of this Guarantee. If one or more provisions contained herein are determined to be invalid, illegal or unenforceable in any respect, such provision will be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee on this 19th day of January, 2017

WITNESS (as to all signatures if more than one)			
N/A	N/A		
Witness Signature	Guarantor Signature	Guarantor Name (please print)	
N/A	N/A		
Witness Name (please print)	Guarantor Signature	Guarantor Name (please print)	
N/A	N/A		
Address	Guarantor Signature	Guarantor Name (please print)	
N/A	N/A		
Occupation	Guarantor Signature	Guarantor Name (please print)	

(Complete this section ONLY if the Guarantor is a corporation, association or society)	
SUNCURRENT INDUSTRIES INC.	
Guarantor Name (please print)	
By its Duly Authorized Signatories:	
X	Paul Liddy
Signature	Title: President + Director
X	
Signature	Title

This is Exhibit "E" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

GENERAL INFORMATION

BRANCH ADDRESS: 100 - 800 Kelly Road Victoria, BC V9B 5T6	AGREEMENT REFERENCE DATE: The 19 th day of January, 2017
DEBTOR FULL LEGAL NAME AND ADDRESS: SUNCURRENT INDUSTRIES INC. c/o 523 - 10333 Southport Road SW Calgary, AB T2W 3X6	ACCOUNT NO: 496788 BIRTH DATE OR INC. NO.: 204152631

In this Security Agreement "Credit Union" means the Credit Union named above and "Debtor" means the Debtor or Debtors named above.

OBLIGATIONS SECURED

This Security Agreement and the security interests hereby created shall:

- be continuing security for the payment of all and every indebtedness, both present and future, and whether arising on current account or otherwise, together with interest thereon and all and every liability, present and future, direct or indirect, absolute or contingent of the Debtor to the Credit Union, including, and without derogating from the generality of the foregoing, any advance or readvance, including every unpaid balance thereof, by the Credit Union to the Debtor, whenever made, and interest thereon to the same extent as if the advance or readvance had been made at the time of creation of this Security Agreement, and for performance of all obligations of the Debtor to the Credit Union, whether or not contained in this Security Agreement (which indebtedness, liabilities and obligations are herein collectively called the "Obligations").
- secure payment by the Debtor to the Credit Union of the sum of \$ [] and interest thereon at such rate or rates as are from time to time agreed to between the Debtor and the Credit Union (herein collectively called the "Obligations"), according to the terms of, and as evidenced by, a promissory note dated [] and any and all renewals thereof and substitutions therefor

Secure:

(herein called the "Obligations")

(Mark applicable provision with an "X" in the appropriate box. If no provision is marked then provision will apply).

FURTHER TERMS AND CONDITIONS

The Credit Union and the Debtor agree to be bound by the terms and conditions appearing on the pages following (herein called the "Further Terms and Conditions") and appearing on the Schedules attached hereto, all of which form part of this Security Agreement.

ACKNOWLEDGMENT AND WAIVER

The Debtor hereby:

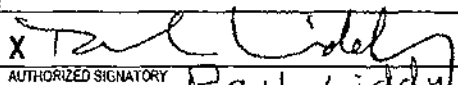

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) waives all rights to receive from the Credit Union a copy of any financing statement, financing change statement, or verification statement filed at any time in respect of this Security Agreement or any amendments hereto.

EXECUTION

(IF THE DEBTOR IS AN INDIVIDUAL)

DEBTOR SIGNATURE
N/A
WITNESS SIGNATURE
N/A
DEBTOR SIGNATURE
N/A
WITNESS SIGNATURE
N/A

(IF THE DEBTOR IS A CORPORATION OR PARTNERSHIP)

DEBTOR NAME
SUNCURRENT INDUSTRIES INC.
BUSINESS OR TRADE NAME
SUNCURRENT INDUSTRIES INC.

AUTHORIZED SIGNATORY Paul Liddy

AUTHORIZED SIGNATORY

PART I – SECURITY INTERESTS**1.01 Security Interests**

For valuable consideration and as security for the payment and performance of the Obligations the Debtor hereby mortgages, charges, assigns and transfers to the Credit Union, and grants to the Credit Union a security interest in, and the Credit Union hereby takes a security interest in, all the Debtor's right, title and interest in and to

all of the Debtor's present and after-acquired property (except the property of the Debtor described in section 1.02) and all proceeds thereof of whatsoever nature and kind and whatever situation (herein collectively called the "Collateral") including, without limiting the generality of the foregoing:

- (a) **Accounts** – all debts, accounts, claims, monies and choses in action which now are, or which may at any time hereafter be due or owing to or owned by the Debtor, and all books, records, documents, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and choses in action or any part or parts thereof (herein collectively called the "Accounts");
- (b) **Equipment** – all present and future equipment owned by the Debtor, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessories and accessories located at or installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto and any other goods that are not Inventory (herein collectively called the "Equipment");
- (c) **Inventory** – all present and future inventory of whatever kind now or hereafter owned by the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Debtor whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service (herein collectively called the "Inventory");
- (d) **Other Tangible Personal Property** – all chattel paper, documents of title, instruments, securities and other goods of the Debtor that are not Accounts, Equipment or Inventory;
- (e) **Intangibles** – all intangible property of the Debtor (save and except for Accounts) now owned or hereafter acquired by the Debtor including, without limitation, all contractual rights, licenses, goodwill, patents, trademarks, tradenames, copyrights, other industrial designs and other industrial or intellectual property and undertaking of the Debtor and all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor which is not Accounts, goods, chattel paper, documents of title, instruments, money or securities;
- (f) **Specific Property** – all the property of the Debtor described in Schedule A hereto, if any;
- (g) **Proceeds** – all proceeds of the property described above.

1.02 Exclusions – The security interests granted herein do not apply or extend to:

- (a) any real property or interests therein of the Debtor;
- (b) the last day of any term created by any lease or agreement thereto now held or hereafter acquired by the Debtor but the Debtor shall stand possessed of the reversion thereby remaining in the Debtor of any leasehold premises upon trust for the Credit Union to assign and dispose thereof as the Credit Union or any purchaser of such leasehold premises shall direct;
- (c) if any lease or agreement thereto contains a provision which provides in effect that such lease or agreement may not be assigned, subleased, charged or encumbered without the leave, licence, consent or approval of the lessor, the application of the security interest created hereby to any such lease or agreement shall be conditional upon such leave, licence, consent or approval having been obtained and the security interest created hereby shall attach to such lease or agreements as soon as such leave, licence, consent or approval is obtained;
- (d) any consumer goods of the Debtor;
- (e) any property of the Debtor described in Schedule E hereto.

1.03 Attachment – The Credit Union and the Debtor do not intend to postpone the attachment of the security interests hereby created save as provided in section 1.02(c) and except as provided therein the security interests hereby created shall attach when:

- (a) this Security Agreement has been executed, or in the case of after-acquired property, such property has been acquired by the Debtor;
- (b) value has been given; and
- (c) the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

1.04 Notification – If this Security Agreement grants a security interest in Accounts, before or after an Event of Default (as herein after defined) has occurred, the Credit Union may notify any debtor of the Debtor on an intangible, chattel paper, or account, or any obligor on an instrument (herein called an "Account Debtor") to make all payments on Collateral to the Credit Union and the Debtor acknowledges that the proceeds of all sales, or any payments on or other proceeds of the Collateral, including but not limited to payments on, or other proceeds of, the Collateral received by the Debtor from any Account Debtor, whether before or after notification of this security interest to such Account Debtor and whether before or after default under this Agreement shall be received and held by the Debtor in trust for the Credit Union and shall be turned over to the Credit Union upon request and the Debtor shall not co-mingle any proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

1.05 – Purchase Money Security Interests – The security interest created hereby shall constitute purchase money security interests to the extent that any of the Obligations are moneys advanced by the Credit Union to the Debtor for the purpose of enabling the Debtor to purchase any of the Collateral and were so used by the Debtor and a certificate of an officer of the Credit Union as to the extent that the Obligations are moneys so advanced and used shall be prima facie proof of the purchase money security interests constituted hereby.

PART 2 – REPRESENTATIONS AND WARRANTIES

2.01 Representations and Warranties – The Debtor represents and warrants to the Credit Union that

- (a) **Corporate Requirements** – if the Debtor is a corporation:
 - i. it is duly incorporated and it is in good standing under the laws of the Province of British Columbia;
 - ii. it has the power and authority to carry on the business now being carried on by it and has the full power and authority to execute and deliver this Security Agreement;
 - iii. all necessary and requisite corporate proceedings, resolutions and authorizations have been taken, passed, done and given by it and by its directors to authorize, permit and enable it to execute and deliver this Security Agreement; and
 - iv. the entering into this Security Agreement is not in contravention of any statute, the organizational or constituting documents of the Debtor or any agreement or other document to which the Debtor is a party;
- (b) **No Actions** – there are no actions or proceedings pending or, to the knowledge of the Debtor, threatened which challenge the validity of this Security Agreement or which might result in a material adverse change in the financial condition of the Debtor or which would materially adversely affect the ability of the Debtor to perform its obligation under this Security Agreement or any document evidencing any indebtedness of the Debtor to the Credit Union;
- (c) **Owns Collateral** – the Debtor owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only those, if any, shown in Schedule B hereto;
- (d) **Right and Authority** – the Debtor has the right and authority to create the security interests herein created;
- (e) **Location of Collateral** – the only locations of Collateral (other than Inventory in transit) and the only places the Debtor carries on business are the Debtor's address set out on page 1 and such other locations, if any, described in Schedule C hereto.

PART 3 – POSITIVE COVENANTS

3.01 Positive Covenants – The Debtor covenants with the Credit Union:

- (a) **Defend Collateral** – that the Debtor will defend the Collateral against all claims and demands of all persons claiming the Collateral or an interest therein at any time;
- (b) **Financial Statements** – that it will deliver to the Credit Union within 90 days after the end of each fiscal year of the Debtor audited financial statements of the Debtor, including the auditor's report and any notes accompanying such statements;
- (c) **Provide Information** – that upon the demand by the Credit Union it will furnish in writing to the Credit Union all information requested concerning the Collateral and that it will promptly advise the Credit Union of the serial number, year, make and model of each serial number good at any time included in the Collateral;
- (d) **Insurance** – that it will insure and keep insured to their full insurable value with a company or companies selected by the Debtor and approved in writing by the Credit Union all the Collateral against such perils as may be prudent having regard to the nature of the Collateral and the business of the Debtor (including an extended coverage insurance clause) and whenever and to the extent required in writing by the Credit Union, the Debtor will:
- i. furnish a certificate by an independent appraiser or insurance adjuster selected by the Debtor and approved by the Credit Union as to the sufficiency of such insurance, which certificate shall be conclusive as against the Debtor both as to the amount of insurance required hereunder and the perils against which coverage is required hereunder and the Debtor shall immediately insure in accordance with such certificate;
 - ii. cause to be included in such policy or policies a mortgage clause in such form as may be approved by the Credit Union;
 - iii. cause to be endorsed in such form as may be required by the Credit Union on the policies evidencing such insurance a notation that any amounts payable under such policies shall be paid to the Credit Union as its interest may appear; and
 - iv. deposit with the Credit Union every policy and renewal certificate for such insurance or a certified copy thereof;
- (e) **Repair** – that it will keep the Collateral in good condition and repair according to the nature and description thereof respectively and if the Debtor neglects to keep the Collateral or any part thereof in good condition and repair then the Credit Union may from time to time, without any notice to the Debtor in situations deemed by the Credit Union to be emergency situations and otherwise upon not less than 15 days notice, make such repairs as it in its sole discretion deems necessary;
- (f) **Other Indebtedness** – that it will pay and discharge as they become due all payments due and owing under or with respect to any previous indebtedness created or security given by the Debtor to any person or corporation and will observe, perform and carry out all the terms, covenants, provisions and agreements relating thereto and any default in payment of any moneys due and payable under or relating to any previous indebtedness or security or in the observance, performance or carrying out of any of the terms, covenants, provisions and agreements relating thereto shall be deemed to be a default hereunder at the option of the Credit Union and any and all remedies available to the Credit Union hereunder by reason of any default hereunder or by law or otherwise shall be forthwith available to the Credit Union upon any default of the Debtor under the previous indebtedness created or security given by the Debtor;
- (g) **Right of Inspection** – that the Credit Union shall have the right whenever it deems reasonable necessary either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral, all books of accounts and records of the Debtor and copies of all returns made from time to time by the Debtor to boards, agencies or governmental departments and to make extracts therefrom and generally to conduct such examinations as it may see fit and without limiting the generality of the foregoing, the Credit Union may request information from the solicitor, auditor and other advisors and agents of the Debtor for the time being concerning the affairs and the conduct of business of the Debtor and the Debtor hereby irrevocably authorizes and directs and this shall constitute the sufficient authority and direction to any such solicitor, auditor or other person to disclose to the Credit Union such information as to any and all matters touching upon the affairs and conduct of the business of the Debtor whether of a confidential nature or otherwise and any costs, expenses and outlays which the Credit Union may incur pursuant hereto shall be payable forthwith by the Debtor to the Credit Union, shall bear interest at the highest rate borne by any of the other Obligations and shall, together with such interest, form part of the Obligations secured by this Security Agreement;
- (h) **Costs of Preparation and Enforcement** – that it will pay all costs, charges and expenses of and incidental to the taking, preparation, execution and registering notice (and any amendments and renewals of such notice), of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in relation to this Security Agreement or by reason of non-payment or procuring payment of the moneys hereby secured;
- (i) **Costs Caused by Default** – that if the Debtor shall make default in any covenant to be performed by it hereunder, the Credit Union may perform any covenant of the Debtor capable of being performed by the Credit Union and if the Credit Union shall be put to any costs, charges, expenses or outlays to perform such covenant, the Debtor shall indemnify the Credit Union for such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Credit Union on an "own client" basis) shall be payable forthwith by the Debtor to the Credit Union, shall bear interest at the highest rate borne by any of the other Obligations and shall, together with such interest, form part of the Obligations secured by this Security Agreement;
- (j) **Court Costs** – that in any judicial proceedings taken to cancel this Security Agreement or to enforce this Security Agreement and the covenants of the Debtor hereunder the Credit Union shall be entitled to costs on a solicitor and client basis. Any costs so recovered shall be credited against any solicitors' fees and charges paid or incurred by the Credit Union relating to the matters in respect of which the costs were awarded and which have been added to the monies secured hereunder pursuant to the foregoing clause;
- (k) **Notice of Litigation** – that it will give written notice to the Credit Union of all litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral or any part thereof;
- (l) **Corporate Existence, Etc.** – that it will at all times maintain its corporate existence; that it will carry on and conduct its business in a proper, efficient, and businesslike manner and in accordance with good business practice; and that it will keep or cause to be kept proper books of account in accordance with sound accounting practice;
- (m) **Taxes** – that it will pay all taxes, rates, levies, charges, assessments, statute labour or other impositions whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Credit Union in respect of the Collateral or any part or parts thereof, or any other matter or thing in relation to this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Credit Union, furnish for inspection the receipts for any such payments;
- (n) **Payments** – that it will promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;
- (o) **Further Assurances** – that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Credit Union shall reasonably require for the better assuring, charging, assigning and conferring unto the Credit Union the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and affecting the intention of this Security Agreement;
- (p) **Purchase Moneys** – that if the Credit Union advances money to the Debtor for the purpose of enabling the Debtor to acquire any Collateral the Debtor shall use such money only for that purpose and will promptly provide the Credit Union with evidence that such money was so applied;
- (q) **Securities** – that if the Collateral at any time includes a security, the Debtor shall if required by the Credit Union transfer the security into the name of the Credit Union or the Credit Union's nominee and until an Event of Default the Credit Union will provide the Debtor with all notices and other communications received by it or its nominee as registered owner of such security and will appoint, or cause its nominee to appoint the Debtor as proxy to vote with respect to the security;
- (r) **Additional Covenants** – that it will observe and perform the additional covenants, if any, set forth in Schedule D hereto.

PART 4 – NEGATIVE COVENANTS

- 4.01 Negative Covenants** – The Debtor covenants and agrees with the Credit Union that it shall not, without the prior written consent of the Credit Union:
- (a) **Change Name** – change its name;
 - (b) **Permit Charges** – permit the Collateral or any part or parts thereof to become subject to any mortgage, charge, lien, encumbrance or security interest, whether made, given or created by the Debtor or otherwise;
 - (c) **Sell Collateral** – save as permitted in Section 4.02 sell, lease or otherwise dispose of the Collateral or any part or parts thereof (and in the event of any permitted sale, lease or other disposition will deposit the proceeds with the Credit Union);
 - (d) **Abandon Collateral** – release, surrender or abandon the Collateral or any part or parts thereof;
 - (e) **Move Collateral** – move the Collateral or any part or parts thereof from its present location or locations (and will promptly advise the Credit Union of the new location or locations);
 - (f) **Accessions** – permit any of the Collateral to become an accession to any property other than other Collateral.
- 4.02 Sale of Inventory** – If this Security Agreement grants a security interest in Inventory, until an Event of Default has occurred and the Credit Union has determined to enforce the security interest hereby created the Debtor may only sell Inventory in the ordinary course of business and provided that:
- (a) **Terms** – all sales shall be on commercially reasonable terms;
 - (b) **Deposit Proceeds** – all cash proceeds of sales shall immediately be deposited with the Credit Union; and
 - (c) **Apply Proceeds** – the proceeds of any such sales may, at the option of the Credit Union, be applied to the Obligations.

PART 5 – DEFAULT AND ENFORCEMENT

5.01 Events of Default – The happening of any one of the following events or conditions shall constitute an event of default hereunder (herein called an "Event of Default"):

- (a) **Default** – if the Debtor shall make default in the observance or performance of something required to be done or some covenant or condition required to be observed or performed in this Security Agreement or in any other agreement or instrument between the Debtor and the Credit Union;
 - (b) **Misrepresentation** – if any representation or warranty given by the Debtor, or if the Debtor is a corporation by any director or officer thereof, is untrue in any material respect;
 - (c) **Winding Up** – if the Debtor is a corporation and an order shall be made or a resolution passed for the winding-up of the Debtor, or if a petition shall be filed for the winding-up of the Debtor;
 - (d) **Death or Incompetency** – if the Debtor is an individual and the Debtor dies or is declared incompetent by a court of competent jurisdiction;
 - (e) **Bankruptcy** – if the Debtor shall commit or threaten to commit any act of bankruptcy or shall become insolvent or shall make an assignment or proposal under the *Bankruptcy Act* or a general assignment in favour of its creditors or a bulk sale of its assets, or if a bankruptcy petition shall be filed or presented against the Debtor;
 - (f) **Receiver, Etc.** – if any receiver, receiver-manager, trustee, custodian, liquidator or similar agent is appointed for the Debtor or for any of the Debtor's property;
 - (g) **Arrangement** – if the Debtor is a corporation and any proceedings with respect to the Debtor shall be commenced under the *Companies Creditors Arrangement Act*;
 - (h) **Execution etc.** – if any execution, sequestration, extent or any other process of any Court shall become enforceable against the Debtor or if a distress or analogous process shall be levied upon the Collateral or any part thereof;
 - (i) **Other Indebtedness** – if the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the Collateral in priority to the security interests created by this Security Agreement to remain unpaid for thirty (30) days;
 - (j) **Cease Business** – if the Debtor shall cease or threaten to cease to carry on its business;
 - (k) **Default in Other Payment** – if the Debtor shall make default in payment of any indebtedness or liability to the Credit Union or any other person, whether secured hereby or not;
 - (l) **Material Adverse Change** – if a material adverse change occurs in the financial condition of the Debtor determined by the Credit Union in its sole and absolute discretion;
 - (m) **Impaired Ability or Security** – if the Credit Union in good faith and on commercially reasonable grounds believes that the ability of the Debtor to pay any of the Obligations to the Credit Union or to perform any of the covenants contained herein is impaired or any security granted by the Debtor to the Credit Union is or is about to be impaired or in jeopardy;
 - (n) **Change of Control** – if the Debtor is a corporation and if, in the opinion of the Credit Union, effective control of the Debtor changes.
- 5.02 Acceleration** – If an Event of the Default occurs the Credit Union, in its sole and absolute discretion, may declare all or any part of the Obligations (whether or not by its terms payable on demand) immediately due and payable, without any further demand or notice of any kind.
- 5.03 Demand Obligations** – The Debtor agrees that the provisions of Section 5.01 and 5.02 shall not affect the demand nature of any indebtedness or obligations payable on demand and the Credit Union may demand payment such indebtedness and obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Security Agreement or any other instrument between the Debtor and the Credit Union.
- 5.04 Security Interests Enforceable** – The occurrence of an Event of Default shall cause the security interests created hereby to become enforceable without the need for any action or notice on the part of the Credit Union.
- 5.05 Remedies of the Credit Union** – if the security interest created hereby shall become enforceable, the Credit Union may enforce its rights by any one or more of the following remedies:
- (a) **Take Possession** – by taking possession of the Collateral or any part thereof, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the same and for that purpose entering into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Debtor, or otherwise, as the Credit Union shall deem necessary;
 - (b) **Court Appointed Receiver** – by proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;
 - (c) **File Proofs of Claim** – by filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;
 - (d) **Appoint Receiver** – by appointment by instrument in writing of a receiver or receiver-manager of all or any part of the Collateral;
 - (e) **Sale or Lease** – by sale or lease by the Credit Union of all or any part of the Collateral (whether or not it has taken possession of the same); and
 - (f) **Other Remedies** – by any other remedy or proceeding authorized or permitted hereby or by law or equity (including all of the rights and remedies of a secured party under the *Personal Property Security Act* in effect from time to time), and in exercising or failing to exercise such right or remedy the Credit Union shall not incur any liability to the Debtor.
- 5.06 Power of Sale** – The provisions of section 5.07(g) shall apply, mutatis mutandis, to a sale or lease of any of the Collateral by the Credit Union pursuant to section 5.05(f).
- 5.07 Receiver or Receiver-Manager** – Any time after the security interests hereby created shall have become enforceable, the Credit Union may from time to time appoint in writing any qualified person to be a Receiver or Receiver and Manager (hereinafter called the "Receiver") of the Collateral and may

likewise remove any such person so appointed and appoint another qualified person in his stead. Any such Receiver appointed hereunder shall have the following powers:

- (a) **Take Possession** - to take possession of the Collateral or any part thereof, and to collect and get in the same and for that purpose to enter into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to any act and take any proceedings in the name of the Debtor, or otherwise, as the Receiver shall deem necessary;
 - (b) **Carry On Business** - if this Security Agreement creates security interests in substantially all of the Debtor's present and after-acquired personal property, to carry on or concur in carrying on the business of the Debtor (including, without limiting the generality of the powers herein contained, the payment of the obligations of the Debtor whether or not the same are due and the cancellation or amendment of the contracts between the Debtor and any other person) and the employment and discharge of such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such salaries, wage or remuneration as the Receiver thinks proper;
 - (c) **Repair** - to repair and keep in repair the Collateral or any part or parts thereof and to do all necessary acts and things for the protection of the Collateral;
 - (d) **Arrangements** - to make any arrangement or compromise which he shall think expedient in the interest of the Credit Union or the Debtor and to assent to any modification or change in or omission from the provisions of this Security Agreement;
 - (e) **Exchange** - to exchange any part or parts of the Collateral for any other property suitable for the purposes of the Debtor upon such terms as may seem expedient and either with or without payment or exchange of money or equality of exchange or otherwise;
 - (f) **Borrow** - to raise on the security of the Collateral or any part or parts thereof, by mortgage, charge or otherwise any sum of money required for the repair, insurance or protection thereof, or any other purposes herein mentioned, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Collateral or any part thereof, which would or might have priority over the security interests hereby created;
 - (g) **Sale or Lease** - whether or not the Receiver has taken possession, to sell or lease or concur in the sale or leasing of any of the Collateral or any part or parts thereof after giving the Debtor not less than thirty (30) days' written notice of his intention to sell or lease and to carry any such sale or lease into effect by conveying, transferring, letting or assigning in the name of or on behalf of the Debtor or otherwise; and any such sale or lease may be made either at public auction or privately as the Receiver shall determine and any such sale or lease may be made from time to time as to the whole or any part or parts of the Collateral; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which the Receiver shall deem proper; and the Receiver may buy in or rescind or vary any contract for the sale or lease of any of the Collateral or any part or parts thereof, and may resell and release without being answerable for any loss occasioned thereby; and the Receiver may sell or lease any of the same as to cash or part cash and part credit or otherwise as shall appear to be most advantageous and at such prices as can be reasonably obtained therefore and in the event of a sale or lease on credit neither he nor the Credit Union shall be accountable or charged with any monies until actually received.
- 5.08 Liability of Receiver** - The Receiver appointed and exercising powers under the provisions hereof shall not be liable for any loss howsoever arising unless the same shall be caused by the Receiver's own negligence or willful default, and the Receiver shall when so appointed be deemed to be the agent of the Debtor and the Debtor shall be solely responsible for the Receiver's acts and defaults and for the Receiver's remuneration.
- 5.09 Validity of Sale or Lease** - No purchaser at any sale and no lessee under any lease purporting to be made in pursuance of the power set forth in sections 5.05 (f) and 5.07(g) shall be bound to see or enquire whether any default has been made or continues or whether any notice required hereunder has been given or as to the necessity or expediency of the stipulations subject to which sale or lease shall have been made or otherwise as to the propriety of such sale or lease, or regularity of proceedings or to be affected by notice that such default has been made or continues or notice given as aforesaid, or that the sale or lease as regards such purchaser or lessee shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Debtor in respect of any impropriety or irregularity whatsoever in any such sale or lease shall be in damages only.
- 5.10 Proceeds of Disposition** - The proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied as follows:
- (a) FIRSTLY to pay and discharge all rents, taxes, rates, insurance premiums and out-goings affecting the Collateral;
 - (b) SECONDLY to pay all costs and expenses of taking possession and/or sale or lease or otherwise (including the Receiver's remuneration, if any);
 - (c) THIRDLY to pay such amounts as are necessary to keep in good standing all liens and charges on the Collateral prior to the security interests hereby created;
 - (d) FOURTHLY to pay any principal, interest, and other monies due and payable hereunder (in such order as the Credit Union may require); and
 - (e) Should any surplus remain in the hands of the Receiver or the Credit Union then the Debtor shall be entitled to such surplus but only upon demand in writing made therefore
- 5.11 Deficiency** - if the proceeds of the realization of the Collateral are insufficient to fully pay to the Credit Union the Obligations, the Debtor shall forthwith pay such deficiency or cause it to be paid to the Credit Union
- 5.12 Waiver** - The Credit Union may waive any breach by the Debtor of any of the provisions contained in this Security Agreement or any Event of Default, provided always that no act or omission of the Credit Union shall extend to or be taken in any manner whatsoever to affect any subsequent breach or Event of Default or the rights resulting therefrom.

PART 6 - NOTICES

- 6.01 Notices** - All demands or notices which may or are required to be given herein shall be in writing and shall be given personally by serving the same upon the party (or in the case of a corporation any officer of the party) to be served or by mail by posting the same by prepaid registered mail addressed to the respective address set out on page 1 or such other addresses as the parties may advise by notice in writing and any such demand or notice shall be deemed to have been received and effectively served, if mailed, on the third business day (excluding Saturday, Sunday, and statutory holidays) following posting and if served personally, on the day of delivery
- 6.02 Delays** - in the event that, at the time a notice is mailed as provided in section 6.01 or at any time during the period of three business days (excluding Saturday, Sunday, and statutory holidays) following such mailing, postal or airline or airport employees are engaged in a strike, work slowdown or other work stoppage at the place at which the notice is mailed or at the place to which the notice is mailed or at any point through which such notice must pass, such notice shall be deemed to have been given and received at the time when such notice would be received in the ordinary course of the mails, allowing for such strikes, work slowdown or other work stoppage.

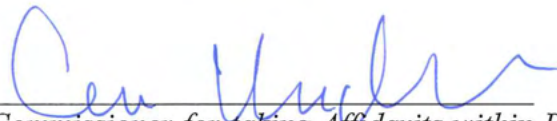
PART 7 – GENERAL

- 7.01 **No Automatic Discharge** – This Security Agreement shall not be or be deemed to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or indirect, absolute or contingent, to the Credit Union.
- 7.02 **Discharge** – If at any time there are no obligations then in existence and the Debtor is not in default of any of the covenants, terms and provisions on the Debtor's part herein contained, then, at the request and at the expense of the Debtor and upon payment by the Debtor to the Credit Union of the Credit Union's standard discharge fee for discharging a security agreement to the Credit Union shall cancel and discharge this Security Agreement and the security interests herein granted and the Credit Union shall execute and deliver to the Debtor all such documents as are required to effect such discharge.
- 7.03 **No Obligation to Advance** – The Debtor acknowledges and agrees that none of the preparation, execution or registration of notice of this Security Agreement shall bind the Credit Union to advance monies hereby secured nor shall the advance of a part of the monies hereby secured bind the Credit Union to advance any unadvanced portion thereof.
- 7.04 **Security Additional** – The Debtor agrees that the security interests created by this Security Agreement are in addition to and not in substitution for any other security now or hereafter held by the Credit Union.
- 7.05 **Realization** – The Debtor acknowledges and agrees that the Credit Union may realize upon various securities securing the Obligations or any part thereof in such order as it may be advised and any such realization by any means upon any security or any part thereof shall not bar realization upon any other security or the security hereby constituted or parts thereof.
- 7.06 **No Merger** – This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Credit Union from the Debtor or from any other person whomsoever. The taking of a judgment with respect of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.
- 7.07 **Extensions** – The Credit Union may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, Account Debtors, sureties and others and with the Collateral and other security interests as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize on the security constituted by this Security Agreement.
- 7.08 **Assignment** – The Credit Union may, without notice to the Debtor, at any time assign, transfer or grant a security interest in this Security Agreement and the security interests hereby granted. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all the Credit Union's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counter-claim, right of set-off or otherwise any claim which the Debtor now has or hereafter acquires against the Credit Union in any action commenced by any such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.
- 7.09 **Appropriation of Payments** – Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefore (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Credit Union may see fit and the Credit Union may at all times and from time to time change any appropriation as the Credit Union may see fit.
- 7.10 **No Representations** – The Debtor acknowledges and agrees that the Credit Union has made no representations or warranties other than those contained in this Security Agreement.
- 7.11 **Use of Collateral by Debtor** – Save as provided in section 1.04, until an Event of Default occurs the Debtor shall be entitled to possess, operate, collect, use and enjoy the Collateral in any manner not inconsistent with the terms hereof.
- 7.12 **Modifications, Etc.** – No modification or amendment of this Security Agreement shall be effective unless in writing and executed by the Debtor and the Credit Union and no waiver of any of the provisions of this Security Agreement shall be effective unless in writing and signed by the party waiving the provision.
- 7.13 **Disclosure of Information** – The Debtor hereby consents to the Credit Union, in compliance or purported compliance with any statutory disclosure requirements, disclosing information about the Debtor, this Security Agreement, the Collateral and the Obligations to any person the Credit Union believes is entitled to such information and the Debtor acknowledges and agrees that the Credit Union may charge and retain a fee and its costs incurred in

PART 8 – INTERPRETATION

- 8.01 **Incorporated Definitions** – In this Security Agreement words which are defined in the *Personal Property Security Act* of British Columbia which are not defined herein shall have the meaning set out in the *Personal Property Security Act*.
- 8.02 **Headings** – The headings in this Security Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Security Agreement.
- 8.03 **Severability** – If any provision contained in this Security Agreement shall be invalid or unenforceable the remainder of this Security Agreement shall not be affected thereby and each provision of this Security Agreement shall separately be valid and enforceable to the fullest extent permitted by law.
- 8.04 **Laws of British Columbia** – This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia.
- 8.05 **Joint Obligations** – If more than one person constitutes the Debtor, the agreements of, and all obligations and covenants to be performed and observed by, the Debtor hereunder shall be the joint and several agreements, obligations and covenants of each of the persons comprising the Debtor and any request or authorization given to the Credit Union by any of the persons comprising the Debtor shall be deemed to be the joint and several requests or authorizations of each of the persons comprising the Debtor.
- 8.06 **Included Words** – Whenever the singular or masculine is used in this Security Agreement the same shall be deemed to include the plural or the feminine or the body corporate where the context or the parties so require.
- 8.07 **Enurement** – This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

This is Exhibit "F" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

January 18, 2017
Reference Date

Member Information

CEDAR ROAD BIOENERGY INC.
c/o 106 - 360 Selby Street
Nanaimo, BC V9R 2R5

IN CONSIDERATION of Vancouver City Savings Credit Union ("Vancity") agreeing to lend money to, or otherwise incur liabilities on behalf of, the above noted individual(s) (the "Member") each of the undersigned (individually, and if more than one, collectively, the "Guarantor") hereby unconditionally guarantees payment to Vancity of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent and howsoever arising of the Member to Vancity, whether or not the Guarantor is aware of such indebtedness or liabilities when incurred, together with all fees, costs, charges and expenses (collectively, the "Obligations") incurred by Vancity, including costs of the receiver, receiver-manager or agent of the Member and/or the agent of Vancity incurred in the perfection and enforcement of this Guarantee and of any security held by Vancity in respect of the Obligations.

And the Guarantor and each of them (if more than one) hereby jointly and severally agree(s) with Vancity as follows:

1. **Nature of Obligation.** This Guarantee is a continuing guarantee, is unlimited and will cover all Obligations and will include interest accruing on such Obligations from the date of demand. Such interest will accrue before as well as after default, judgment and maturity.
2. **Acknowledgement.** The Guarantor (and each of them if more than one) acknowledges that he or she has requested Vancity to advance money to, or otherwise incur liabilities on behalf of, the Member (the "Loan") and to induce Vancity so to do, has agreed to give this Guarantee.
3. **Unconditional Guarantee.** This Guarantee is absolute, unconditional and will extend to all indebtedness and liabilities to Vancity of any person or corporation who or which assumes all or part of the Obligations in any manner whatsoever and the Guarantor's liability hereunder will not be released, diminished or adversely affected by anything whatsoever, including any of the following: (a) if the Member is a corporation, any change in the directors, shareholders, name, objects, share capital, memorandum, articles, bylaws or other organizational documents of the Member, the amalgamation of the Member with any other corporation, the continuance of the Member, the winding-up, liquidation or dissolution of the Member or that the Obligations or any of them were incurred irregularly, defectively or informally or in excess of the powers of the Member or of its directors or other agents notwithstanding that Vancity may have had specific notice of the extent of the relevant powers of the Member or of its directors or agents; (b) if the Member is a partnership, any change in the name of the Member's firm or in the membership of the Member's firm through death, retirement, introduction of one or more partners or otherwise or the disposition of all or part of the Member's business; (c) the bankruptcy, insolvency or receivership of the Member or of the Guarantor or the release and discharge of the Member or the Guarantor in connection therewith; (d) the inability of Vancity by reason of law or otherwise to enforce any security instrument, or any of the terms, conditions or other provisions contained in any security instrument, for the Obligations against the security which is subject to such security instrument or against the Member or any other person (including by reason of any bankruptcy or similar law, any other law or any order of any government or agency thereof purporting to reduce, amend or otherwise affect any of the Obligations or any security therefor); (e) the novation of any agreement or security instrument in respect of the Obligations; (f) that any of the Obligations or any security in respect thereof may be invalid, void, voidable or unenforceable; (g) the release in whole or in part of any security given by the Member or any other person to Vancity; (h) the sale by the Member of any of the Member's assets, including any assets in which Vancity has taken a security interest as security for the Obligations; (i) the failure of Vancity to fully advance the Loan; (j) the failure of any proposed signatory or signatories to execute this Guarantee or other guarantee or to provide security; (k) if more than one person constitutes the Guarantor, the release by Vancity of any of those persons from their obligations hereunder (and this Guarantee will remain a valid and enforceable obligation of the persons not released by Vancity); or (l) that Vancity may have granted time or other indulgences to the Member or any other person liable to Vancity in respect of the Obligations, discontinued, reduced, increased, renewed, or otherwise varied any credit extended to the Member, given up, modified, exchanged, renewed or abstained from perfecting or taking advantage of any security or securities in whole or in part now or hereafter held by Vancity in respect of the Obligations, accepted any compromise, composition, proposal or arrangement offered by the Member or agreed with the Member to amend and vary the interest rate and terms of repayment of any of the Obligations.
4. **No Requirement to Realize Against Member First.** Vancity will not be bound to exhaust its recourses against the Member or other parties, or any security or securities or evidence of debt which Vancity may hold before requiring payment by the Guarantor and Vancity may enforce the various remedies available to it and may realize upon the various securities or any part or parts thereof in any order as it may determine. Vancity may apply all monies received from the Guarantor, the Member or any other person (including under any security that Vancity may hold from time to time) to such part of the Obligations as Vancity in its sole discretion considers appropriate.
5. **Record of Accounts.** The Guarantor agrees that any account settled or stated by or between Vancity and the Member, or admitted by or on behalf of the Member, may be adduced by Vancity and will in that case be accepted by the Guarantor as the conclusive evidence that the balance or amount thereof thereby appearing as due by the Member to Vancity is correct. Furthermore, every certificate issued under the hand of any manager of Vancity's Business Services Department purporting to show the amount at any particular time due and payable to Vancity and covered by this Guarantee will be received as conclusive evidence against the Guarantor that such amount is at such time due and payable to Vancity and is covered by this Guarantee.
6. **Waiver / No Set off.** The Guarantor waives notice of default by the Member and acknowledges that Vancity will not be obliged to give any such notice. In no case will Vancity be responsible or owe any duty (fiduciary or otherwise) to the Guarantor and the liabilities of the Guarantor will not be diminished as a result of any neglect, act or omission by Vancity. The Guarantor will make all payments required to be made under this Guarantee without regard to any right of set off or counterclaim he or she may have against the Member or Vancity.

7. **Assignment and Postponement.** All present and future debts and liabilities of the Member to the Guarantor are hereby assigned to Vancity and postponed to the Obligations and all monies which the Guarantor receives from the Member will be received in trust for Vancity and upon receipt the Guarantor will forthwith pay over such amounts to Vancity until the Obligations are fully paid and satisfied, all without prejudice to or without in any way limiting or lessening the liability of the Guarantor to Vancity.

8. **Principal Debtor.** The Guarantor will continue to be liable to Vancity as principal debtor notwithstanding any transaction which may take place between the Member and Vancity or any neglect or default of Vancity which might otherwise operate as a discharge, whether partially or absolutely, of the Guarantor if he or she was surety of the Member only and without limiting the generality of the foregoing, notwithstanding the occurrence of any event or circumstance set out in paragraph 3 above.

9. **Subrogation.** The Guarantor will not at any time claim to be subrogated in any manner to the position of Vancity and will not claim benefit of any security at any time held by it, PROVIDED HOWEVER that upon the Guarantor paying to Vancity and satisfying all of the Obligations, the Guarantor may on demand in writing to Vancity request the assignment of any securities taken by Vancity from the Member and held by Vancity at the time of such payment to secure repayment of the Obligations.

10. **Demand.** The Guarantor agrees that a demand for payment made upon the Guarantor is effective when the envelope containing the demand, addressed to the Guarantor (or to any of them if the Guarantor is comprised of more than one person) at the address of the Guarantor (or such person) last known to Vancity is posted, postage prepaid, in any government post office in Canada or given personally to the Guarantor (or any of them). Any notice so posted will be deemed to have been effectually made on the Guarantor on the third business day following the posting of the demand and if given personally, on the day of delivery. The Guarantor will forthwith, upon such demand being made by Vancity, pay to Vancity the Obligations.

11. **Additional Security.** This Guarantee is in addition to and not in substitution for any other securities, negotiable or otherwise, which Vancity may now or hereafter possess and Vancity will be under no obligation to marshal in favour of the Guarantor any securities or any funds or assets which Vancity may be entitled to receive or have a claim upon.

12. **Claims.** The Guarantor will file all claims against the Member in any bankruptcy or other proceedings in which the filing of claims is required by law or upon any indebtedness of the Member to the Guarantor and will assign to Vancity all of the Guarantor's rights thereunder. In all such cases, whether an administration, bankruptcy, or otherwise, the person or persons authorized to pay such claims will pay to Vancity the full amount payable on the claim in the proceeding before making any payment to the Guarantor; all without in any way limiting or diminishing the liability of the Guarantor to Vancity. All moneys received by the Guarantor in all such cases will be received in trust for Vancity and forthwith upon receipt will be paid over to Vancity until the Obligations are fully paid and satisfied. To the fullest extent necessary for the purposes of this paragraph 12 the Guarantor hereby assigns to Vancity all the Guarantor's rights to any payments or distributions to which the Guarantor would otherwise be entitled.

13. **Termination of Obligations.** The Guarantor may determine the Guarantor's further liability under this Guarantee by giving Vancity 30 days' written notice of termination to the attention of the branch manager specifying the correct name of the Guarantor and the Member and delivered to the branch referred to in this Guarantee. This Guarantee will not apply to any liabilities of the Member to Vancity incurred after the expiration of 30 days from the date Vancity receives such notice at such branch.

14. **Set Off.** The Guarantor hereby grants to Vancity the right to set off against any and all accounts, credits or balances maintained by the Guarantor with Vancity, the aggregate amount of any and all of the Obligations if and when the same are or become due and payable by the Guarantor hereunder.

15. **Use of Information.** Vancity will collect, use and disclose personal information (as defined in applicable Canadian privacy laws) only in accordance with Vancity's Privacy Statement, a copy of which is available upon request. The Guarantor, for and on behalf of each of its principals, if applicable, consents to the collection, use and disclosure of personal information, including credit, financial and other information, by Vancity in connection with this Guarantee from time to time as necessary for establishing and enforcing this Guarantee, including without limitation for the purposes of: verifying, evaluating and re-evaluating the current and ongoing creditworthiness of the Guarantor, and its principals, if applicable, and any other information provided to Vancity in connection with this Guarantee; administering and enforcing this Guarantee; and communicating with the Guarantor, and its principals, if applicable, and with other creditors and potential creditors of the Guarantor, and its principals, if applicable, for the foregoing purposes. For the above purposes, the Guarantor, for and on behalf of each of its principals, if applicable, consents to Vancity collecting credit, financial and related personal information from, and disclosing such information to: the respective affiliates, subsidiaries and other associated companies of the Guarantor; credit bureaus and reporting agencies; business and financial institutions with whom the Guarantor or any such principal has, has had or may have a financial relationship; and other references provided in connection with this Guarantee. The Guarantor, for and on behalf of each of its principals, if applicable, consents to the above parties disclosing such personal information to Vancity. The Guarantor warrants that it is authorized to consent on behalf of each of its principals.

16. **Entire Agreement.** This Guarantee embodies all agreements between the Guarantor and Vancity relating to this Guarantee, the Obligations, or the Member. The Guarantor specifically acknowledges that Vancity has not made any promise or representation to the Guarantor and Vancity is not bound by any promise made by the Member to the Guarantor.

17. **Governing Law / Courts.** This Guarantee will be governed by, and construed in accordance with the laws of the Province of British Columbia. The Guarantor submits to the jurisdiction of the courts of the Province of British Columbia and agrees to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding. The foregoing will in no way limit the right of Vancity to commence suits, actions, or proceedings based on this Guarantee in any jurisdiction.

18. **Assignment / Enurement.** Nothing herein will operate to prevent Vancity from assigning this Guarantee and/or any security taken by it from the Member to any other person or corporation absolutely or by way of security, and no such assignment will operate to release or discharge the Guarantor from his obligations hereunder. This Guarantee will extend to and enure to the benefit of Vancity, its successors and assigns and will be binding upon the Guarantor and his heirs, executors, administrators, successors and assigns and each of them.

19. **Survival.** No action or proceeding brought or instituted under this Guarantee and no recovery in pursuance thereof will be a bar or defense to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults under this Guarantee or in the performance or observance of the terms, covenants, conditions and provisions in any instrument evidencing or securing the Obligations or otherwise executed in connection therewith. This Guarantee will survive foreclosure or exercise of any other remedy contained in any instrument evidencing or securing the Obligations or otherwise executed in connection therewith.



20. **Joint and Several Liability.** If more than one person constitutes the Guarantor the obligations and agreements of each of the persons comprising the Guarantor will be joint and several and the Guarantee will be read and construed accordingly with all necessary grammatical and other changes.

21. **Remedies Cumulative.** All the rights, powers and remedies of Vancity hereunder and under any other agreement now or at any time hereafter in force between Vancity and the Guarantor (or any of them if more than one) will be cumulative and will be in addition to and not in substitution for all rights, powers and remedies of Vancity at law or in equity.

22. **No Collateral Agreements.** There are no representations, collateral agreements, or conditions with respect to, or affecting the Guarantor's liability under, this Guarantee other than as expressly set out in this Guarantee.

23. **Interpretation.** Wherever the singular or masculine is used throughout this Guarantee it will be construed as meaning the plural or the feminine or body corporate where the context or the parties hereto so require. The headings of this Guarantee are for convenience of reference only and do not affect the interpretation of this Guarantee. If one or more provisions contained herein are determined to be invalid, illegal or unenforceable in any respect, such provision will be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee on this 18th day of January, 2017.

WITNESS (as to all signatures if more than one)		
		PAUL LIDDY
Witness Signature	Guarantor Signature	Guarantor Name (please print)
	N/A	
Witness Name (please print)	Guarantor Signature	Guarantor Name (please print)
Del Brown	N/A	
Barrister & Solicitor	Guarantor Signature	Guarantor Name (please print)
Address: 106 - 360 Selby Street	N/A	
Vancouver, BC V9R 2R5	Guarantor Signature	Guarantor Name (please print)
(604) 741-8201	N/A	
Occupation	Guarantor Signature	Guarantor Name (please print)

(Complete this section ONLY if the Guarantor is a corporation, association or society)	
N/A	
Guarantor Name (please print)	
By its Duly Authorized Signatories:	
N/A	
Signature	Title
N/A	
Signature	Title

This is Exhibit "G" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

DEVELOPMENT AGREEMENT

REGIONAL DISTRICT OF NANAMO

and

SUNCURRENT INDUSTRIES INC.

CONFIDENTIAL

DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2005.

BETWEEN:

REGIONAL DISTRICT OF NANAMO

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

AND:

OF THE FIRST PART

SUNCURRENT INDUSTRIES INC.

Box 6044, Station A
Calgary, AB T2H 2L3

(the "Independent Power Producer (IPP)")

WHEREAS:

OF THE SECOND PART

- A. The RDN owns and operates a landfill on land legally described as:
 PID 013-239-813
 Lot 1, Sections 2 and 3, Plan 48020, Except Plan VIP66090, Land District 32
 (the "RDN Landfill");
- B. The RDN has agreed to supply gas from the RDN Landfill to the IPP in accordance with this Agreement;
- C. The IPP has agreed to construct and operate an initial demonstration pilot project involving finance, design, construction, and operation of an electrical generating facility at the RDN Landfill to generate electricity from the Landfill Gas for sale on a commercial basis;
- D. The IPP intends to enter into an Electricity Purchase Agreement with a third party, which could be B.C. Hydro, Powerex, or another local industrial user of

power for the sale of electricity generated at the RDN Landfill through the distribution wires of B.C. Hydro;

- E. The RDN has agreed to enter into an agreement with the Green Municipal Corporation ("GMC") for the construction of a landfill gas collection system (the "Project") under which all Emission Rights and Emission Reduction Rights arising from the collection and flaring of Landfill Gas are assigned to GMC for the term of the Agreement;
- F. The RDN wishes to enter into this partnering agreement with the IPP to provide for the construction of a Facility on the RDN Landfill to generate electricity and the parties intend to enter a further agreement for the operation and maintenance of the Facility.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 Definitions and Interpretation

1.1 Definitions

For the purpose of this Agreement:

"Collection Field" means LFG extraction wells, leachate manhole tie-ins, laterals, sub-headers, main header, valve chambers, condensate drain piping and condensate trap chambers located at the RDN Landfill.

"Commercial Operation Date" means the date for the generation of electricity for sale under the Electricity Purchase Agreement to be achieved within thirty (30) days of the commencement of the Pilot Phase and no later than thirteen (13) months from the date of execution of this Agreement.

"Completion Date" means Substantial Completion of construction of the Facility which shall be within twelve (12) months of the date of execution of this Agreement.

"Construction" includes site preparation, design and all work necessary to the proper functioning of the Facility.

"Control Plant" means the process control system, blower, flare and associated piping and valves located at the RDN Landfill.

"Electricity Purchase Agreement" means an Agreement between a third party and the IPP for the sale of electricity.

"Enactment" means, in respect of any person, property, transaction or event, all applicable laws, statutes, ordinances, rules, by-laws, permits, certificates, treaties and regulations, and all applicable directives, orders, judgements, injunctions, awards and decrees of any governmental authority, whether or not having the force of law.

"Event of Default" means an event referred to in section 5.6(a) or (b) of this Agreement.

"Facility" means the generating plant, transmission lines and associated facilities and infrastructure as more fully described in Schedule "A".

"Facility Cost" means all costs arising from or associated with the financing, design, development, construction (including permitting costs), testing and commissioning of the Facility; all apparatus, equipment and services acquired or installed and all permits obtained to permit operation of the Facility.

"Force Majeure" means any event or circumstance excluding lack of funds not within the reasonable control of the party claiming the Force Majeure which prevents or delays that party from meeting an obligation hereunder and including:

- (a) acts of God, including wind, ice and other storms, lightning, floods, earthquakes, volcanic eruptions and landslides;
- (b) strikes, lockouts and other industrial disturbances;
- (c) epidemics, war (whether or not declared), blockades, acts of public enemies, acts of sabotage or terrorism, civil insurrections, riots and civil disobedience;
- (d) acts or omissions of federal, provincial or local governments (other than the RDN) or any of their boards or agencies (other than boards or agencies of the RDN), including delays of regulatory process and orders of a regulatory authority or Court of competent jurisdiction; and
- (e) explosion, fires or mechanical breakdowns.

"General Manager" means the General Manager of the Environmental Services Department of the RDN or person appointed or designated to act in his or her place.

"GMC MVP" means *The Green Municipal Corporation Measurement, Monitoring, Reporting and Verification Protocol for Greenhouse Gas Emission Reductions from Designated Projects Funded Through the Green Municipal Fund* attached as Schedule "B" to the Project and Transfer Agreement.

"Governmental Authority" means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-controlled body, department, commission, authority, tribunal, agency or entity.

"Interconnection Agreement" means the agreement between the IPP and B.C. Hydro for the connection of the Facility to the electrical distribution system operated by B.C. Hydro.

"Landfill Gas" or "LFG" means the combination of gaseous compounds including methane and carbon dioxide and any other GHGs that are emitted during the biological degradation of organic materials at a landfill site.

"Landfill Gas Collection System" means the Collection Field and Control Plant.

"Licence Area" means that part of the RDN Landfill occupied by the IPP under the Licence of Occupation.

"Licence of Occupation" means an agreement for use of the Licence Area by the IPP.

"Notice to Proceed" means the notice referred to in section 5.16 of this Agreement authorising the IPP to commence the development of the Facility.

"Operating Agreement" means the Agreement between the RDN and the IPP for the operation of the Facility to govern the Operating Term.

"Operating Term" means the period that the IPP will operate the Facility, under the Operating Agreement, commencing on the Commercial Operation Date and continuing for a term of five (5) years from the date of this Agreement with an option to renew for the Renewal Term.

"Pilot Phase" means a period of up to twelve (12) months for commissioning of the Facility to commence following the Completion Date.

"Project and Transfer Agreement" means the Agreement between RDN and the Green Municipal Corporation dated the 15th day of April, 2005 for the transfer of Emission Reduction Rights to the Green Municipal Corporation resulting from the capturing and flaring of the methane.

"Monthly Payment" means the payment to be made by the IPP to the RDN to be determined under this Agreement and paid under the Operating Agreement in consideration of the supply of landfill gas to the IPP.

"**Renewal Term**" means a five (5) year extension of the Operating Term under the Operating Agreement.

"**Term**" means the term of this Agreement and the Operating Agreement including, where applicable, the Renewal Term.

"**Waiver of Emission Rights**" means a waiver of any right, title, or interest in Emission Rights or Emission Reduction Rights in the Project required under section 2.3 of the Project and Transfer Agreement.

1.2 Gender, Number and Other Terms

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing a corporate entity include individuals and vice versa.

1.3 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.

1.4 Reference to Enactments

Unless otherwise stated, any reference to an enactment includes and is a reference to such enactment including amendments thereto and in force from time to time, and to any enactment that may be passed which supplements or supersedes such enactment.

1.5 No Contra Proferentum

The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against either of the parties to this Agreement.

1.6 Currency

Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and shall be paid in Canadian currency.

1.7 Governing Law and Attornment

This Agreement shall be governed by and construed in accordance with the law of British Columbia and the law of Canada applicable therein and all disputes and claims whether for damages, specific performance, injunction, declaration or otherwise, both at law and equity, arising out of, or in anyway connected with this Agreement will be referred to the Courts of British Columbia and each of the parties hereby attorns to the jurisdiction of the Courts of British Columbia.

1.8 Schedules

The following are the Schedules which are attached to and form part of this Agreement:

Schedule "A" – Description of Facility

Schedule "B" – Design and Construction Requirements

Schedule "C" – Construction Schedule

Schedule "D" – Equipment and systems to be supplied by Mariah Energy Corp.

1.9 Cross-References

Unless otherwise stated, a reference in this Agreement to a designated article, section, subsection, paragraph or other subdivision or to a schedule is to the designated article, section, subsection, paragraph or other subdivision of, or schedule to this Agreement.

1.10 Approval

A requirement in this Agreement that a party provide approval or consent means that approval is not to be unreasonably withheld or delayed unless the paragraph specifies that the approval is to be in the sole discretion of a party, in which case approval is to be in the exclusive, complete and unfettered discretion of the party.

2.0 **Construction of Facility**

2.1 General Intent

It is the general intent of the parties that;

- (a) the IPP will, subject to the terms hereof, provide all necessary materials, labour, supervision and equipment and perform all work to cause the Facility to be designed and constructed at its cost and in good workmanlike manner in strict accordance with this Agreement during the Commissioning Phase and, in particular in accordance with the construction requirements set out in Schedule "B", in compliance with all applicable enactments and in a manner that does not result in a breach of the obligations of the RDN under the Project and Transfer Agreement;
- (b) the IPP will enter into discussions with a third party toward an Electricity Purchase Agreement, for the sale of electricity generated from the RDN Landfill;
- (c) following the Pilot Phase, the IPP will operate the Facility under the Operating Agreement to generate electricity for sale to B.C. Hydro or another purchaser acceptable to the RDN, acting reasonably;

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- (d) the Operating Agreement will have an initial Term expiring no later than five (5) years from the date of this Agreement and will contain an option for the IPP to enter into a renewal for the Renewal Term.
- (e) the IPP and RDN will proceed in good faith to determine a formula for calculating the Monthly Payment which will represent reasonable compensation to the RDN for supply of its Landfill Gas and allow a reasonable return to the IPP for equity investment and technology and project risk only after all costs relating to debt financing and operating and decommissioning the Facility are accounted for and reserved;
- (f) RDN will make Landfill Gas available to the IPP;
- (g) the IPP will take sole risk regarding technology performance, fuel supply reliability, debt financing, and project equity requirements.

2.2 Design

- (a) The IPP will at its cost design the Facility in accordance with the design objectives set out in Schedule "B";
- (b) The IPP shall not commence construction of the Facility unless the Facility design and performance criteria have first been approved in writing by the RDN;
- (c) The IPP shall submit design development drawings and detailed design drawings for the Facility to the RDN which approval shall not be unreasonably delayed and shall not require the IPP design to deviate from the design objectives set out in Schedule "B".

2.3 Construction

The IPP shall at its own expense:

- (a) provide all necessary materials, labour, supervision and equipment and perform all work to cause the Facility to be designed and constructed at its cost and in good workmanlike manner in strict accordance with the Agreement, in compliance with all applicable enactments and in a manner that does not result in a breach of the obligations of the RDN under the Project and Transfer Agreement;
- (b) commence to proceed actively with the work in accordance with section 5.16 of this Agreement, construct the Facility in accordance with the Construction Requirements set out in Schedule "B" and the Construction Schedule attached as Schedule "C" and complete the Facility by the Completion Date;

- (c) design, install and construct all services required for the generation of electricity for sale from the Facility under the Electricity Purchase Agreement by the Commercial Operation Date;
- (d) apply for and procure all permits, certificates and licences required for the construction, maintenance or operation of the Facility and shall comply with all federal, provincial and local enactments affecting the construction or operation of the Facility.

2.4 Cooperation

To the extent that the cooperation of the RDN is required in order to permit the IPP to proceed with the construction of the Facility as required under section 2.3, the RDN shall cooperate with the IPP and execute such documents, plans and permits as may be required and do such acts as may be required for such purposes at no cost to the IPP provided that this section shall not be interpreted as impairing or fettering any legislative or statutory discretion of the RDN.

3.0 **Ownership of Facility**

3.1 IPP Owns Facility

Notwithstanding any rule of law regarding the affixation of fixtures to the land, the IPP shall maintain ownership of the Facility and equipment and apparatus used in connection with the Facility.

3.2 Monthly Revenue Statements

The IPP shall provide to the RDN within thirty (30) days of the end of a month provide certified power generation and revenue statements for the Facility for the month just ended. The IPP shall provide these statements throughout the term, regardless of whether the IPP is paying a Monthly Payment to the RDN under the Operating Agreement.

3.3 Inspection

- (a) The IPP shall permit the RDN on at least twenty-four (24) hours' prior notice from the RDN, to enter the Facility to inspect plant, machinery, equipment, goods and chattels and the operation thereof in relation to the Facility.
- (b) The IPP shall on at least twenty-four (24) hours' prior notice from the RDN make available for inspection at the IPP Premises, such books of account and other records as the RDN may reasonably require in relation to the operation of the Facility.

3.4 Taxes

The IPP shall pay all applicable federal, provincial or local government taxes, rates and assessments on the Facility or the IPP's occupation of any part of the Lands. For this purpose, the RDN shall provide the IPP with copies of all assessments, tax notices and other evidence of such taxes and shall prepare a reasonable allocation of such taxes to the Facility and any part of the lands occupied by the IPP for approval by the IPP. In the event the IPP approves of the RDN's allocation, the IPP shall pay to the RDN or, at the request of the RDN, directly to the taxing authority the sums so allocated to the IPP. Such amount will be taken into account as costs of the Facility in calculating the Monthly Payment.

3.5 Changes to Project

The IPP will not materially alter the design objectives, design and performance criteria, design development drawings or contract drawings for the Facility or permit any material amendments to the construction contract without the written consent of the RDN, not to be unreasonably withheld.

4.0 **IPP Covenants**

4.1 Execution and Delivery of Agreements

Following execution and delivery of this Agreement, the IPP and the RDN shall negotiate in good faith and execute the following agreements:

- (a) the Operating Agreement;
- (b) the Licence of Occupation; and
- (c) the Waiver of Emission Rights.

The IPP shall deliver executed copies of the following Agreements to the RDN upon execution:

- (a) the Electricity Purchase Agreement; and
- (b) the Interconnection Agreement;

4.2 Interconnection Costs

The IPP shall pay all costs associated with or arising from the Interconnection Agreement with B.C. Hydro, as part of the Facility Construction Costs, including B.C. Hydro design fees and capital expenses, necessary or desirable to effect a proper connection of the Facility to B.C. Hydro.

4.3 Project Management

The IPP shall, at its cost, act as project manager for the development of the Facility, including all aspects of financing, design, construction, commissioning and communication with B.C. Hydro and other permitting requirements.

4.4 Access to Records and Documents

The IPP shall provide the RDN at all reasonable times at the written request of the RDN with copies of drawings, diagrams, illustrations, schedules, performance charts, brochures and other documents and data necessary to enable the RDN to review the work.

4.5 Operational Times and Efficiency Maximization

The IPP shall exercise reasonable commercial efforts to design and construct the Facility to maximize operating times and maximize operating efficiency during the Term.

4.6 Workers Compensation Insurance

Prior to commencing the work the IPP shall provide evidence of compliance with the requirements of the *Workers Compensation Act*, including payments due thereunder by the IPP and its subcontractors.

At any time during the term of the Agreement, the IPP shall, when requested by the RDN, provide such evidence of compliance by itself and its subcontractors.

4.7 Patents and Royalties

The IPP shall pay all royalties and licence fees with respect to and shall assume the defence of and indemnify the RDN from all claims relating to inventions, copyrights, trademarks or patents used in the design, construction or operation of the Facility.

4.8 Builders Liens

The IPP shall remove or cause to be removed all claims of lien or liens filed or registered against the RDN Landfill by its suppliers, workers, contractors or subcontractors resulting from the IPP's design and construction of the Facility, or against any other lands owned by the RDN in connection with the Facility. Such removal shall be at the cost of the IPP immediately upon demand by the General Manager.

4.9 Subcontracts

The IPP shall use Mariah Energy Corp. to provide the equipment set out in Schedule "D";

5.0 **General Conditions**

5.1 Lands

- (a) The RDN shall grant a licence for the use of the Licence Area for the construction and operation of the Facility in the form of the Licence of Occupation for one dollar (\$1.00);
- (b) the IPP is responsible to obtain at its cost any lands or rights in or over lands other than the Licence Area which it requires in connection with the construction or operation of the Facility.

5.2 Investigations

The IPP acknowledges that it has carried out or caused to be carried out all investigations and reviews of the Licence Area and the surrounding site, and of everything and every condition affecting the design, construction and operation of the Facility to satisfy itself that it can design, construct and operate the Facility in accordance with this Agreement and that it does not and has not relied upon any statement, representation or information made or given or upon information derived from any representative of the RDN.

5.3 Comply with Electricity Purchase Agreement

The IPP shall exercise all reasonable commercial efforts to carry out all work to ensure that the Facility and the emissions from the Facility comply with the terms and conditions of any Energy Purchase Agreement.

5.4 Facility Liaison

The parties shall meet as necessary or desirable for the efficient development of the Facility and to exchange information regarding aspects of the Facility operation as agreed by the parties to include expansion of the Facility, scheduling of work, safety issues, interconnections to existing systems and services, financial issues, relating to the Facility and communication with B.C. Hydro and the Green Municipal Corporation.

5.5 Dispute Resolution

- (a) The parties agree to co-operate with one another to resolve any disputes with respect to matters arising under this Agreement in a timely manner.

The steps in the process must be followed in the order set out below and otherwise as set out in this section 5.5, unless both parties agree otherwise in writing:

- (i) meet to resolve issues;
- (ii) deliver dispute notice;
- (iii) appoint and obtain decision of referee; and
- (iv) arbitration.

The parties agree that timely resolution of any dispute is mutually beneficial and, in order to achieve timely resolution the time limits, as set out in this section, shall be strictly enforced.

(b) No Delay or Interruption

The IPP shall not delay or interrupt the work or any portion of the work or the operation of the Facility on account of any dispute, or any proceeding taken under this section.

(c) Negotiations

The parties shall make all reasonable efforts to resolve a dispute by amicable negotiations and shall provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate negotiations.

(d) Dispute Notice

If the parties are unable to resolve a dispute within five (5) working days then the party initiating the dispute process (the "**Disputing Party**") shall within five (5) working days of the expiry of the aforesaid five-day period deliver a Dispute Notice and the provisions of this section shall apply.

The Dispute Notice shall include particulars of the dispute reasonably available to the disputing party, and the provisions of the Agreement on which the disputing party relies.

A Dispute Notice shall be given by separate written notice delivered to the other party and mention of a dispute in minutes of meetings or similar documents, even if received by the other party, shall not qualify as a Dispute Notice.

(e) Referee

Before proceeding further with the dispute, including requesting arbitration, or commencing litigation, a disputing party shall obtain a decision on the dispute from a referee to be selected jointly by the parties

prior to commencement of construction. The referee must be a qualified engineer with expertise in the construction and design of projects similar to the Facility. The referee's review may be omitted only with the written approval of both parties or if the parties have not jointly selected a referee.

If a dispute is not completely resolved by the parties through negotiations within five (5) working days of the delivery of the Dispute Notice, then either party may initiate the appointment of a referee by referral of the Dispute Notice to the referee if that party wishes to proceed with dispute resolution, unless the parties agree in writing to proceed to a settlement meeting.

Upon receipt of a copy of the Dispute Notice, the referee shall have the authority to review the dispute.

The fees, disbursements and other costs of the referee, in the amounts as agreed between the parties and the referee as set out in the letter of appointment, shall be shared equally by the RDN and the IPP.

The referee shall conduct a review of the dispute in the manner the referee decides is most suitable including a review of the Agreement, the Dispute Notice, the other party's reply, if any, an inspection of the place of the work and discussions with any persons. The parties shall comply with all reasonable requests from the referee for additional information and documents which the referee considers necessary for the review. Any information given to the referee by one party shall be given to the other party.

The referee may, with the written approval of both parties, retain others to assist with the review.

The referee shall render a brief written decision on the dispute, with copies to both parties within five (5) working days of the referee's appointment or such longer period as agreed to in writing by both parties.

After a lapse of five (5) working days from the time when the referee delivers the referee's written decision on the dispute to both parties, then as the final step regarding the dispute, the referee shall promptly ask each party whether the dispute has been settled, and then provide a written report to each party summarizing the referee's understanding of the status of the dispute.

If both parties have given Dispute Notices relating to the same matters (claim and counterclaim) then the referee shall consider both Dispute Notices at the same time and the referee's decision shall be with respect to both Dispute Notices.

A referee appointed to review a dispute shall, subject to the timely availability of that referee, be the referee to review all other disputes arising under the Agreement unless the parties agree otherwise.

A referee's decision is not binding on the parties, and a referee's review shall be sought only for the purpose of assisting the parties to reach agreement with respect to the dispute.

A referee who has made a decision on a dispute may be retained by either or both parties, to assist in mediation or settlement proceedings with respect to that dispute conducted pursuant to this section. A referee may not be called by either party to give evidence with respect to the dispute in any subsequent arbitration or litigation proceeding to resolve the dispute, nor shall either party refer to or enter into evidence the decision of the referee in such proceedings.

The parties will agree to release and save harmless the referee from any liability arising from a review undertaken by the referee.

(f) Arbitration

If within five (5) working days of the decision of the referee, the matter is not settled by agreement, or if either party fails or refuses to participate in the referee process within the time limit set out in this section, then either party may request the other party to agree to submit the dispute to binding arbitration, or may without further notice commence litigation.

The request for arbitration shall be made in writing and shall specify the issue or issues to be submitted to arbitration, and shall name a person to act as arbitrator. Within fifteen (15) days after receipt of such written request, the other party by written notice shall choose and name a second arbitrator. The two (2) arbitrators so chosen shall immediately and jointly select a third arbitrator, giving written notice to both parties of the choice, and fixing a place and time for meeting not later than thirty (30) days after the date of selection of the third arbitrator, at which both parties may appear and be heard, regarding the dispute. If the two arbitrators fail to agree upon a third arbitrator, or in case the parties notified of the request for arbitration fails to name the second arbitrator within the time stipulated, the third arbitrator (or the second arbitrator as the case may be) upon the application of either party, of which the other shall be given notice, shall be named by a Justice of the Supreme Court of the Province of British Columbia. The parties may agree to submit the matter to one (1) arbitrator.

The arbitration shall be carried out under the *Commercial Arbitration Act* (British Columbia). The decision of the arbitrator(s) shall be made in writing within thirty (30) days after the completion of hearings, and when signed by a majority of them shall be final and conclusive upon the parties thereto.

One-half of the costs of the arbitration including the fees of the arbitrator(s) shall be borne by the RDN and one-half by the IPP.

5.6 Termination by RDN

- (a) If:
- (i) the IPP's interest in this Agreement is at any time seized or taken in execution or attachment by any creditor of the IPP or under a personal property security instrument, or foreclosure or power of sale proceedings are commenced by a lender or creditor of the IPP;
 - (ii) the IPP or any corporation that is a partner in the IPP makes an assignment for the benefit of creditors other than the giving of security as may reasonably be required to secure financing for the construction of the Facility;
 - (iii) the IPP or any corporation that is a partner in the IPP becomes insolvent or bankrupt;
 - (iv) the IPP or any corporation that is a partner in the IPP becomes a party to proceedings under the *Companies Creditors Arrangement Act* or any similar enactment of Canada or any Province of Canada;
 - (v) if proceedings are begun to wind up the IPP or any corporation that is a partner in the IPP and such proceedings are not consented to by the RDN thirty (30) days prior to dissolution;
 - (vi) an authority having jurisdiction revokes or cancels a permit or certificate to operate the Facility pursuant to a power under an enactment;

then this Agreement shall, at the option of the RDN, be terminated immediately;

- (a.1) If the RDN and IPP have not executed the Operating Agreement, Licence of Occupation and Waiver of Emission Rights on or before the first (1st) anniversary of the execution of this Agreement, then this Agreement shall, at the option of the RDN, be terminated immediately.

- (b) Without limiting section 5.6(a) the RDN may terminate this Agreement:
 - (i) upon ninety (90) days upon notice in writing to the IPP if the Electricity Purchase Agreement is terminated unless a new purchase agreement is not executed;
 - (ii) subject to the provisions of section 5.22, if the IPP fails to complete the Facility and achieve the Commercial Operation Date; or
 - (iii) if the RDN terminates the Licence of Occupation;
- (c) if, before the Commercial Operation Date, the IPP defaults in the performance of any material covenant or agreement to be performed under this Agreement on thirty (30) days' notice in writing to the IPP, unless the IPP cures the default within the thirty (30) day period to the satisfaction of the General Manager or, if the default cannot be cured within that notice period and the IPP is working diligently to cure the default, then after expiry of a reasonable time to cure the default.
- (d) The RDN shall not be liable to the IPP for any loss including, without limitation, economic loss, arising from the lawful termination of this Agreement in accordance with the terms hereof.
- (e) The RDN shall not be entitled to terminate this Agreement under 5.6(b)(ii) or b(iii) if the parties are in a dispute and have commenced the resolution of such dispute in accordance with section 5.5, or if the dispute resolution process determines that such Event of Default was caused by a default of a material covenant or agreement to be performed by the RDN under this Agreement, or the Licence of Occupation.
- (f) If the RDN terminates this Agreement under this section, subject to section 5.8, the RDN shall be released from any further obligations under this Agreement, the Operating Agreement, and the Licence of Occupation.

5.7 Termination by IPP

- (a) The IPP may terminate this Agreement:
 - (i) in the event of any order of any Court or other public authority, other than the RDN, causing the work to be stopped or suspended for a period that exceeds ninety (90) days; or
 - (ii) In the event of the RDN causing the work to be stopped or suspended for a period that exceeds ten (10) days and that has not been caused by the negligence of the IPP, its employees, agents or subcontractors.

- (b) The IPP may terminate this Agreement and the Agreements listed in section 4.1 if the RDN provides fewer than 6.0 gigajules per hour by the Commercial Operation Date.
- (c) Without prejudice to any other remedy available under this Agreement or at law, the IPP may terminate this Agreement and all Agreements listed in section 4.1 if the RDN defaults in the performance of any material covenant or agreement to be performed by it under this Agreement or the Agreements listed in section 4.1, on thirty (30) days' written notice to the RDN unless the RDN cures the default within the 30 day period to the satisfaction of the IPP, acting reasonably, or if the default cannot be cured within that notice period and the RDN is working diligently to cure the default, then after expiry of a reasonable time to cure the default.
- (d) The IPP shall not be entitled to terminate this Agreement under section 5.7(c) if the parties are in a dispute and have commenced the resolution of such dispute in accordance with section 5.5, or if the dispute resolution process determines that such Event of Default was caused by a default of a material covenant or agreement to be performed by the IPP under this Agreement, or the Licence of Occupation.
- (e) In the event of such termination, subject to section 5.8, the IPP, shall, at its option, be released from any further obligations under this Agreement, the Operating Agreement, and the Licence of Occupation.
- (f) If the IPP terminates this Agreement under this section, the IPP shall not be liable to RDN for any loss, including, without limitation, economic loss arising from the lawful termination of this Agreement in accordance with the terms hereof;

5.8 Effect of Termination

- (a) If this Agreement is terminated under sections 5.6 or 5.7, the parties may pursue and enforce any rights and remedies permitted by law or equity in respect of any prior breach or breaches of this Agreement, subject to any express limitations or exclusions of liability set out in this Agreement;
- (b) in the event of termination the parties shall execute and deliver to each other such documents as may be necessary to give effect to this section and sections 5.6 and 5.7.

5.9 IPP's Services

If the IPP terminates the Agreement under section 5.7(b), then the IPP shall, at the request of the RDN, provide consulting services in relation to the following tasks:

- (a) advice on selection of equipment and design of Facility;

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- (b) assistance in the negotiation of the purchase price for such equipment;
- (c) assistance with B.C. Hydro respecting interconnection and the conditions subsequent in the Energy Purchase Agreement;
- (d) selection of engineering firm for electrical and other construction services;
- (e) assistance in the selection and negotiations of operating and maintenance requirements for the Facility; and
- (f) other advice as required relating to the Facility and its operations,

at a fee for service at then current market rates expenses charged at cost and tax applicable to such services.

5.10 Assignment

- (a) The IPP may not assign this Agreement or the Operating Agreement or the Licence of Occupation without:
 - (i) the written consent of the RDN, which shall not be unreasonably withheld;
 - (ii) the consent of any party to an Electricity Purchase Agreement; and
 - (iii) the assumption by the permitted assignee of the IPP's obligations under the Energy Purchase Agreement and the Licence of Occupation.
- (b) In reviewing a request for consent to an assignment it shall not be unreasonable for the RDN to refuse consent under paragraph 5.10(a)(i) where the RDN is not satisfied that the proposed assignee or all partners of the assignee have the technical, professional and financial capacity to assume the obligations of the IPP under this Agreement.

5.11 No Oral Agreements

No oral instruction, objection, claim or notice by one party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever other than by a written waiver.

5.12 Non Waiver

The failure of a party to enforce or require a strict observance and performance of any of the covenants and agreements of this Agreement will not be a waiver of such covenants or agreements or affect or impair those covenants or

agreements or the right of a party at any time to enforce those covenants or agreements or take advantage of any remedy that party may have.

5.13 Indemnity

- (a) The IPP will indemnify the RDN against and save them harmless from any and all actions, causes of action, suits, damages, losses, costs (including costs of professional advisors and solicitors on a solicitor and own client basis), charges, claims or demands, arising from the IPP's breach of this Agreement, or the negligence or wrongful act of the IPP, its officers, employees, agents or others for whom it is responsible at law except to the extent that such liability arises from the negligence or wrongful act of RDN or its officers, employees, or others for whom the RDN is responsible at law.

The IPP will indemnify and save harmless the RDN from any liability arising from the construction of the Facility or by reason of liens for non-payment of labour or materials in connection with the Facility.

- (b) The RDN will indemnify the IPP against and save it harmless from any and all actions causes of action, suits, damages, losses, costs (including costs of professional advisors and solicitors on a solicitor and own client basis), charges, claims, demands, arising from the RDN's breach of this Agreement, or the negligence or wrongful act of the RDN, its elected officials, employees, agents or others for whom it is responsible at law except to the extent that such liability arises from the negligence or wrongful act of the IPP or its officers, employees, or others for whom the IPP is responsible at law.

This section shall survive the termination of this Agreement or the transfer of the Facility.

5.14 Representations and Warranties

- (a) the IPP represents and warrants with the intent that the RDN shall rely on such representations and warranties in entering into this Agreement and that as of the date of this Agreement the IPP is a corporation duly incorporated and existing under the laws of Alberta and extra-provincially registered in British Columbia and has the power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, all of which have been duly and validly authorized by all requisite proceedings and that this Agreement constitutes a legal, valid, and binding obligation of the IPP in accordance with its terms.
- (b) The RDN represents and warrants with the intent that the IPP shall rely on such representations and warranties in entering into this Agreement that as of the date of this Agreement, the RDN is a local government

incorporated under the laws of British Columbia and has the power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, all of which have been duly and validly authorized by all requisite proceedings and that this Agreement constitutes a legal, valid and binding obligation of the RDN in accordance with its terms.

5.15 Safety Requirements

- (a) the IPP is a prime contractor as defined in Part 3 of the *Workers Compensation Act* (British Columbia). The IPP shall be permitted to designate subcontractors who will be responsible for meeting Workers Compensation Board requirements in respect of their specific subcontracts, however, the IPP shall indemnify and save harmless the RDN from any liability whatsoever arising from any claim arising under the *Workers Compensation Act* in connection with the operation of the Facility.
- (b) the IPP is responsible for all functions related to the coordination of the health and safety activities at the job site in accordance with the Workers Compensation Board Occupational Safety Regulation and the *Workers Compensation Act* (British Columbia) and amendments thereto at all times.
- (c) Where there is a conflict between a safety procedure or requirement of the RDN in relation to the RDN Landfill or the Licence Area that is more strict or stringent than a requirement of the Workers Compensation Board or another enactment, the IPP shall follow the RDN's procedures or guidelines so long as such procedures and guidelines are not in conflict with another enactment.
- (d) In an emergency affecting the safety of life or of the Facility or of adjoining property, the IPP shall act in a responsible manner to prevent loss or injury, without the necessity of any further authorization from the General Manager.
- (e) the IPP shall satisfy the General Manager that a job site-specific construction safety program has been developed in accordance with the Industrial Health and Safety Regulations and Safe Work Practices and Procedures of the Workers Compensation Board and shall incorporate all of the RDN's site requirements and restrictions.
- (f) the IPP shall provide to the General Manager, prior to commencement of the work, the Material Safety Data Sheets and site-specific precautions for the application of all controlled chemical products which require local or general ventilation control.

- (g) the IPP shall provide and maintain at all times during the construction (including suspension of construction) and operation of the Facility, suitable barricades, fences, signs, signal lights and flag persons as are necessary to ensure the safety of the public and those engaged in work in relation to the Facility. All work shall be carried out in a manner that will cause the least interruption to vehicular and pedestrian traffic and access to the RDN Landfill.
- (h) Where work requiring use of cranes or large equipment is to be carried out in close proximity to power lines the IPP shall prepare and submit to the General Manager prior to starting the work, a detailed written work procedure prepared in consultation with the General Manager.

5.16 Notice to Proceed

Following the execution of the Agreement by the IPP and the provision of the required insurance policies, a written Notice to Proceed with the work shall be given to the IPP by the RDN within fourteen (14) days. The IPP shall begin work within fourteen (14) days following receipt of the Notice to Proceed and shall prosecute the work regularly and without interruption thereafter, unless otherwise directed in writing by the General Manager or the RDN in order to meet the Commercial Operation Date.

5.17 Insurance (Contractor)

The IPP shall, at its own expense, provide and maintain the following insurance coverage listed herein unless otherwise stipulated:

(a) Comprehensive General Liability Insurance

The IPP shall purchase and provide proof of Comprehensive General Liability Insurance naming the RDN as an Additional Named Insured, and all other contractors and sub-contractors, including architects and engineers as Additional Named Insureds, covering losses to a third party for bodily injury or death, property damage and unlicensed vehicle and attached equipment operations. This insurance shall have a limit of Liability not less than three million (\$3,000,000) dollars for any one occurrence with a twelve (12) month product and completed operations period.

(b) Motor Vehicle Insurance

The IPP shall ensure that vehicles owned and/or operated by the IPP in connection with this Agreement maintain Third Party Legal Liability Insurance with ICBC and/or a private carrier in an amount not less than three million (\$3,000,000.00) dollars per occurrence.

(c) Professional Liability Insurance

Where the IPP contracts with Sub-Contractors to do all of the engineering and design work on the Facility, the IPP shall ensure that such Sub-Contractors carry blanket professional liability insurance of no less than one million (\$1,000,000.00) dollars per claim, and two million (\$2,000,000.00) dollars annual aggregate, then upon providing the RDN with copies of the Sub-Contractors' policies showing that such policies protect the RDN, the Sub-Contractors and their respective officers, officials, servants, employees or agents performing services for and on behalf of the Contractor against any loss or damages arising out of or in relation to the IPP obligations pursuant to this Agreement, and that the Sub-Contractors are contractually bound to the IPP to keep such insurance in force for the Term.

(d) Property Insurance

The IPP shall take out and maintain all risk property damage insurance insuring the Facility and all Equipment to its full replacement cost. Property damage insurance shall be maintained on an All Risk basis including flood and earthquake coverage. This coverage shall also extend to include losses resulting from testing of insured property.

(e) Insurance

Each policy shall contain a clause stating that:

"This policy will not be cancelled or materially changed without the insurer giving at least 30 days' notice by registered mail to the RDN"

Unless specified otherwise, the duration of each insurance policy shall be from the date of the Notice to Proceed (as referred to in section 5.16) until the end of the Term of this Agreement.

Certified copies of these policies shall be filed by the IPP with the RDN before the RDN issue the Notice to Proceed, and prior to commencement of any work relating to the construction of the Facility.

Wherever the word "RDN" or "engineer" is to appear in these policies, the legal name shall be inserted.

(f) Separation of Insureds, Cross Liability

The IPP shall ensure that all policies where the RDN is an Additional Named Insured contain the Separation of Insureds, Cross Liability clause in the conditions of the policy.

(g) Deductibles

Except where a claim under the policies results from negligence or wilful misconduct of the RDN, its elected officials, employees, agents or others for whom it is responsible at law in which case the RDN shall be responsible, the IPP shall be responsible for any deductible amounts under the insurance policies, the cost of all insurance required by the Contract shall be borne by the IPP.

(h) Maintain Insurance

If the IPP fails to provide or maintain insurance as required by this Agreement, then the RDN shall have the right on ten (10) days' written notice to the IPP to provide and maintain such insurance and give evidence thereof to the IPP. The cost of obtaining or maintaining such insurance shall be a debt owed by the IPP to the RDN immediately on demand. The IPP shall also take out and maintain such additional insurance as may be reasonably required by the RDN.

5.18 Freedom of Information

The IPP acknowledges that the RDN is subject to the *Freedom of Information and Protection of Privacy Act* ("FOIPPA") and will identify to the RDN any information supplied in confidence to the RDN that may be subject to section 21 of the FOIPPA.

5.19 Duty of Care

The IPP acknowledges that the RDN, in the preparation of the Request for Proposals and this Agreement, the supply of oral or written information to the IPP review of proposals of the carrying out of the RDN's responsibilities under this Agreement does not owe a duty of care to the IPP and the IPP waives for itself and its successors the right to sue the RDN in tort for any loss, including economic loss, damage, cost or expense arising from or connected with any error, omission or misrepresentation occurring in the preparation of the Request for Proposals or this Agreement, the supply of oral or written information, the review of the Proposals or the carrying out of the RDN's responsibilities under this Agreement.

The RDN acknowledges that the IPP does not owe a duty of care to the RDN and the RDN waives for itself and its successors the right to sue the IPP in tort for any loss, including economic loss, damage, cost or expense arising from or connected with any error, omission or misrepresentation occurring in the preparation of this Agreement or the carrying out of the IPP's responsibilities under this Agreement.

5.20 Relationship of the Parties

Nothing in this Agreement shall be construed so as to make the RDN a partner of the IPP.

5.21 Time

Time shall be of the essence of this Agreement.

5.22 Force Majeure

- (a) The Commercial Operation Date may be extended in the event of Force Majeure by the same number of days as the duration of the event of Force Majeure.
- (b) If there is a Force Majeure affecting the ability of the IPP to construct the Facility, the IPP shall promptly notify the RDN of the Force Majeure, identifying the Force Majeure, its expected duration and the particular obligations affected by the Force Majeure. The IPP will provide the RDN with reports with respect to the Force Majeure at such intervals as the RDN may reasonably request while the Force Majeure continues. The IPP will be deemed to have invoked Force Majeure from the date when it gives notice of the Force Majeure to the RDN. The IPP shall give prompt notice at the end of the Force Majeure.
- (c) If the IPP invokes Force Majeure, it shall use all commercially reasonable efforts, including sourcing goods and services from alternative suppliers or using alternative methods, to remove the Force Majeure as soon as possible and the IPP shall promptly respond to any inquiry from the RDN regarding the efforts being undertaken to remedy the situation.
- (d) Either the IPP or the RDN may terminate this Agreement by notice to the IPP if the Force Majeure has not been removed within 180 days after the date of the notice invoking Force Majeure, in addition to any other right of the RDN to terminate this Agreement. In the event of such termination the parties shall be released from any further obligations to each other under this Agreement, the Licence of Occupation, and the Operating Agreement with the exception of the ability on the part of the RDN or the IPP to exercise their rights under any options to purchase or the indemnities set out in section 5.13 of this Agreement.

5.23 Notice

It is hereby mutually agreed that any notice required to be given under this Agreement must be in writing and will be deemed to be sufficiently given if:

- (a) delivered at the time of delivery; and

- (b) mailed from any government post office in the Province of British Columbia by prepaid registered mail addressed as follows:

if to the RDN:

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2
Attention: Carey McIver
Facsimile: (250) 390-1542

if to the IPP:

Box 6044, Station A
Calgary, AB T2H 2H3
Attention: Paul Liddy
Facsimile: (403) 264-2881

Unless otherwise specified herein, any notice required to be given under this Agreement by any party will be deemed to have been given if mailed by prepaid registered mail, or sent by facsimile transmission, or delivered to the address of the other party set forth on the first page of this Agreement or at such other address as the other party may from time to time direct in writing, and any such notice will be deemed to have been received if mailed or faxed, five (5) business days after the time of mailing or faxing and, if delivered, upon the date of delivery. If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice must utilize any other such services which have not been so interrupted or must deliver such notice in order to ensure prompt receipt thereof.

5.24 Further Assurances

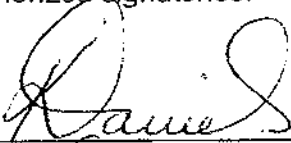
Each of the parties shall execute and deliver all such further documents and do such further actions and things as the other party may reasonably request from time to time to give full effect to this Agreement.

5.25 Binding Effect

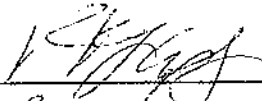
This Agreement shall enure to the benefit of and be binding upon the parties, their respective heirs, executives, administrators and other legal representatives and, to the extent permitted in this Agreement, their respective successors and assigns.

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

REGIONAL DISTRICT OF NANAMO by its authorized signatories:

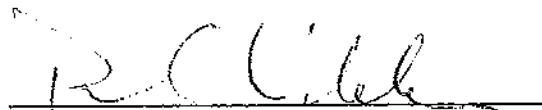


Name: DANIELS.



Name: ROBERT LATHAM

SUNCURRENT INDUSTRIES INC. by its authorized signatories:



Name:

Name:

SCHEDULE "A"**DESCRIPTION OF FACILITY**

(Section 1.1)

The Facility, owned, constructed, maintained, and operated by Suncurrent Industries, shall include all works associated with the Facility, located at the RDN Landfill, for the purpose of generation and transmission of electricity.

The Facility shall include, but not limited to, the following elements: nine (9) STM 260 55kW generators, condensate management equipment, programmable logic controller, mass compensated gas flow measurement instrumentation, datalogger, transmission wiring, transformer and capacitor bank, fencing, and LFG transfer piping and associated valving connected to the existing Landfill Gas Control Plant.

The electricity generators shall be housed in pre-engineered portable enclosures with a configuration of three generators per enclosure. Each enclosure shall have a footprint of approximately 2.5 metres by 12 metres. Each enclosure shall be designed to facilitate the measurement of engine exhaust for the purpose of characterizing emissions and confirming the methane destruction efficiency. The pre-engineered enclosures, transformer and capacitor bank, and instrumentation shall be located within the fenced compound area. The fenced compound shall be of adequate size to facilitate the placement of the aforementioned pre engineered enclosures and associated equipment, in addition providing adequate expansion area for the addition of three supplementary enclosures.

The STM 260, based on external combustion stirling engine technology, shall utilize LFG as feedstock and shall not be supplemented by other non-renewable fuel sources. Each STM 260 shall be coupled to a General Electric manufactured 55 KW induction generator. The operation of the Facility shall conform to RDN bylaws and applicable codes and regulations. In addition, no adverse environmental impacts shall result from the operation of the facility.

SCHEDULE "B"
(Sections 2.1(a), 2.2(a), 2.2(c) and 2.3(b))

CONSTRUCTION REQUIREMENTS

The project objective is to generate electricity, utilizing Sterling Engine technology, while maintaining the paramount objective of the LFG Collection System; the optimized collection and destruction of methane gas.

The design of the facility shall include, but is not limited to, the following objectives:

- optimized electricity generation efficiency;
- optimized methane destruction efficiency;
- minimized risk of environmental releases or impact during the construction, operation, maintenance, and decommissioning of the Facility;
- minimized impact to daily operation of the RDN Landfill;
- condensate management and connection to the RDN Landfill leachate collection system;
- secondary compression and pressure regulation; and
- integration with the existing LFG Control Plant.

The Facility programmable logic controller, shall include outputs to the LFG Control Plant to indicate the status of the Facility. The Facility instrumentation shall include a mass compensated flow measurement device which meets the requirements of the Project and Transfer Agreement with the Green Municipal Corporation. The Facility datalogger shall record, at a minimum interval of one sample per minute, the following information:

- Facility status (on/off);
- Number of engines operating;
- electricity generation (kW);
- alarm/warning status;
- mass compensated flow rate (m³/hr); and
- gas pressure (kPa).

The instrumentation, datalogger channel configuration, and alarm protocols shall be reviewed and approved by the RDN prior to construction of the Facility.

The IPP shall provide, install, operate, and maintain compression equipment to meet the increase facility gas pressure requirements. This compression system shall be designed to ensure that it does not conflict with the paramount objective of LFG Collection System.

The design, startup procedures, and operation of the Facility shall not impede the paramount objective of the LFG Collection System.

The LFG Control Plant programming shall be modified as required to facilitate connection to the Facility and to modify startup, shutdown, and flare ignition sequences as required.

A fuel emission monitoring system shall be incorporated into the Facility design to permit emission monitoring (stack testing) for the purpose of characterizing engine emissions and assessing the methane destruction efficiency.

The design, construction, operation, maintenance, and decommissioning of the Facility shall not impede the development, registration, or maintenance of an Environmental Management System conforming to the ISO 14001 standard by the RDN at the RDN Landfill.

SCHEDULE "C"
(Section 2.3(b))

Construction Schedule

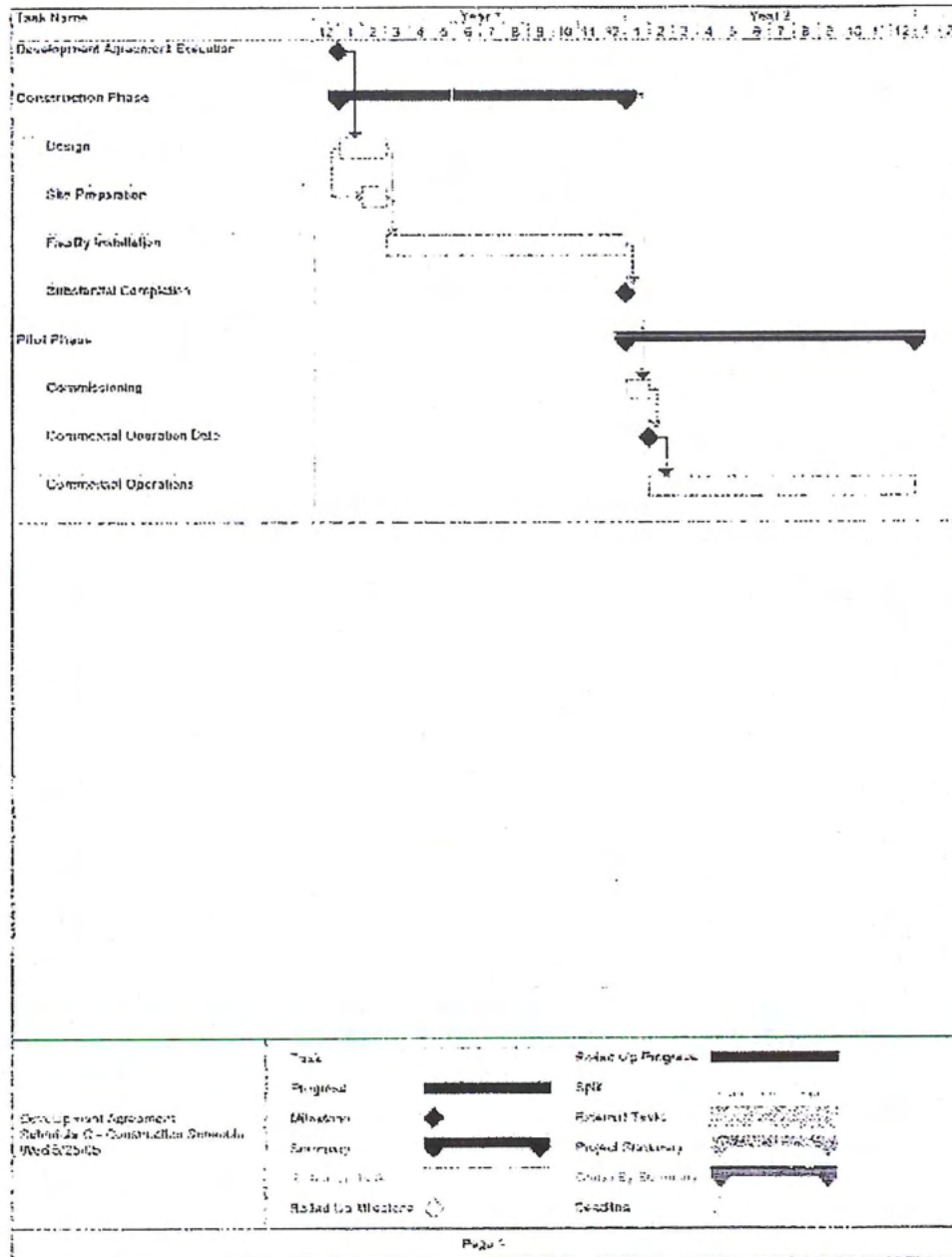
Construction Phase

The Construction Phase includes all activities related to the design, permitting, and construction of the Facility. The Construction Phase shall commence on the day of execution of the Development Agreement. This phase shall include design, site preparation activities, installation, and interconnect of the Facility. The Completion Date for the Facility may be up to twelve (12) months from the date of execution of this Agreement.

Pilot Phase

The Pilot Phase includes the commissioning and operation of the Facility for a period of twelve (12) months from the Completion Date. The Facility commissioning may be up to thirty (30) days from the Date of Substantial Completion. The Commercial Operation Date, shall be the date when electricity sale to the third party purchaser commences, and shall occur no later than thirty (30) days from the Completion Date of the Facility and the commencement of the Pilot Phase.

SCHEDULE "C" Cont'd



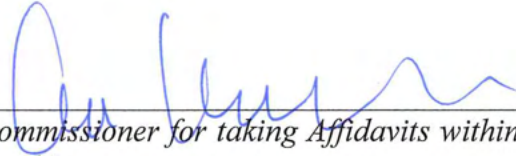
SCHEDULE "D"
(Section 4.9)

Equipment and systems to be supplied by Mariah Energy Corp.

The following equipment shall be supplied, installed, operated, and maintained by the IPP:

- nine (9) STM 260 External Combustion engines and associated 60 Hz 55 kW generators and remote radiators, with the option to install an additional eight (8) engine units;
- engine compression and Facility pressure regulation equipment;
- 480 V to 25 kV transformer bank and capacitor bank, and all BC Hydro electrical interconnect works;
- all LFG Control Plant connection piping and associated valving;
- all Facility fencing and site security equipment;
- instrumentation, data collection and remote monitoring equipment;
- LFG Control Plant programmable logic controller connections and cabling;
- four (4) to six (6) pre-engineered portable enclosures including interconnections, disconnects, protection relays and shack isolation switch; and
- connection of electrical, telephone, LFG piping and condensate discharge utilities as required by the Facility.

This is Exhibit "H" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

OPERATING AGREEMENT

REGIONAL DISTRICT OF NANAIMO

and

CEDAR ROAD LFG INC.

CONFIDENTIAL

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OPERATING AGREEMENT

THIS AGREEMENT made this 2ND day of Nov, 2005.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD LFG INC.
(Inc. No. A0065860)

#13 1922 -- 9 Avenue SE
Calgary, AB T2G 0V2

(the "Independent Power Producers (IPP)")

OF THE SECOND PART

WHEREAS:

- A. The RDN owns and operates a landfill on land legally described as:

PID 013-239-813
Lot 1, Sections 2 and 3, Plan 48020, Except Plan VIP66090, Land District 32

(the "RDN Landfill");
- B. The RDN has agreed to supply gas from the RDN Landfill to the IPP in accordance with this Agreement;
- C. The IPP has agreed to construct and operate an initial demonstration pilot project involving finance, design, construction, and operation of an electrical generating facility at the RDN Landfill to generate electricity from the Landfill Gas for sale on a commercial basis;
- D. The IPP intends to enter into an Electricity Purchase Agreement with a third party for the sale of electricity generated at the RDN Landfill;

- 2 -

- E. The RDN has entered into an agreement with the Green Municipal Corporation ("GMC") for the construction of a landfill gas collection system (the "Project") under which all Emission Rights and Emission Reduction Rights arising from the collection and flaring of Landfill Gas are assigned to GMC for the term of the Agreement;
- F. The RDN has entered into a partnering agreement with the IPP to provide for the construction of a Facility on the RDN Landfill to generate electricity and the parties intend to enter a further agreement for the operation and maintenance of the Facility.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purpose of this Agreement:

"Annual Payment" means the payment to be made by the IPP to the RDN to be determined under this Agreement and paid under the Operating Agreement in consideration of the supply of landfill gas to the IPP.

"Annual Payment Trigger Event" means the first year of the Term during which the operation of the Project results in a positive net cash flow.

"Collection Field" means LFG extraction wells, leachate manhole tie-ins, laterals, sub-headers, main header, valve chambers, condensate drain piping and condensate trap chambers located at the RDN Landfill.

"Commercial Operation Date" means the date for the generation of electricity for sale under the Electricity Purchase Agreement to be achieved within thirty (30) days of the commencement of the Pilot Phase and no later than thirteen (13) months from the date of execution of this Agreement.

"Completion Date" has the same meaning as in the Development Agreement.

"Control Plant" means the process control system, blower, flare and associated piping and valves located at the RDN Landfill.

"Development Agreement" means the Agreement dated the 21st day of July, 2005, for the construction of the Facility.

"Electricity Purchase Agreement" means an Agreement between the IPP and a third party for the sale of electricity.

"Enactment" means, in respect of any person, property, transaction or event, all applicable laws, statutes, ordinances, rules, bylaws, permits, certificates, treaties and regulations, and all applicable directives, orders, judgments, injunctions, awards and decrees of any governmental authority, whether or not having the force of law.

"Event of Default" means an event referred to in section 8.0 of this Agreement.

"Facility" means the generating plant, transmission lines and associated facilities and infrastructure as described in Schedule A to the Development Agreement to be operated by the IPP under this Agreement.

"Force Majeure" means any event or circumstance excluding lack of sufficient funds not within the reasonable control of the party which has the effect of preventing a party from meeting its obligations under this Agreement claiming the Force Majeure and including:

- (a) acts of God, including wind, ice and other storms, lightning, floods, earthquakes, volcanic eruptions and landslides;
- (b) strikes, lockouts and other industrial disturbances;
- (c) epidemics, war (whether or not declared), blockades, acts of public enemies, acts of sabotage or terrorism, civil insurrections, riots and civil disobedience;
- (d) acts or omissions of federal, provincial or local governments (other than the RDN) or any of their boards or agencies (other than boards or agencies of the RDN), including delays of regulatory process and orders of a regulatory authority or Court of competent jurisdiction; and
- (e) explosion, fires or mechanical breakdowns.

"General Manager" means the General Manager of the Environmental Services Department of the RDN or person appointed or designated to act in his or her place.

"GMC MVP" means *The Green Municipal Corporation Measurement, Monitoring, Reporting and Verification Protocol for Greenhouse Gas*

Emission Reductions from Designated Projects Funded Through the Green Municipal Fund attached as Schedule "B" to the Project and Transfer Agreement.

"Green Criteria" means criteria established by a purchaser of electricity in an Electricity Purchase Agreement for the production of electricity in a manner that reduces or minimizes negative impacts on the environment.

"Governmental Authority" means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-controlled body, department, commission, authority, tribunal, agency or entity.

"Interconnection Agreement" means the agreement between the IPP and B.C. Hydro for the connection of the Facility to the electrical distribution system operated by B.C. Hydro.

"Landfill Gas" or "LFG" means the combination of gaseous compounds including methane and carbon dioxide and any other GHGs that are emitted during the biological degradation of organic materials at a landfill site.

"Landfill Gas Collection System" means the Collection Field and Control Plant.

"Licence Area" means that part of the RDN Landfill occupied by the IPP under the Licence of Occupation.

"Licence of Occupation" means the Agreement between the RDN and the IPP executed concurrently with this Agreement for the use of the Licence Area by the IPP at RDN Landfill.

"Operate" includes administer, manage, maintain and repair.

"Operating Term" means the period that the IPP will operate the Facility, under the Operating Agreement, commencing on the Commercial Operation Date and continuing for a term of five (5) years from the date of this Agreement with an option to renew for the Renewal Term.

"Pilot Phase" means a period of up to twelve (12) months for the commissioning of the Facility to commence following the Completion Date.

"Project and Transfer Agreement" means the Agreement between RDN and the Green Municipal Corporation dated the 15th day of April, 2005 for the transfer of Emission Reduction Rights to the Green Municipal Corporation resulting from the capturing and flaring of methane.

"Renewal Term" means a five (5) year extension of the Operating Term.

"Term" means the term of this Agreement and the Operating Agreement including, where applicable, the Renewal Term.

"Waiver of Emission Rights" means a waiver of any right, title, or interest in Emission Rights or Emission Reduction Rights in the Project required under section 2.3 of the Project and Transfer Agreement.

1.2 Gender, Number and other Terms

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing a corporate entity include individuals and vice versa.

1.3 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.

1.4 Reference to Enactments

Unless otherwise stated, any reference to an enactment includes and is a reference to such enactment including amendments thereto and in force from time to time, and to any enactment that may be passed which supplements or supersedes such enactment.

1.5 No Contra Proferentum

The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against either of the parties to this Agreement.

1.6 Currency

Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and shall be paid in Canadian currency.

1.7 Governing Law and Attornment

This Agreement shall be governed by and construed in accordance with the law of British Columbia and the law of Canada applicable therein and all disputes and claims whether for damages, specific performance, injunction, declaration or otherwise, both at law and equity, arising out of, or in anyway connected with this Agreement will be referred to the courts of British Columbia and each of the parties hereby attorns to the jurisdiction of the courts of British Columbia.

1.8 Schedules

The following are the Schedules which are attached to and form part of this Agreement:

- Schedule "A" – Operational Requirements
- Schedule "B" – Option to Purchase
- Schedule "C" – Calculation of Annual Payments to RDN

1.9 Cross-References

Unless otherwise stated, a reference in this Agreement to a designated article, section, subsection, paragraph or other subdivision or to a schedule is to the designated article, section, subsection, paragraph or other subdivision of, or schedule to this Agreement.

1.10 Approval

A requirement in this Agreement that a party provide approval or consent means that approval is not to be unreasonably withheld or delayed unless the paragraph specifies that the approval is to be in the sole discretion of a party, in which case approval is to be in the exclusive, complete and unfettered discretion of the party.

2.0 INTENT OF AGREEMENT

2.1 General Intent

It is the general intent of the parties that:

- (a) the IPP will provide all necessary materials, labour, supervision and equipment and perform all work to cause the Facility to be operated to generate electricity for sale to B.C. Hydro or another purchaser acceptable to the RDN, acting reasonably, in strict accordance with this Agreement, in compliance with all applicable enactments and in a manner that does not result in a breach of the RDN's obligations under the Project and Transfer Agreement;
- (b) the IPP will pay the RDN the Annual Payment under this Agreement, and the Licence Fee under the Licence of Occupation;
- (c) the IPP will grant the RDN an Option to Purchase the Facility at the end of the Operating Term (or Renewal Term if this Agreement is renewed under section 3.1(b)) or earlier expiry of the Operating Agreement, in the form set out as Schedule B;
- (d) the IPP will take sole risk regarding technology performance, fuel supply reliability, debt financing and project equity requirements;

- (e) the IPP will enter into an Electricity Purchase Agreement not later than January 21, 2006. *- Feb 21 07,*

3.0 OPERATION OF THE FACILITY

3.1 Operation and Term

- (a) The IPP shall, from and after the Commercial Operation Date, operate the Facility at its sole cost in accordance with the operational requirements set out in Schedule "A", for a five (5) year term..
- (b) Prior to the end of the Operating Term, if the IPP is not in default under this Agreement, the Development Agreement, or the Licence Agreement, the IPP may, on six months' notice in writing, renew the Operating Agreement for the Renewal Term of five (5) years on the same term or terms as this Agreement except this option to renew.

3.2 Improvements and Repairs

The IPP shall pay all costs arising from the operation of the Facility including improvements, repairs and equipment replacement.

4.0 ANNUAL PAYMENT

4.1 Calculation of Payment

- (a) From and after the Annual Payment Trigger Event the IPP shall pay the RDN an annual amount in partial consideration for the supply of landfill gas and the use of the Licence Area.
- (b) The Annual Payments will be equal to 20% (twenty percent) of the net profit of the IPP arising from or in connection with the operation of the Facility or use of the Licence Area.

4.2 Timing of Payment

The Annual Payment will be paid on or before the 31st day of January of the year following the year for which the Annual Payment is due.

4.3 Interest on Late Payment

In the event that the IPP's payment of the Annual Payment or any other sum to be paid by the IPP to the RDN hereunder is late, interest shall be payable on any late amount at the rate of one per cent (1%) per month from the date such payment was due in the case of the Annual Payment and in the case of other payments payable hereunder from the date of demand by RDN to the date of payment.

4.4 Goods and Services Tax

The IPP will be responsible to pay any GST payable in respect of the Annual Payment.

4.5 Determining Net Profit

The net profits of the IPP arising from the operation of the Facility for each year shall be determined by the IPP in accordance with generally accepted accounting principles, as verified by audit.

4.6 RDN Not Liable

For certainty, the RDN is not liable for:

- (a) any loss arising from the operation of the Facility;
- (b) any income or other tax arising from the operation of the Facility.

4.7 No IPP Fees

The IPP shall not be entitled to charge an administration or management fee against revenues earned by the IPP in the operation of the Facility.

4.8 Statement of Earnings

In respect of each year of the Term the IPP shall cause to be prepared as soon as reasonably convenient after December 31st a statement of earnings and shall provide to the RDN a copy of such statement together with the Annual Payment for such year.

4.9 Proper Accounts

The IPP shall keep proper accounts of the business of the IPP at the main office of the IPP or such other location agreed to by the RDN.

4.10 Audit

The IPP shall cause its accounts to be audited each year by chartered accountants acceptable to the RDN, acting reasonably, and shall provide to the RDN a copy of such audit.

5.0 **GENERAL**

5.1 Lands

The IPP is responsible to obtain at its cost any lands or rights in or over lands other than the Licence Area which it requires in connection with the operation of the Facility.

5.2 Investigations

The IPP acknowledges that it has carried out or caused to be carried out all investigations and reviews of the Licence Area and the surrounding site, and of everything and every condition affecting the design, construction and operation of the Facility to satisfy itself that it can operate the Facility in accordance with this Agreement and that it does not and has not relied upon any statement, representation or information made or given or upon information derived from any representative of the RDN.

5.3 Greenhouse Gas Credits

The IPP has waived any rights to retain greenhouse gas credits related to the collection or beneficial use of the Landfill Gas under the Waiver of Emission Rights.

5.4 Green Rights Criteria

The IPP shall operate, or cause to be operated, the Facility in accordance with:

- (a) this Agreement and the Electricity Purchase Agreement;
- (b) any applicable equipment manufacturers' specifications and warranty conditions;
- (c) best practices for an electrical generating facility using landfill gas;
- (d) all applicable enactments; and
- (e) in a manner to meet any green rights criteria established under an Electricity Purchase Agreement.

5.5 Facility Operation

The IPP shall Operate or cause the Facility to be operated in a manner that will permit the RDN to meet its obligations under the Project and Transfer Agreement including, without limitation, the GMC MVP.

5.6 RDN Use of Landfill

The Developer shall carry out all activities on the RDN Landfill in a safe manner and in accordance with all reasonable directions of the RDN and so as not to interfere with any activities related to solid waste disposal or independent study of the RND Landfill.

5.7 Access to Records and Documents

After the Commercial Operating Date, the IPP shall keep:

- (a) records of costs and revenues for the Facility in accordance with generally accepted accounting principles as relevant to the calculation of the Annual Payment; and
- (b) all other records the IPP is required to keep under this Agreement;

and provide the RDN or its auditors upon request with access to or copies of such records. Any records to be provided to the RDN or its auditors other than Facility revenue certificates and statements shall be at the cost of the RDN.

5.8 Facility Operator

- (a) The IPP may not contract the operation of the Facility to an operator unless the operator and the agreement for the operation of the Facility are approved by the RDN such approval not to be unreasonably withheld or delayed. If the RDN fails to object in writing to the IPP as to the identity of the operator or the form of the operator's contract within ten (10) days of receiving a copy thereof from the IPP, the RDN shall be deemed to have approved of the operator and the operator's contract for the operation of the Facility.
- (b) The IPP shall not enter into any contract for the operation of the Facility extending beyond the term of this Agreement.
- (c) Any contract with an operator must
 - (i) require the operator to sign a waiver of any right to Emission Reduction Rights in a form provided by RDN; and

- (ii) require the operator to operate the Facility so that there is no breach of the RDN's obligations under the Project and Transfer Agreement.

5.9 Facility Liaison

The parties shall meet as necessary or desirable for the efficient development of the Facility and to exchange information regarding aspects of the Facility operation as agreed by the parties to include expansion of the Facility, scheduling of work, safety issues, interconnections to existing systems and services, financial issues, relating to the Facility and communication with B.C. Hydro and the Green Municipal Corporation.

5.10 Quarterly Revenue Statements

During each year of the Operating Term (including the Renewal Term) The IPP shall provide to the RDN within thirty (30) days of the end of a quarter certified power generation and revenue statements for the Facility for the quarter just ended. The IPP shall provide these statements throughout the term, regardless of whether the IPP is paying an Annual Payment to the RDN.

5.11 Taxes

The IPP shall pay all applicable federal, provincial or local government taxes, rates and assessments on the Facility or the IPP's occupation of any part of the Lands. For this purpose, the RDN shall provide the IPP with copies of all assessments, tax notices and other evidence of such taxes and shall prepare a reasonable allocation of such taxes to the Facility and any part of the lands occupied by the IPP for approval by the IPP. In the event the IPP approves of the RDN's allocation, the IPP shall pay to the RDN or, at the request of the RDN, directly to the taxing authority the sums so allocated to the IPP. Such amount will be taken into account as costs of the Facility in calculating the Annual Payment.

5.12 Permits and Regulations

The IPP shall, at its own expense, apply for and procure all permits, certificates and licences required for the construction and operation of the Facility and shall comply with all federal, provincial and local enactments affecting the construction or operation of the Facility. To the extent that the cooperation of the RDN is required in order to permit the IPP to operate the Facility as required under this Agreement, the RDN shall cooperate with the IPP and execute such documents, plans, permits and agreements as may be required and do such acts as may be required for such purposes at no cost to the IPP.

5.13 Tests

The IPP shall pay the cost of all air emission or other testing required by any federal, provincial or local government with respect to the operation of the Facility.

5.14 Inspection

- (a) On at least twenty-four (24) hours' prior notice from the RDN, the IPP will permit the RDN at any time and from time to time to enter the Facility and to inspect plant, machinery, equipment, goods and chattels and the operation thereof in relation to the Facility.
- (b) The IPP shall on at least twenty-four (24) hours' prior notice from the RDN make available for inspection at the IPP's Premises such books of account and other records as the RDN may reasonably require in relation to the operation of the Facility to verify any amount paid as an Annual Payment.

5.15 Workers' Compensation

The IPP shall register and comply strictly with the *Workers Compensation Act* of British Columbia and all standards and requirements of the Industrial Health and Safety Regulations from time to time in effect under the *Workers Compensation Act* and with any similar requirements of any other statute which may apply to the IPP's activities under this Agreement.

5.16 Contractor's Standards

Without limiting any other provisions of this Agreement, the IPP at its expense shall conduct all its activities under this Agreement in a safe, clean and efficient manner and without limiting the generality of the foregoing shall:

- (a) ensure its employees and agents exercise caution and follow all applicable safety and proper operational procedures;
- (b) ensure that all equipment and vehicles utilized are mechanically sound and are equipped with all necessary or desirable safety devices;
- (c) ensure that all safety, warning or operational signs that are necessary or desirable are duly posted on the appropriate portions of the RDN Landfill;
- (d) ensure the safety, security and protection of the Landfill, Control Plant, Facility and other equipment, structures, apparatus or devices utilized under this Agreement;
- (e) ensure that all necessary or desirable safety equipment is on or immediately available for use on the RDN Landfill.

5.17 RDN Rules

The IPP shall comply with all reasonable rules, standards, requirements and regulations that the RDN may from time to time establish with respect to safety on the Landfill.

5.18 Builders Liens

The IPP shall remove or cause to be removed all claims of lien or liens filed or registered against the RDN Landfill by its suppliers, workers, contractors or subcontractors resulting from the IPP's design and construction of the Facility, or against any other lands owned by the RDN in connection with the Facility. Such removal shall be at the cost of the IPP immediately upon demand by the General Manager.

5.19 Federal Incentive Payment

The RDN acknowledges that the amount of 1 (one) cent per kW/hr paid by the Government of Canada in respect of electricity to be generated by the Facility will be considered to be revenue to the IPP.

6.0 RDN COVENANTS

6.1 Landfill Gas Supply

After the Commercial Operation Date the RDN shall not take any action that would materially impair a continuous supply of Landfill Gas to the Facility except for an interruption contemplated by or in response to a situation referred to in section 6.5 of this Agreement, it being agreed and understood that the Landfill Gas Collection System shall be operated so as to prevent or minimize adverse environmental impacts.

6.2 RDN Well Field and Collection System

The RDN shall operate, maintain and calibrate the Landfill Gas Collection System in accordance with its usual operating procedures which shall be based upon best practices for a landfill gas collection system of the type installed at the RDN Landfill.

6.3 Maintenance Schedules and Temporary Maintenance Shutdowns

The RDN shall forward to the IPP maintenance schedules for the Landfill Gas Collection System which may involve shutdown of the blowers or of any component of the Landfill Gas Collection System which would interrupt the IPP's supply of Landfill Gas, at least thirty (30) calendar days prior to the shutdown event, except in the case of emergency, in which case the RDN shall provide as much notice as reasonably practical in the circumstances.

6.4 Restoration of Supply

In any event of interruption to Landfill Gas supply referred to in section 6.5 of this Agreement, the RDN will make all reasonable efforts to correct the interruption as soon as reasonably possible, given the reason for the interruption. In the event of a Landfill Gas supply interruption arising from a breakdown or malfunction of the Landfill Gas Collection System, the RDN will respond to a pager call within twelve (12) hours and every reasonable effort will be made by the RDN to correct the situation giving rise to the breakdown or malfunction and to restore the supply of Landfill Gas to the Facility.

6.5 Interruptions

The supply of Landfill Gas by the RDN to the IPP under this Agreement is expressly subject to Landfill Gas supply interruption including interruptions arising from:

- (a) routine maintenance;
- (b) breakdown or malfunction of the Landfill Gas Collection System;
- (c) interruption to power supply; or
- (d) Force Majeure.

6.6 Release

The IPP hereby releases and saves harmless the RDN of and from any actions, proceedings, claims, damages, demands, fees, fines, losses, and costs including economic loss, arising from landfill Gas supply interruption under this Agreement including a Landfill Gas supply interruption arising from the negligence of the RDN, its elected or appointed officers, employees, contractors and agents.

6.7 No Warranty

The RDN does not warrant the supply of Landfill Gas under this Agreement and, without limiting the generality of the foregoing, does not warrant volumes, composition or quality of Landfill Gas that may be available to the IPP.

7.0 DISPUTE RESOLUTION

7.1 Procedure

The parties agree to co-operate with one another to resolve any disputes with respect to matters arising under this Agreement in a timely manner.

The steps in the process must be followed in the order set out below, and otherwise as set out in this section unless both parties agree otherwise in writing:

- (i) meet to resolve issues;
- (ii) deliver dispute notice;
- (iii) appoint and obtain decision of referee; and
- (iv) arbitration.

The parties agree that timely resolution of any dispute is mutually beneficial and, in order to achieve timely resolution the time limits, as set out in this section, shall be strictly enforced.

7.2 No Delay or Interruption

The IPP shall not delay or interrupt the work or any portion of the work or the operation of the Facility on account of any dispute, or any proceeding taken under this section.

In the event of a dispute, except if it involves failure by the RDN to pay the RDN Contribution, the IPP shall give such instructions to its contractors and subcontractors as in its opinion are necessary to achieve the proper performance of the work, to prevent delays and to maintain the operation of the Facility.

7.3 Negotiations

The parties shall make all reasonable efforts to resolve a dispute by amicable negotiations and shall provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate negotiations.

7.4 Dispute Notice

If the parties are unable to resolve a dispute within five (5) working days then the party initiating the dispute process (the "**Disputing Party**") shall within five (5) working days of the expiry of the aforesaid five-day period deliver a Dispute Notice and the provisions of this section shall apply.

The Dispute Notice shall include particulars of the dispute reasonably available to the disputing party and the provisions of the Agreement on which the disputing party relies.

A Dispute Notice shall be given by separate written notice delivered to the other party and mention of a dispute in minutes of meetings or similar documents, even if received by the other party, shall not qualify as a Dispute Notice.

7.5 Referee

Before proceeding further with the dispute, including requesting arbitration, or commencing litigation, a disputing party shall obtain a decision on the dispute from a referee to be selected jointly by the parties prior to commencement of work. The referee must be a qualified engineer with expertise in the construction and design of projects similar to the Facility. The referee's review may be omitted only with the written approval of both parties or if the parties have not jointly selected a referee.

If a dispute is not completely resolved by the parties through negotiations within five (5) working days of the delivery of the Dispute Notice, then either party may initiate the appointment of a referee by referral of the Dispute Notice to the referee if that party wishes to proceed with dispute resolution, unless the parties agree in writing to proceed to a settlement meeting.

Upon receipt of a copy of the Dispute Notice, the referee shall have the authority to review the dispute.

The fees, disbursements and other costs of the referee, in the amounts as agreed between the parties and the referee as set out in the letter of appointment, shall be shared equally by the RDN and the IPP.

The referee shall conduct a review of the dispute in the manner the referee decides is most suitable including a review of the Agreement, the Dispute Notice, the other party's reply, if any, an inspection of the place of the work and discussions with any persons. The parties shall comply with all reasonable requests from the referee for additional information and documents which the referee considers necessary for the review. Any information given to the referee by one party shall be given to the other party.

The referee may, with the written approval of both parties, retain others to assist with the review.

The referee shall render a brief written decision on the dispute, with copies to both parties within five (5) working days of the referee's appointment or such longer period as agreed to in writing by both parties.

After a lapse of five (5) working days from the time when the referee delivers the referee's written decision on the dispute to both parties, then as the final step regarding the dispute, the referee shall promptly ask each party whether the dispute has been settled, and then provide a written report to each party summarizing the referee's understanding of the status of the dispute.

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If both parties have given Dispute Notices relating to the same matters (claim and counterclaim) then the referee shall consider both Dispute Notices at the same time and the referee's decision shall be with respect to both Dispute Notices.

A referee appointed to review a dispute shall, subject to the timely availability of that referee, be the referee to review all other disputes arising under the Agreement unless the parties agree otherwise.

A referee's decision is not binding on the parties, and a referee's review shall be sought only for the purpose of assisting the parties to reach agreement with respect to the dispute.

A referee who has made a decision on a dispute may be retained by either or both parties, to assist in mediation or settlement proceedings with respect to that dispute conducted pursuant to this section. A referee may not be called by either party to give evidence with respect to the dispute in any subsequent arbitration or litigation proceeding to resolve the dispute, nor shall either party refer to or enter into evidence the decision of the referee in such proceedings.

The parties will agree to release and save harmless the referee from any liability arising from a review undertaken by the referee.

7.6 Arbitration

If within five (5) working days of the decision of the referee, the matter is not settled by agreement, or if either party fails or refuses to participate in the referee process within the time limit set out in this section, then either party may request the other party to agree to submit the dispute to binding arbitration, or may without further notice commence litigation.

The request for arbitration shall be made in writing and shall specify the issue or issues to be submitted to arbitration, and shall name a person to act as arbitrator. Within fifteen (15) days after receipt of such written request, the other party by written notice shall choose and name a second arbitrator. The two (2) arbitrators so chosen shall immediately and jointly select a third arbitrator, giving written notice to both parties of the choice, and fixing a place and time for meeting not later than thirty (30) days after the date of selection of the third arbitrator, at which both parties may appear and be heard, regarding the dispute. If the two arbitrators fail to agree upon a third arbitrator, or in case the parties notified of the request for arbitration fail to name the second arbitrator within the time stipulated, the third arbitrator (or the second arbitrator as the case may be) upon the application of either party, of which the other shall be given notice, shall be named by a Justice of the Supreme Court of the Province of British Columbia. The parties may agree to submit the matter to one (1) arbitrator.

The arbitration shall be carried out under the *Commercial Arbitration Act* (British Columbia). The decision of the arbitrator(s) shall be made in writing within thirty (30) days after the completion of hearings, and when signed by a majority of them shall be final and conclusive upon the parties thereto.

One half of the costs of the arbitration including the fees of the arbitrator(s) shall be borne by the RDN and one half by the IPP.

8.0 TERMINATION

8.1 Termination by RDN

- (a) If:
- (i) the IPP's interest in this Agreement is at any time seized or taken in execution or attachment by any creditor of the IPP or under a personal property security instrument, or foreclosure or power of sale proceedings are commenced by a lender or creditor of the IPP;
 - (ii) the IPP or any corporation that is a partner in the IPP makes any assignment for the benefit of creditors other than the giving of security as may reasonably be required to secure financing for the construction of the Facility;
 - (iii) the IPP or any corporation that is a partner in the IPP becomes insolvent or bankrupt;
 - (iv) the IPP or any corporation that is a partner in the IPP becomes a party to proceedings under the Companies Creditors Arrangement Act or any similar enactment;
 - (v) being an incorporated company or group of companies proceedings are begun to wind up the IPP or any corporation that is a partner in the IPP one or more of the companies and such proceedings are not dismissed prior to dissolution;
 - (vi) an authority having jurisdiction revokes or cancels a permit or certificate to operate the Facility pursuant to a power under an enactment; or

then this Agreement shall, at the option of the RDN, be terminated immediately upon notice in writing to the IPP. The notice must specify the provision the RDN is relying on to terminate this Agreement and the IPP shall be entitled to dispute such notice in accordance with section 7.4.

- (b) Without limiting section 8.1(a) the RDN may terminate this Agreement

- (i) if the IPP has not executed an Electricity Purchase Agreement for the sale of electricity to a purchaser acceptable to the RDN, acting reasonably, on or before January 21, 2006;
 - (ii) upon ninety (90) days notice in writing to the IPP if the Electricity Purchase Agreement is terminated, unless the IPP enters into a new Electricity Purchase Agreement with termination effective the same day as termination of the Electricity Purchase Agreement;
 - (iii) if, after the Commercial Operation Date, the IPP defaults in the performance of any covenant or agreement to be performed under this Agreement on ninety (90) days' notice in writing to the IPP, unless the IPP cures the default within that thirty (30) day notice period to the satisfaction of the General Manager;
 - (iv) upon notice to the IPP, if payment of the Annual Payment by the IPP is more than thirty (30) days late;
 - (v) if the RDN terminates the Licence of Occupation or the Development Agreement, with termination effective on the same date as termination of those Agreements.
- (c) The RDN shall not be liable to the IPP for any loss including, without limitation, economic loss arising from the lawful termination of this Agreement by the RDN in accordance with the terms of this Agreement.
 - (d) The RDN shall not be entitled to terminate this Agreement under section 8.1(b)(ii), or (iii) or (iv) if the parties are in a dispute and have commenced the resolution of such dispute in accordance with section 7.4 or if the dispute resolution process determines that such Event of Default was caused by a default of a material covenant or agreement to be performed by the RDN under this Agreement or the Licence of Occupation.
 - (e) In the event of such termination, the RDN shall at its option be released from any further obligations under this Agreement and the Licence of Occupation other than obligations under section 9.7(b).

8.2 Termination by IPP

- (a) The IPP may terminate this Agreement:
 - (i) in the event of any order of any Court or other public authority, other than the RDN, causing the work to be stopped or suspended for a period that exceeds ninety (90) days; or

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- (ii) in the event of the RDN causing the work to be stopped or suspending for a period that exceeds thirty (30) days in any one calendar year and that has not been caused by the negligence of the IPP, its employees, agents or subcontractors;
- (b) The IPP may terminate this Agreement if the RDN defaults in the performance of any covenant or agreement to be performed under this Agreement on thirty (30) days' notice to the RDN unless the RDN cures the default within thirty (30) days to the satisfaction of the IPP acting reasonably; or
- (c) The IPP may terminate this Agreement if the RDN Landfill provides fewer than 6.0 gigajules per hour for a period of ten (10) consecutive days.
- (d) The IPP shall not be entitled to terminate this Agreement pursuant to section 8.2(b) if the parties are in a dispute and have commenced the resolution of such dispute in accordance with section 7.0 or if the dispute resolution process determines that such Event of Default was caused by a default of a material covenant or agreement to be performed by the IPP under this Agreement, the Development Agreement or the Licence of Occupation.
- (e) In the event of such termination by the IPP, the IPP shall, at its option, be released from any further obligations under this Agreement, the Development Agreement and the Licence of Occupation other than section 9.7 of this Agreement and the payment of any outstanding Annual Payments (and interest on late payments) due to the RDN under section 4.0.
- (f) If the IPP terminates this Agreement under this section, the IPP shall not be liable to RDN for any loss, including, without limitation, economic loss arising from the lawful termination of this Agreement in accordance with the terms hereof;

8.3 Effect of Termination

- (a) If this Agreement is terminated under sections 8.1 or 8.2, the parties may pursue and enforce any rights and remedies permitted by law or equity in respect of any prior breach or breaches of this Agreement, subject to any express limitations or exclusions of liability set out in this Agreement;
- (b) If this Agreement is terminated under sections 8.1 or 8.2, then the RDN may exercise its Option to Purchase;
- (c) If the RDN does not exercise its Option to Purchase the IPP's interest in the Facility within sixty (60) days of the termination, the IPP may enter upon the Licence Area without further notice to remove equipment and property of which it is the sole owner.

- (d) In the event of termination, the parties shall execute and deliver to each other such documents as may be necessary to give effect to this section and sections 8.1 and 8.2.

9.0 GENERAL

9.1 IPP's Services

If the IPP terminates the Agreement under section 8.2, then the IPP shall, at the request of the RDN, provide consulting services in relation to the following tasks:

- (a) advice on selection of equipment and design of Facility;
- (b) assistance in the negotiation of the purchase price for such equipment;
- (c) assistance with B.C. Hydro respecting interconnection and the conditions subsequent in the Energy Purchase Agreement;
- (d) selection of engineering firm for electrical and other construction services;
- (e) assistance in the selection and negotiations of operating and maintenance requirements for the Facility; and
- (f) other advice as required relating to the Facility and its operations,

at a fee for service at then current market rates expenses charged at cost and tax applicable to such services.

9.2 Assignment

- (a) The IPP may not assign this Agreement or the Operating Agreement or the Licence of Occupation without:
 - (i) the written consent of the RDN, which shall not be unreasonably withheld;
 - (ii) the consent of any party to an Electricity Purchase Agreement; and
 - (iii) the assumption by the permitted assignee of the IPP's obligations under the Electricity Purchase Agreement and the Licence of Occupation.
- (b) In reviewing a request for consent to an assignment it shall not be unreasonable for the RDN to refuse consent under paragraph (a) where the RDN is not satisfied that the proposed assignee or all partners of the assignee have the technical, professional and financial capacity to assume the obligations of the IPP under this Agreement.

9.3 Removal of Facility on Termination

At the end of the Term or if this Agreement is terminated under sections 8.1 or 8.2 and if the RDN elects not to exercise its Option to Purchase, then the IPP shall, at its own cost and expense, remove the Facility from the Licence Area and restore the Licence Area in accordance with the Licence Agreement.

9.4 No Oral Agreements

No oral instruction, objection, claim or noticed by one party to the other shall affect or modify any of the terms or obligations contained in this Agreement, and none of the provisions of this Agreement shall be held to be waived or modified by reason of any act whatsoever other than by a written waiver.

9.5 Non Waiver

The failure of a party to enforce or require a strict observance and performance of any of the covenants and agreements of this Agreement will a waiver of such covenants or agreements or affect or impair those covenants or agreements or the right of a party at any time to enforce those covenants or agreements or take advantage of any remedy that party may have.

9.6 Workers Compensation Insurance

At any time during the term of the Contract the IPP shall, when requested by the RDN, provide evidence of compliance with the requirements of the *Workers Compensation Act* by itself and its subcontractors.

9.7 Indemnity

(a) The IPP will indemnify the RDN against and save them harmless from any and all actions, causes of action, suits, damages, losses, costs (including costs of professional advisors and solicitors on a solicitor and own client basis), charges, claims or demands, arising from the IPP's breach of this Agreement, or the negligence or wrongful act of the IPP, its officers, employees, subcontractors, agents or others for whom it is responsible at law except to the extent that such liability arises from the negligence or wrongful act of RDN or its officers, employees, or others for whom the RDN is responsible at law.

The IPP will indemnify and save harmless the RDN from any liability arising from the construction of the Facility or by reason of liens for non-payment of labour or materials in connection with the Facility.

(b) The RDN will indemnify the IPP against and save it harmless from any and all actions causes of action, suits, damages, losses, costs (including costs of professional advisors and solicitors on a solicitor and own client basis), charges, claims, demands, arising from the RDN's breach of this

Agreement, or the negligence or wrongful act of the RDN, its elected officials, employees, contractors, agents or others for whom it is responsible at law except to the extent that such liability arises from the negligence or wrongful act of the IPP or its officers, employees, or others for whom the IPP is responsible at law.

This section shall survive the termination of this Agreement or the transfer of the Facility.

9.8 Representations and Warranties

- (a) The IPP represents and warrants with the intent that the RDN shall rely on such representations and warranties in entering into this Agreement and that as of the date of this Agreement the IPP is a corporation duly incorporated and existing under the laws of Alberta and extra-provincially registered in British Columbia and has the power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, all of which have been duly and validly authorized by all requisite proceedings and that this Agreement constitutes a legal, valid, and binding obligation of the IPP in accordance with its terms.
- (b) The RDN represents and warrants with the intent that the IPP shall rely on such representations and warranties in entering into this Agreement that as of the date of this Agreement the RDN is a local government incorporated under the laws of the Province of British Columbia and has the power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, all of which have been duly and validly authorized by all requisite proceedings and that this Agreement constitutes a legal, valid and binding obligation of the RDN in accordance with its terms.

9.9 Patents and Royalties

The IPP shall pay all royalties and licence fees with respect to and shall assume the defence of and indemnify the RDN from all claims relating to inventions, copyrights, trademarks or patents used in the design, construction or operation of the Facility.

9.10 Safety Requirements

- (a) The IPP is the prime Contractor as defined in Part 3 of the *Workers Compensation Act* (British Columbia). The IPP shall be permitted to designate subcontractors who will be responsible for meeting Workers Compensation Board requirements in respect of their specific subcontracts, however, the IPP shall indemnify and save harmless the RDN from any liability whatsoever arising from any claim arising under the *Workers Compensation Act* in connection with the operation of the Facility.

- (b) The IPP is responsible for all functions related to the coordination of the health and safety activities at the job site in accordance with the Workers Compensation Board Occupational Safety Regulation and the *Workers Compensation Act* (British Columbia) and amendments thereto at all times.
- (c) Where there is a conflict between a safety procedure or requirement of the RDN in relation to the RDN Landfill or the Licence Area that is more strict or stringent than a requirement of the Workers Compensation Board or another enactment, the IPP shall follow the RDN's procedures or guidelines so long as such procedures and guidelines are not in conflict with another enactment.
- (d) In an emergency affecting the safety of life or of the Facility or of adjoining property, the IPP shall act in a responsible manner to prevent loss or injury, without the necessity of any further authorization from the General Manager.
- (e) The IPP shall satisfy the General Manager that a job site specific construction safety program has been developed in accordance with the Industrial Health and Safety Regulations, and Safe Work Practices and Procedures of the Workers' Compensation Board and shall incorporate all of the RDN's site requirements and restrictions.
- (f) The IPP shall provide to the General Manager, prior to commencement of the work, the Material Safety Data Sheets and site specific precautions for the application of all controlled chemical products which require local or general ventilation control.
- (g) The IPP shall provide and maintain at all times during the operation of the Facility, suitable barricades, fences, signs, signal lights and flag persons as are necessary to ensure the safety of the public and those engaged in work in relation to the Facility. All work shall be carried out in a manner that will cause the least interruption to vehicular and pedestrian traffic and access to the RDN Landfill.
- (h) Where work requiring use of cranes or large equipment is to be carried out in close proximity to power lines the IPP shall prepare and submit to the General Manager prior to starting the work, a detailed written work procedure prepared in consultation with the site foreman and superintendent.

9.11 Time

Time shall be of the essence of this Agreement.

9.12 Force Majeure

- (a) The Commercial Operation Date may be extended in the event of Force Majeure by the same number of days as the duration of the event of Force Majeure.
- (b) If there is a Force Majeure affecting the ability of the IPP to construct the Facility, the IPP shall promptly notify the RDN of the Force Majeure, identifying the Force Majeure, its expected duration and the particular obligations affected by the Force Majeure. The IPP will provide the RDN with reports with respect to the Force Majeure at such intervals as the RDN may reasonably request while the Force Majeure continues. The IPP will be deemed to have invoked Force Majeure from the date when it gives notice of the Force Majeure to the RDN. The IPP shall give prompt notice at the end of the Force Majeure.
- (c) If the IPP invokes Force Majeure, it shall use all commercially reasonable efforts, including sourcing goods and services from alternative suppliers or using alternative methods, to remove the Force Majeure as soon as possible and the IPP shall promptly respond to any inquiry from the RDN regarding the efforts being undertaken to remedy the situation.
- (d) Either the IPP or the RDN may terminate this Agreement by notice to the IPP if the Force Majeure has not been removed within 180 days after the date of the notice invoking Force Majeure, in addition to any other right of the RDN to terminate this Agreement. In the event of such termination the parties shall be released from any further obligations to each other under this Agreement, the Licence of Occupation, and the Operating Agreement with the exception of the ability on the part of the RDN or the IPP to exercise their rights under any options to purchase or the indemnities set out in section 9.7 of this Agreement.

9.13 Insurance

The IPP shall, at its own expense, provide and maintain the following insurance coverages listed herein unless otherwise stipulated:

- (a) Comprehensive General Liability Insurance

The IPP shall purchase and provide proof of Comprehensive General Liability Insurance naming the RDN as an Additional Named Insured, and all other contractors and sub-contractors, including architects and

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engineers as Additional Named Insureds, covering losses to a third party for bodily injury or death, property damage and unlicensed vehicle and attached equipment operations. This insurance shall have a limit of Liability not less than three million (\$3,000,000) dollars for any one occurrence with a twelve (12) month product and completed operations period.

(b) Motor Vehicle Insurance

The IPP shall ensure that vehicles owned and/or operated by the IPP in connection with this Agreement maintain Third Party Legal Liability Insurance with ICBC and/or a private carrier in an amount not less than three million (\$3,000,000) dollars per occurrence.

(c) Professional Liability Insurance

Where the IPP contracts with Sub-Contractors to do all of the engineering and design work on the Facility, the IPP shall ensure that such Sub-Contractors carry blanket professional liability insurance of no less than one million (\$1,000,000.00) dollars per claim, and two million (\$2,000,000.00) dollars annual aggregate, then upon providing the RDN with copies of the Sub-Contractors' policies showing that such policies protect the RDN, the Sub-Contractors and their respective officers, officials, servants, employees or agents performing services for and on behalf of the Contractor against any loss or damages arising out of or in relation to the IPP obligations pursuant to this Agreement, and that the Sub-Contractors are contractually bound to the IPP to keep such insurance in force for the Term Property Insurance

The IPP shall take out and maintain all risk property damage insurance insuring the Facility and all Equipment to its full replacement cost. Property damage insurance shall be maintained on an All Risk basis including flood and earthquake coverage. This coverage shall also extend to include losses resulting from testing of insured property.

(d) Each policy shall contain a clause stating that:

"This policy will not be cancelled or materially changed without the insurer giving at least thirty (30) days notice by registered mail to the RDN"

Unless specified otherwise, the duration of each insurance policy shall be from the date of the commencement of this Agreement until the end of the Operating Term, including any extensions to the Operating Term.

Certificates of Insurance for these policies shall be filed by the IPP with the RDN on or prior to the Commercial Operation Date. Certified copies of

these policies shall be filed by the IPP with the RDN with thirty (30) days of the commencement of this Agreement mentioned above.

Wherever the word "RDN" is to appear in these policies, the legal name shall be inserted.

(e) Separation of Insureds, Cross Liability

The IPP shall ensure that all policies where the RDN is an Additional Named Insured contain the Separation of Insureds, Cross Liability clause in the conditions of the policy.

(f) Deductibles

Except where a claim under the policies results from negligence or wilful misconduct of the RDN, its elected officials, employees, agents or others for whom it is responsible at law in which case the RDN shall be responsible, the IPP shall be responsible for any deductible amounts under the insurance policies, the cost of all insurance required by the Contract shall be borne by the IPP.

(h) Maintain Insurance

If the IPP fails to provide or maintain insurance as required by this Agreement, then the RDN shall have the right on ten (10) days written notice to the IPP to provide and maintain such insurance and give evidence thereof to the IPP. The cost of obtaining or maintaining such insurance shall be a debt owed by the IPP to the RDN immediately on demand. The IPP shall also take out and maintain such additional insurance as may be reasonably required by the RDN.

9.14 Duty of Care

The IPP acknowledges that the RDN, in the preparation of the Request for Proposals and this Agreement, the supply of oral or written information to the IPP, review of proposals of the carrying out of the RDN's responsibilities under this Agreement does not owe a duty of care to the IPP and the IPP waives for itself and its successors the right to sue the RDN in tort for any loss, including economic loss, damage, cost or expense arising from or connected with any error, omission or misrepresentation occurring in the preparation of the Request for Proposals or this Agreement, the supply of oral or written information, the review of the Proposals or the carrying out of the RDN's responsibilities under this Agreement.

The RDN acknowledges that the IPP does not owe a duty of care to the RDN and the RDN waives for itself and its successors the right to sue the IPP in tort for any loss, including economic loss, damage, cost or expense arising from or

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connected with any error, omission or misrepresentation occurring in the preparation of this Agreement or the carrying out of the IPP's responsibilities under this Agreement.

9.15 Relationship of the Parties

Nothing in this Agreement shall be construed so as to make the RDN a partner of the IPP.

9.16 Notice

It is hereby mutually agreed that any notice required to be given under this Agreement must be in writing and will be deemed to be sufficiently given if:

- (a) delivered at the time of delivery; and
- (b) mailed from any government post office in the Province of British Columbia by prepaid registered mail addressed as follows:

if to the RDN:

6300 Hammond Bay Road
 Nanaimo, BC V9T 6N2
 Attention: Carey McIver, Manager of Solid Waste
 Facsimile: (250) 390-1542

if to the IPP:

Cedar Road LFG Inc.
 #13 1922 – 9 Avenue SE
 Calgary, AB T2G 0V2
 Attention: Paul Liddy
 Facsimile: (403) 266-4943

Unless otherwise specified herein, any notice required to be given under this Agreement by any party will be deemed to have been given if mailed by prepaid registered mail, or sent by facsimile transmission, or delivered to the address of the other party set forth on the first page of this Agreement or at such other address as the other party may from time to time direct in writing, and any such notice will be deemed to have been received if mailed or faxed, five (5) business days after the time of mailing or faxing and, if delivered, upon the date of delivery. If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice must utilize any other such services which have not been so interrupted or must deliver such notice in order to ensure prompt receipt thereof.

9.17 Further Assurances

Each of the parties shall execute and deliver all such further documents and do such further actions and things as the other party may reasonably request from time to time to give full effect to this Agreement.

9.18 Binding Effect

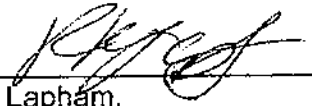
This Agreement shall enure to the benefit of and be binding upon the parties, their respective heirs, executives, administrators and other legal representatives and, to the extent permitted in this Agreement, their respective successors and assigns.

9.19 Freedom of Information

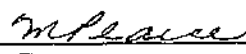
The IPP acknowledges that the RDN is subject to the *Freedom of Information and Protection of Privacy Act* ("FOIPPA") and will identify to the RDN any information supplied in confidence to the RDN that may be subject to section 21 of the FOIPPA.

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

The **REGIONAL DISTRICT OF NANAIMO**)
by its authorized signatories:)

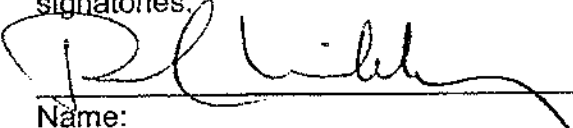


Robert Lapham,
Acting Chief Administrative Officer)



Maureen Pearce,
Deputy General Manager, Corporate
Services)

CEDAR ROAD LFG INC. by its authorized)
signatories:)



Name:)

Name:)

SCHEDULE "A"
(Section 3.1)

OPERATIONAL REQUIREMENTS

1.0 Duration of Requirements

The requirements of this Schedule apply during the Operating Term of the Agreement, including any permitted extensions of the Operating Term.

2.0 Supervision of Operation

While the Facility may be remotely monitored, the IPP shall ensure that the operation of the Facility is under the effective and efficient supervision of a competent manager who shall represent the IPP and directions given to the manager shall be held as being given to the IPP.

The IPP shall notify the RDN of the name and telephone contact number of the manager and of any person who replaces the manager during the Operating Term.

2.0 Materials, Utilities and Infrastructure

2.1 In addition to those operational requirements to be developed during the construction phase, the IPP shall at its own cost,

- supply all materials and labour for the operation of the Facility;
- provide and maintain all water, light, power, heating and other utilities necessary for the operation of the Facility;
- provide, install and maintain adequate drainage at the Facility, provided that the IPP is not responsible for drainage problems arising with respect to the Facility from activities of the RDN or its employees, contractors or agents;
- provide, operate and maintain all structures, plant and equipment needed to transport and process the Landfill Gas into electricity, together with the equipment and plant required to transport such electricity;
- provide, operate and maintain structures for the accommodation of the IPP's employees;
- operate and maintain equipment to dispose of condensate to the existing leachate collection system;

3.0 Good Engineering Practices

- 3.1 The IPP shall at all times operate the Facility during the Operating Term in accordance with good engineering and operating practices.

4.0 Temporary Interruptions

4.1 Flaring of Gas

During any period of temporary interruption by either the RDN or the IPP, the RDN shall flare Landfill Gas.

4.2 Notification of RDN

The IPP shall notify RDN Operations staff if the Facility ceases to operate for more than six consecutive hours.

4.3 Suspension by RDN

The RDN may at any time on seventy-two (72) hours' written notice to the IPP suspend the operation of the Facility for a period that in the aggregate does not exceed ten (10) days in any one calendar year. The IPP shall resume work upon the expiry of the suspension period. The RDN will reimburse the IPP for reasonable costs and expenses incurred by the IPP necessitated by such suspension of work but the RDN shall be under no obligation to reimburse the IPP for any economic loss.

5.0 Emission Levels

- 5.1 The IPP shall ensure that emissions do not exceed the emission levels listed in the B.C. Hydro Green Criteria.
- 5.2 The IPP shall provide to the General Manager annual emissions testing data in support of the Project and Transfer Agreement.

6.0 Other Fuels

- 6.1 Fuels other than Landfill Gas shall not be used for the generation of electricity at the Facility except with the written consent of the RDN.

10.2 dBa Levels

Without limiting the generality of the foregoing, the IPP shall not permit the noise level to exceed:

- (a) Workers Compensation Board continuous occupational levels of 85dBA within any part of the Licence Area regularly occupied by workers; and
- (b) 45dBA at the boundary of the RDN Landfill.

11.0 **Safety**

- (a) The IPP shall ensure that the operation of the Facility meets all applicable safety codes, including, but not limited to the following:
 - (i) RDN Landfill site safety manual, bylaws, policies and procedures;
 - (ii) Workers Compensation Board regulations;
 - (iii) Canadian Gas Association Code for digester gas and landfill gas installations;
 - (iv) Provincial gas and electrical safety codes;
 - (v) Canadian Standards Association; and
 - (vi) B.C. Hydro standards.
- (b) All of the IPP's on-site personnel must participate in the on-site worker check system.

12.0 **Operating and Maintenance Requirements**

12.1 Coverage

The IPP shall:

- (a) provide sufficient qualified personnel to ensure safe and reliable operation of the Facility;
- (b) ensure that personnel and subcontractors are familiar with the documents referred to in section 13.3 as they relate to the operation of the Facility.

7.0 Emissions Monitoring

7.1 Monitoring

The IPP shall provide sampling facilities that meet the requirements of the Environmental Field Sampling Manual of the British Columbia Ministry of the Environment.

The IPP shall submit the results of one stack test per year to the RDN.

The stack test shall include both carbon monoxide and total hydrocarbon analysis.

8.0 Waste Management

The IPP shall handle, store and ship plant waste materials according to applicable maintenance standards, local operating orders, local operating procedures, all federal, provincial and local government enactments and the Operations Environmental Management System referred to in section 14.0.

9.0 Environmental Threat

9.1 Spills

Spills of oil, coolant, transformer or circuit, circuit breaker oils or other hazardous substances shall be reported immediately according to the relevant local operating orders, the Environmental Management Act and the Spill Reporting Regulation.

9.2 Threat to Environment

The IPP shall immediately report any real or suspected threat to the environment arising from the operation of the Facility to Operations staff and the General Manager and shall respond to the situation in accordance with relevant local operating orders.

10.0 Noise

10.1 Good Neighbour Policy

The IPP shall minimize noise from the Facility to the greatest extent possible and shall work with the RDN to maintain the RDN's Good Neighbour Policies with respect to the operation of the RDN Landfill.

12.2 Details of Personnel

The IPP shall provide to the RDN upon request details of personnel and the method to achieve the supervision required under section 13.1.

12.3 Operation

The IPP shall prepare all operational documents prior to the Commercial Operation Date which shall meet the requirements of applicable bylaws, government regulations, RDN Landfill operational procedures and related standards. These documents shall include, but shall not be limited to the following:

- (a) local operation orders;
- (b) operation manuals;
- (c) maintenance standards;
- (d) environmental management system; and
- (e) health and safety practice regulations.

and the IPP shall update these documents from time to time as necessary to ensure the safe and proper operation of the Facility.

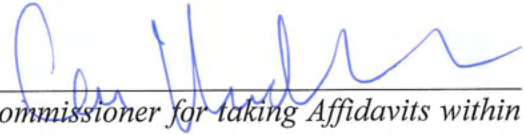
12.4 Schedule

The IPP shall prepare annually an operations schedule of significant equipment maintenance, overhauls and replacement for approval by the RDN, such approval not to be unreasonably withheld. Upon receipt of such schedule by the RDN, the schedule shall become the approved operations plan. This operations plan shall not be changed without the prior approval of the RDN.

13.0 **Operations Environmental Management System**

- 13.1 The operations of the IPP must comply with and must not impede or endanger the RDN's Environmental Management System

This is Exhibit "I" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

CONFIDENTIAL

ASSIGNMENT AGREEMENT

THIS AGREEMENT made this 2ND day of NOV, 2005.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "Regional District")

OF THE FIRST PART

AND:

SUNCURRENT INDUSTRIES INC.
Box 6044, Station A
Calgary, AB T2H 2L3

(the "Assignor")

OF THE SECOND PART

AND:

CEDAR ROAD LFG INC.
(Inc. No. A0065860)

#13 1922 – 9 Avenue SE
Calgary, AB T2G 0V2

(the "Assignee")

OF THE THIRD PART

WHEREAS:

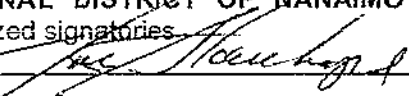
- A. The Regional District, as owner, entered into a contract with the Assignor, as a contractor, executed the 21st day of July, 2005, for the construction of a Facility on the RDN Landfill to generate electricity and the parties intend to enter a further agreement for the operation and maintenance of the Facility, a copy of which is attached hereto as Schedule "A" (the "**Development Agreement**");
- B. The Assignee wishes to obtain and the Assignor has agreed to grant an assignment of all of the Assignor's right, title and interest in and to the Development Agreement;
- C. The Assignor has agreed to assign to the Assignee all of its interest in the Development Agreement and the Regional District has agreed.

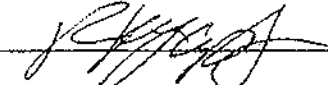
NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1. The Assignor does hereby assign to the Assignee all of the Assignor's right, title and interest in and to the Development Agreement.
2. The Assignee covenants and agrees that it will perform all of the obligations of the Assignor under the Development Agreement including to all intents and purposes as if it had executed the Development Agreement.
3. The Regional District hereby consents to the assignment of the Assignor's interest in the Development Agreement to the Assignee.
4. No rights or remedies of the Regional District, statutory or otherwise, shall be or deemed to be waived or lessened hereby.
5. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors and permitted assigns.

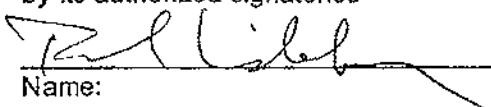
IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO by its authorized signatories)

Name: )

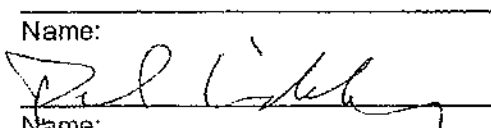
Name: )

SUNCURRENT INDUSTRIES INC. by its authorized signatories)

Name: )


Name: _____)

CEDAR ROAD LFG INC. by its authorized signatories)

Name: )

Name: _____)

This is Exhibit "J" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

**AMENDING AGREEMENT
TO DEVELOPMENT AGREEMENT AND OPERATING AGREEMENT**

THIS AGREEMENT made this *26th* day of *Oct.*, 2006.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, B.C.
V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD LFG INC.
(inc. #A0065860)
#13 1922 - 9 Avenue S.E.
Calgary, Alberta
T2G 0V2

("Independent Power Producers (IPP)")

OF THE SECOND PART

WHEREAS:

- A. The RDN and Suncurrent Industries Ltd. ("**Suncurrent**") entered into a Development Agreement dated July 21, 2005 which was assigned to Cedar Road LFG Inc. by agreement dated November 2, 2005;
- B. The RDN and Cedar Road LFG Inc. entered into an Operating Agreement, dated November 2, 2005;
- C. The parties wish to amend the Development Agreement and the Operating Agreement to provide for an extension of the Commercial Operation Date.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained and the payment of TEN (\$10.00) DOLLARS from the Independent Power Producers (IPP) to RDN, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEVELOPMENT AGREEMENT

1.1. The Development Agreement is amended as follows:

- (a) section 1.1 is amended by deleting the definition of "Commercial Operation Date" and replacing it with the following:

" **Commercial Operation Date** means December 31, 2007."

- (b) by deleting the definition of "Completion Date" and replacing it with the following:

" **Completion Date** means substantial completion of construction of the Facility which shall be on or before November 30, 2007."

- (c) by amending section 4.9 to delete the words "Mariah Energy Corp" and replace them with the words "Suncurrent" after "Mariah Energy Corp.";

- (d) by deleting Schedule "A" and substituting the attached Appendix "A" as a new Schedule "A" to the Development Agreement.

- (e) by amending Schedule "B" by adding the words "in addition to traditional internal combustion" after "sterling engine technology" on line 1.

- (f) by amending Schedule "C" by deleting the paragraph entitled "Construction Phase" and replacing it with the following:

Construction Phase

The Construction Phase includes all activities related to the design, permitting and construction of the Facility. The Construction Phase shall commence on the day of execution of the Development Agreement. This Phase shall include the design, site preparation activities, installation and interconnect of the Facility. The Completion Date for the Facility may be up to November 30, 2007."

- (g) by deleting Schedule "D" and substituting the attached Appendix "B" as Schedule " D" to the Development Agreement.

2.0 OPERATING AGREEMENT

2.1. The Operating Agreement is amended as follows:

- (a) section 1.1 is amended by deleting the definition of "Commercial Operation Date" and replacing it with the following:

" 'Commercial Operation Date' has the same meaning as in the Development Agreement."

- (b) by deleting the definition of "Operating Term" and replacing it with the following:

" 'Operating Term' has the same meaning as in the Development Agreement."

- (c) by amending section 2.1(e) and replacing the date "January 21, 2006" with the date "December 31, 2007";

3.0 REFERENCE

- 3.1. A reference to the Development Agreement, the Operating Agreement or to the Licence is a reference to those Agreements as amended;

- (a) by amending section 8.1(b)(i) to replace the date "January 21, 2006" with the date "December 31, 2007";
- (b) by amending section 8.1(b)(iii) to correct the typographical error on line 4 to replace "(30)" with "(90)";
- (c) by amending Schedule "A", section 12.1(b) to correct the typographical error "section 13.3" on line 2 to "section 12.3";
- (d) by amending Schedule "A", section 12.2 to correct the typographical error "section 13.1" on line 2 to "section 12.1";

4.0 RATIFICATION


- 4.1. Except as expressly amended by this Agreement, the parties ratify and confirm the Development Agreement and the Operating Agreement. The Development Agreement, the Operating Agreement and this Agreement shall be read and construed as one document.

5.0 TIME

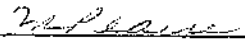
5.1. Time shall remain of the essence of the Development Agreement, the Operating Agreement and of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
by its authorized signatories)

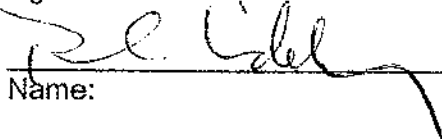


Chief Administrative Officer)



Sr. Manager, Administrative Services-)
Corporate Administration)

CEDAR ROAD LFG INC. by its authorized)
signatories)



Name:)

Name:)

APPENDIX "A"
New Schedule "A" to the Development Agreement

DESCRIPTION OF FACILITY

(Section 1.1)

The Facility, owned, constructed, maintained, and operated by Cedar Road LFG Inc, shall include all works associated with the Facility, located at the RDN Landfill, for the purpose of generation and transmission of electricity.

The Facility shall include, but not limited to, the following elements: three (3) STM 260 55kW generators, one (1) Jenbacher J28GS 635kW conventional engine, condensate management equipment, programmable logic controller, mass compensated gas flow measurement instrumentation, datalogger, transmission wiring, transformer and capacitor bank, fencing, and LFG transfer piping and associated valving connected to the existing Landfill Gas Control Plant.

The electricity generators shall be housed in pre-engineered modular enclosures with a configuration of three generators STM generators in one enclosure, one Jenbacher generator in the second enclosure and one service skid in the remaining enclosure. Each enclosure shall have a footprint of approximately 2.5 metres by 12 metres. Each enclosure shall be designed to facilitate the measurement of engine exhaust for the purpose of characterizing emissions and confirming the methane destruction efficiency. The pre-engineered enclosures, transformer and capacitor bank, and instrumentation shall be located within the fenced compound area. The fenced compound shall be of adequate size to facilitate the placement of the aforementioned pre-engineered enclosures and associated equipment, in addition providing adequate expansion area for the addition of three supplementary enclosures.

The STM 260, based on external combustion stirling engine technology, and Jenbacher J286S internal combustion engine shall utilize LFG as feedstock and shall not be supplemented by other non-renewable fuel sources. Each STM 260 shall be coupled to a General Electric manufactured 55 kW induction generator rotating at a rate of 1800 RPM. The operation of the facility shall conform to RDN bylaws and applicable codes and regulations. In addition, no adverse environmental impacts shall result from the operation of the facility.

APPENDIX "B"
New Schedule "D" to the Development Agreement

(Section 4.9)

Equipment and systems to be supplied by Suncurrent Industries Inc.

The following equipment shall be supplied, installed, operated, and maintained by the IPP:

- three (3) STM 260 External Combustion engines and associated 60 Hz 55 kW generators and remote radiators, with the option to install an additional eight (8) engine units;
- one (1) Jenbacher J28GS 635 kW internal combustion engine and generator;
- engine compression and Facility pressure regulation equipment;
- 480 V to 25 kV transformer bank and capacitor bank, and all BC Hydro electrical interconnect works;
- all LFG Control Plant connection piping and associated valving;
- all Facility fencing and site security equipment;
- instrumentation, data collection and remote monitoring equipment;
- LFG Control Plant programmable logic controller connections and cabling;
- four (4) to six (6) pre-engineered portable enclosures including interconnections, disconnects, protection relays and shack isolation switch; and
- connection of electrical, telephone, LFG piping and condensate discharge utilities as required by the Facility.

This is Exhibit "K" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

**SECOND AMENDING AGREEMENT
TO DEVELOPMENT AGREEMENT AND OPERATING AGREEMENT**

THIS AGREEMENT made this 27 day of November, 2007.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD LFG INC.

(Inc. #A0065860)

#13 1922 - 9 Avenue S.E.
Calgary, AB T2G 0V2

("IPP")

OF THE SECOND PART

WHEREAS:

- A. The RDN and Suncurrent Industries Ltd. ("**Suncurrent**") entered into a Development Agreement dated July 21, 2005 which was assigned to the IPP by agreement dated November 2, 2005;
- B. The RDN and IPP entered into an Operating Agreement, dated November 2, 2005;
- C. The Development Agreement and Operating Agreement were amended by an Amending Agreement dated October 26, 2006;
- D. The parties wish to amend the Development Agreement and the Operating Agreement, both as amended, to provide for an extension of the Commercial Operation Date and to make other amendments agreed to by the parties.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained and the payment of TEN (\$10.00) DOLLARS from the IPP to RDN, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEVELOPMENT AGREEMENT

1.1. The Development Agreement is amended as follows:

- (a) Section 1.1 is amended by
 - (i) deleting the definition of "Commercial Operation Date" and replacing it with the following:

" 'Commercial Operation Date' means June 30, 2008.";
 - (ii) deleting the definition of "Completion Date" and replacing it with the following:

" 'Completion Date' means substantial completion of construction of the Facility which shall be on or before May 31, 2008."
- (b) Schedule "C" is amended by amending the paragraph entitled "Construction Phase" to replace the date "November 30, 2007" with the date "May 31, 2008."

2.0 OPERATING AGREEMENT

2.1. The Operating Agreement is amended as follows:

- (a) Section 1.1 is amended by deleting the definition of "Renewal Term" and replacing it with the following:

" 'Renewal Term' means a ten (10) year extension of the Operating Term.";
- (b) Section 2.1(c) is amended by deleting it in its entirety and replaced with the following:

"The IPP will grant the RDN an Option to Purchase the Facility at the end of the Operating Term (or Renewal Term if this Agreement is renewed under section 3.1(b)) or earlier expiry of the Operating Agreement, to be exercisable by the RDN only if BC Hydro elects not to acquire the Facility under the terms of any option to purchase granted by the IPP to BC Hydro.";
- (c) Section 2.1(e) is amended by deleting the date December 31, 2007 and replacing it with the date "June 30, 2008";
- (d) Section 3.1 is amended by replacing the words "a five (5) year term" with the words "a ten (10) year term";

6.0 TIME

6.1. Time shall remain of the essence of the Development Agreement, the Operating Agreement, the Licence and of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
 by its authorized signatories)
)
 _____)
 Chief Administrative Officer)
)
 _____)
 Senior Manager of Corporate Administration)

CEDAR ROAD LFG INC. by its authorized)
 signatories)
)
 _____)
 Name:)
)
 _____)
 Name:)

- 2 -

(e) Section 3.1(b) is amended by deleting the words "of five (5) years on the same term or terms" and replacing them with the words "of ten (10) years on the same terms and conditions";

(f) By adding the following section 5.2 entitled BC Hydro Option:

"The RDN acknowledges and agrees that in order for the IPP to enter into an electricity purchase agreement with BC Hydro, it is necessary as a condition of such an agreement that the IPP grant to BC Hydro an option to purchase the Facility. The IPP covenants and agrees that it will, as part of any agreement with BC Hydro, secure the agreement of BC Hydro that if it exercises its option to acquire the Facility, it will not sell, transfer, assign or convey the Facility, which is located on lands of the RDN, to any other person, without the written consent of the RDN."

3.0 LICENCE AGREEMENT

3.1. The Licence Agreement between the RDN and the IPP is amended as follows:

(a) By adding a new section 4.3 as follows:

"In the event that the Facility is acquired by BC Hydro pursuant to any option to purchase the Facility granted to BC Hydro and the Facility is sold, transferred, assigned or conveyed to any other person without the consent of the RDN, this licence shall be immediately terminated."

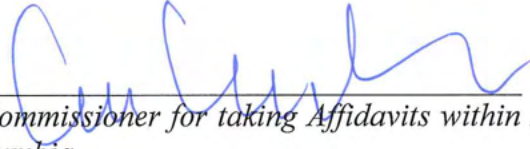
4.0 REFERENCE

4.1. A reference to the Development Agreement, the Operating Agreement or to the Licence is a reference to those Agreements as amended;

5.0 RATIFICATION

5.1. Except as expressly amended by this Agreement, the parties ratify and confirm the Development Agreement, the Operating Agreement and the Licence. The Development Agreement, the Operating Agreement, the Licence and this Agreement shall be read and construed as one document.

This is Exhibit "L" referred to in the affidavit of
Frank Seminara sworn before me at Coquitlam this
3 day of August 2022.



*A Commissioner for taking Affidavits within British
Columbia*

**THIRD AMENDING AGREEMENT
TO DEVELOPMENT AGREEMENT AND OPERATING AGREEMENT**

THIS AGREEMENT made this 12 day of JULY, 2008.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD LFG INC.
(Inc. #A0065860)
Box 852 Station A.
Nanaimo, BC V9R 5N2

("IPP")

OF THE SECOND PART

WHEREAS:

- A. The RDN and Suncurrent Industries Ltd. ("**Suncurrent**") entered into a Development Agreement dated July 21, 2005 which was assigned to the IPP by agreement dated November 2, 2005;
- B. The RDN and IPP entered into an Operating Agreement, dated November 2, 2005;
- C. The Development Agreement and Operating Agreement were amended by an Amending Agreement dated October 26, 2006, and by a Second Amending Agreement dated November 27, 2007;
- D. The parties wish to amend the Development Agreement and the Operating Agreement, both as amended, to provide for an extension of the Commercial Operation Date and to make other amendments agreed to by the parties.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained and the payment of TEN (\$10.00) DOLLARS from the IPP to RDN, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEVELOPMENT AGREEMENT

1.1. The Development Agreement is amended as follows:

- (a) Section 1.1 is amended by

- 2 -

- (i) deleting the definition of "Commercial Operation Date" and replacing it with the following:

" 'Commercial Operation Date' means November 30, 2008.";
 - (ii) deleting the definition of "Completion Date" and replacing it with the following:

" 'Completion Date' means substantial completion of construction of the Facility which shall be on or before December 31, 2008."
- (b) The Option to Purchase attached as Schedule "B" to the Operating Agreement is amended by adding the following new section 3.3:
- "3.3 The RDN may only acquire the Facility under this Option to Purchase provided that:
- (a) BC Hydro has not elected to acquire the Facility; and
 - (b) The Canadian Imperial Bank of Commerce ("**CIBC**") does not arrange for assignment of the Agreements to a third party or transfer of the Facility to a third party under the Agreement between the RDN and the CIBC dated _____, 2008.

2.0 REFERENCE

- 2.1. A reference to the Development Agreement, the Operating Agreement or to the Licence is a reference to those Agreements as amended;

3.0 RATIFICATION

- 3.1. Except as expressly amended by this Agreement, the parties ratify and confirm the Development Agreement, the Operating Agreement and the Licence. The Development Agreement, the Operating Agreement, the Licence and this Agreement shall be read and construed as one document.

4.0 TIME

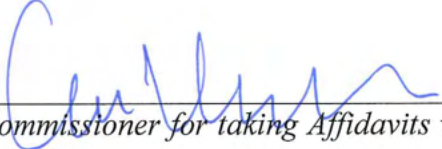
4.1. Time shall remain of the essence of the Development Agreement, the Operating Agreement, the Licence and of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
 by its authorized signatories)
 _____)
 Chief Administrative Officer)
 _____)
 Senior Manager of Corporate Administration)

CEDAR ROAD LFG INC. by its authorized)
 signatories)
 _____)
 Name:)
 _____)
 Name:)

This is Exhibit "M" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.


A Commissioner for taking Affidavits within British Columbia

**FOURTH AMENDING AGREEMENT
TO DEVELOPMENT AGREEMENT AND OPERATING AGREEMENT**

THIS AGREEMENT made this 30 day of MARCH, 2008 ~~2009~~

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD LFG INC.
(Inc. #A0065860)
Box 852 Station A.
Nanaimo, BC V9R 5N2
("IPP")

OF THE SECOND PART

WHEREAS:

- A. The RDN and Suncurrent Industries Ltd. ("**Suncurrent**") entered into a Development Agreement dated July 21, 2005 which was assigned to the IPP by agreement dated November 2, 2005;
- B. The RDN and IPP entered into an Operating Agreement, dated November 2, 2005;
- C. The Development Agreement and Operating Agreement were amended by an Amending Agreement dated October 26, 2006, and by a Second Amending Agreement dated November 27, 2007 and by a Third Amending Agreement dated June 12, 2008;
- D. The parties wish to amend the Development Agreement and the Operating Agreement, both as amended, to provide for an extension of the Commercial Operation Date and to make other amendments agreed to by the parties.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained and the payment of TEN (\$10.00) DOLLARS from the IPP to RDN, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEVELOPMENT AGREEMENT

1.1. The Development Agreement is amended as follows:

- 2 -

- (a) Section 1.1 is amended by:
- (i) deleting the definition of "Commercial Operation Date" and replacing it with the following:

"Commercial Operation Date" means a date which is the earlier of the Commencement Date of the Energy Service Agreement between IPP and B.C.Hydro and December 31, 2009;
 - (ii) deleting the definition of "Completion Date" and replacing it with the following:

"Completion Date" means a date that is thirty (30) days following the Commercial Operation Date;
- (b) Schedule "A" to the Development Agreement is deleted and replaced with Appendix 1 to this Agreement.
- (c) Schedules "B", "C" and "D" to the Development Agreement are deleted and replaced with Appendices 2, 3 and 4 to this Agreement.
- (d) The Option to Purchase attached as Schedule "B" to the Operating Agreement is amended by deleting sections 6.1 and 6.2 (a) and (b) and replacing them with the following:
- "6.1 Subject to section 6.2, the Purchase Price for the Purchased Interest shall be the market value of the Purchased Interest at the time of transfer as agreed by the parties or, if the parties cannot agree, as determined by an appraiser who is accredited with the Appraisal Institute of Canada with experience in valuing a facility of the type of the Facility. Such appraiser shall be selected jointly, and if the parties cannot agree, the parties shall each appoint an appraiser who shall nominate a third person to serve as the appraiser.
 - 6.2 If the Purchased Interest is acquired subject to financial encumbrances under section 4.2 the Purchase Price to be paid by the Purchaser to the Owner shall be equal to:
 - (a) the market value of the Purchased Interest at the time of transfer minus,
 - (b) the value of any financial encumbrances to which the Purchased Interest is or may be subject."

2.0 REFERENCE

- 2.1. A reference to the Development Agreement, the Operating Agreement or to the Licence is a reference to those Agreements as amended.

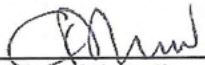

3.0 RATIFICATION

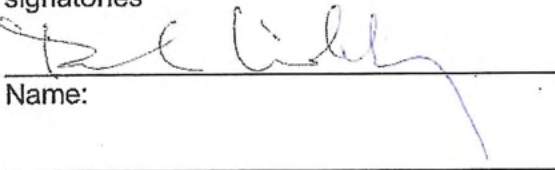
Except as expressly amended by this Agreement, the parties ratify and confirm the Development Agreement, the Operating Agreement and the Licence. The Development Agreement, the Operating Agreement, the Licence and this Agreement shall be read and construed as one document.

4.0 TIME

4.1. Time shall remain of the essence of the Development Agreement, the Operating Agreement, the Licence and of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
 by its authorized signatories)
)
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 _____)
 Chief Administrative Officer)
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 _____)
 Senior Manager of Corporate Administration)

CEDAR ROAD LFG INC. by its authorized)
 signatories)
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)
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 Name:)
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 Name:)

APPENDIX I

SCHEDULE "A"
DESCRIPTION OF FACILITY

The Facility, owned, constructed, maintained, and operated by Cedar Road LFG Inc. shall include all works associated with the Facility, located at the RDN Landfill, for the purpose of generation and transmission of electricity.

The Facility shall include, but not limited to, the following elements: two (2) Jenbacher J312GS internal combustion engine and generator units, condensate management equipment, programmable logic controller, wiring and connection to Landfill Gas Control Plant programmable logic controller, mass compensated gas flow measurement instrumentation, datalogger, transmission wiring, transformer and capacitor bank, fencing, and LFG transfer piping and associated valving (including isolation valve) connected to the existing Landfill Gas Control Plant.

The LFG shall be conditioned in a skid-mounted conditioning system (LFG Conditioning Skid) which shall include LFG compression and Facility pressure regulation equipment isolation valves, coalescing filters, air cooled condenser and condensate management systems.

The electricity generators shall be housed in pre-engineered modular enclosures with a configuration of one Jenbacher generator per enclosure and one service skid enclosure. Each enclosure shall have a footprint of approximately 2.5 metres by 12 metres. Each engine enclosure shall be designed to facilitate the measurement of engine exhaust for the purpose of characterizing emissions and confirming the methane destruction efficiency.

The pre-engineered enclosures, LFG conditioning skid, transformer and capacitor bank, and instrumentation shall be located within the fenced compound area. The fenced compound shall be of adequate size to facilitate the placement of the aforementioned pre-engineered enclosures and associated equipment, in addition providing adequate expansion area for the addition of two supplementary enclosures.

The Jenbacher J312GS internal combustion engines shall utilize LFG as feedstock and shall not be supplemented by other non-renewable fuel sources. Each engine shall be coupled to an Emerson Electric 800 kW induction generator. The operation of the Facility shall conform to RDN bylaws and applicable codes and regulations. In addition, no adverse environmental impacts shall result from the operation of the facility.

APPENDIX 2
SCHEDULE "B"
CONSTRUCTION REQUIREMENTS

The project objective is to generate electricity, utilizing reciprocating engine technology, while maintaining the paramount objective of the LFG Collection System; the optimized collection and destruction of methane gas.

- The design of the facility shall include, but is not limited to, the following objectives:
- optimized electricity generation efficiency;
- optimized methane destruction efficiency;
- minimized risk of environmental releases or impact during the construction, operation, maintenance, and decommissioning of the Facility;
- minimized impact to daily operation of the RDN Landfill;
- condensate management and connection to the RDN Landfill leachate collection system;
- secondary compression and pressure regulation; and
- integration with the existing LFG Control Plant.

The Facility programmable logic controller, shall include outputs to the LFG Control Plant to indicate the status of the Facility. The Facility instrumentation shall include a mass compensated flow measurement device which meets the requirements of the Project and Transfer Agreement with the Green Municipal Corporation.

The Facility datalogger shall record, at a minimum interval of one sample per minute, the following information:

- Facility status (on/off);
- Number of engines operating;
- electricity generation (kW);
- alarm/warning status; and
- mass compensated flow rate (m³/hr).

The instrumentation, datalogger channel configuration, and alarm protocols shall be reviewed and approved by the RDN prior to construction of the Facility. The IPP shall provide, install, operate, and maintain compression and pre-conditioning equipment to meet the increase facility gas pressure requirements. This pre-conditioning system shall be designed to ensure that it does not conflict with the paramount objective of LFG Collection System.

The design, startup procedures, and operation of the Facility shall not impede the paramount objective of the LFG Collection System.

- 2 -

The LFG Control Plant programming shall be modified by the RDN as required to facilitate connection to the Facility and to modify startup, shutdown, and flare ignition sequences as required and approved by the IPP. The IPP shall review and provide written approval for any modifications to the LFG Control Plant programming associated with the Facility.

A fuel emission monitoring system shall be incorporated into the Facility design to permit emission monitoring (stack testing) for the purpose of characterizing engine emissions and assessing the methane destruction efficiency.

The design, construction, operation, maintenance, and decommissioning of the Facility shall not impede the development, registration, or maintenance of an Environmental Management System conforming to the ISO 14001 standard by the RDN at the RDN Landfill.

APPENDIX 3

SCHEDULE "C"
CONSTRUCTION SCHEDULE

The Construction Phase

The Construction Phase includes all activities related to the design, permitting, and construction of the Facility. The Construction Phase shall commence on the day of execution of the Development Agreement. This phase shall include design, site preparation activities, installation, and interconnect of the Facility. The Completion Date for the Facility is June 30, 2009.

Pilot Phase

The Pilot Phase includes the commissioning and operation of the Facility for a period up to twelve (12) months from the Completion Date. The Facility commissioning may be up to thirty (30) days from the Date of Substantial Completion. The Commercial Operation Date shall be the date when electricity sale to the third party purchaser commences.

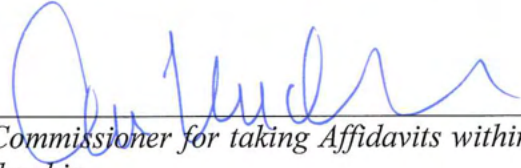
APPENDIX 4

**SCHEDULE "D"
EQUIPMENT AND SYSTEMS TO BE SUPPLIED BY CEDAR ROAD LFG.**

The following equipment shall be supplied, installed, operated, and maintained by the IPP:

- two (2) Jenbacher J312GS 635 kW internal combustion engine and generator units;
- Pre-conditioning Skid including, but not limited to, LFG compression and Facility pressure regulation equipment, isolation valves, coalescing filters, air cooled condenser and condensate management systems;
- 480 V to 25 kV transformer bank and capacitor bank, and all BC Hydro electrical inter connect works;
- all LFG Control Plant connection piping and associated valving;
- all LFG Control Plant electrical connections;
- LFG Control Plant programmable logic controller connections and cabling;
- all Facility fencing and site security equipment;
- all Facility civil works, including but not limited to, surface water management systems;
- instrumentation, data collection and remote monitoring equipment;
- four (4) pre-engineered portable enclosures including interconnections, disconnects, protection relays and shack isolation switch; and
- connection of all utilities, including but not limited to electrical, telephone, LFG piping and condensate discharge, as required by the Facility.

This is Exhibit "N" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

FIFTH AMENDING (FACILITY EXPANSION) AGREEMENT

THIS AGREEMENT made this 29 day of Aug, 2011.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD BIOENERGY INC.
(Inc. #A0065860)
Box 852 Station A.
Nanaimo, BC V9R 5N2

(the "IPP")

OF THE SECOND PART

WHEREAS:

- A. The RDN and Suncurrent Industries Ltd. ("Suncurrent") entered into a Development Agreement dated July 21, 2005 which was assigned to the IPP operating under the name Cedar Road LFG Inc. by agreement dated November 2, 2005;
- B. The RDN and IPP, operating under the name Cedar Road LFG Inc., entered into an Operating Agreement, dated November 2, 2005;
- C. The Development Agreement and Operating Agreement were amended by an Amending Agreement dated October 26, 2006, by a Second Amending Agreement dated November 27, 2007, by a Third Amending Agreement dated June 12, 2008 and by a Fourth Amending Agreement dated March 30, 2009;
- D. Cedar Road LFG Inc. was continued into British Columbia under the name Cedar Road Bioenergy Inc. on October 21, 2010.
- E. The IPP has entered into an energy purchase agreement with B.C. Hydro dated November 27, 2009 and achieved commercial operation on December 1, 2009 for the first electrical genset and December 8, 2010 for the second genset to sell 1.3 MW of electricity to B.C Hydro;
- F. The IPP has entered into an agreement with the B.C. Bioenergy Network and the RDN to develop a collaborative and innovative demonstration centre at the RDN Landfill to help disseminate best practices for sustainable landfill gas-to-energy projects to other small-to-medium-sized landfills;

- G. The IPP now wishes to construct additional works for the purpose of expanding the Facility by adding the following:
- (a) LFG storage facility;
 - (b) Battery electricity storage facility;
 - (c) LFG cleaning /processing systems;
 - (d) Above grade geothermal system
 - (e) Thermal waste heat recovery system; and
 - (f) LFG processing and compression plant to produce compressed natural gas (CNG) grade fuel;

for the purpose of increasing utilization efficiencies which is intended to increase the royalty payable to the RDN under the Operating Agreement.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained and the payment of TEN (\$10.00) DOLLARS from the IPP to RDN, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEVELOPMENT AGREEMENT

1.1 The Development Agreement is amended as follows:

(a) Section 1.1 is amended by:

(i) adding a definition of "Amended License Area" as follows:

"Amended Licence Area" means the area shown substantially on Schedule F.

(ii) adding a definition of "Amended Operating Agreement" as follows:

"Amended Operating Agreement" means an amendment to the Operating Agreement to govern the operation of the Facility upon the completion of the Facility Expansion.

(iii) adding a definition of "Facility Expansion" as follows:

"Facility Expansion" means the Phase II expansion of the Facility as more fully described in the Design Brief (Phase II) including the following:

- (a) LFG storage facility;
- (b) Battery electricity storage facility;

- 3 -

- (c) LFG cleaning/processing systems;
- (d) Above grade geothermal system;
- (e) Thermal waste heat recovery system; and,
- (f) LFG processing and compression plant to produce compressed natural gas (CNG) grade fuel

(iv) adding a definition of "Design Brief (Phase II)" as follows:

"Design Brief (Phase II)" means the Design Brief Phase II as prepared by Cedar Road Bioenergy Inc. and dated the 3rd day of May, 2011 and as described in Part 1 of Schedule E to this Agreement;

(v) adding a definition of "Facility Phase II Completion Date" as follows:

"Facility Phase II Completion Date" means the 31st day of December, 2014;

(b) by adding a new section 1.11 as follows:

"A reference to the IPP shall be deemed to be a reference to the IPP whether operating under the name Cedar Road LFG Inc. or Cedar Road Bioenergy Inc."

(c) by adding a new section 2.0A as follows:

"2.0A FACILITY EXPANSION"

2.0A.1 Design

- (i) The IPP shall at its sole expense design the Facility Expansion in accordance with the design objectives set out in Schedule E;
- (ii) The IPP shall not commence construction of the Facility Expansion unless the Facility design and performance criteria have first been approved in writing by the RDN;
- (iii) The IPP shall submit to the RDN for approval design development drawings and detailed design drawings certified and sealed by a professional engineer for the Facility Expansion for approval which approval shall not be unreasonably denied or delayed;
- (iv) The RDN shall not require the design of the Facility Expansion to deviate from the design objectives of the Design Brief (Phase II).

2.0A.2 Construction

(a) Construction of the Facility Expansion shall be carried out in accordance with section 2.3(a) and 2.3(d) of this Agreement, with reference to the Facility deemed to be a reference to the Facility Expansion; and

(b) The IPP shall at its sole expense commence to proceed actively with the work in accordance with section 5.16 of this Agreement, construct the Facility Expansion in accordance with the Construction Requirements set out in Schedule E, Part 2 and complete the Facility Expansion by the Facility Phase II Completion Date.

(c) The IPP shall at its own expense design, install and construct all services required in connection with the Facility Expansion by the Facility Phase II Completion Date.

2.0A.3 Cooperation

Section 2.4 of this Agreement shall apply to the development of the Facility Expansion.

2.0A.4 Option to Purchase to Include Facility Expansion

The parties shall amend the Option to Purchase Agreement granted by the IPP to including the Facility Expansion.

2.0A.5 Waiver of Emission Rights

The parties shall amend the Waiver of Emission Rights to include a waiver by the IPP of any emission reduction rights or emission offsets arising from the design, construction and operation of the Facility, to the extent required to enable the RDN to comply with its obligations under the Project and Transfer Agreement, on terms satisfactory to the Green Municipal Corporation.

2.0A.6 LFG Control Plant

The RDN shall at its cost modify the LFG Control Plant as reasonably required to facilitate the ongoing operation of the Facility and the Facility Expansion, provided that such modification shall not be made unless the design is first reviewed and approved by the IPP in writing.

- (c) Section 4.1(a) is amended by:
- (a) adding the following: "and Amended Operating Agreement" to the end of the paragraph.
- (d) Section 5.1 is amended by:
- (i) adding the following as section 5.1(a.1) after paragraph 5.1(a):
 - (A) "(a.1) Upon preparation of a reference plan, the RDN shall amend the licence referred to in paragraph (a) to include the Amended Licence Area to permit site preparation work for the Facility Expansion. Licence will be needed with Amended Operating Agreement"
 - (B) amending 5.1(b) to add the words "and Facility Expansion"

after "Facility".

- (e) A reference to the Facility or the work in all other sections of the Agreement shall be deemed to include the Facility Expansion.
- (f) Section 5.13(a) "Indemnity" is amended by deleting the second paragraph, and replacing it with the following:

"The IPP will indemnify and save harmless the RDN from any and all liability of any kind arising from the construction of the Facility or Facility Expansion including the connection of the Facility or Facility Expansion to the LFG Control Plant of the RDN, or by reason of liens for non payment of labour or materials in connection with the Facility or Facility Expansion."

- (g) Section 5.16 "Notice to Proceed" is amended by renumbering it as paragraph (a) and adding the following paragraph (b)

"(b) The IPP shall not commence any work on the Facility Expansion (other than design work or other work with the express written permission of the RDN) until:

- (i) it has executed and delivered an Amended Operating Agreement, Option to Purchase and Waiver of Emission Rights as contemplated under this Agreement; and
- (ii) any necessary development permit from the City of Nanaimo has been obtained to permit the work in relation to the Facility Expansion."

2.0 REFERENCE

A reference to the Development Agreement, the Operating Agreement or to the Licence is a reference to those Agreements as amended.

3.0 RATIFICATION

Except as expressly amended by this Agreement, the parties ratify and confirm the Development Agreement, the Operating Agreement and the Licence. The Development Agreement, the Operating Agreement, the Licence and this Agreement shall be read and construed as one document.

4.0 TIME

Time shall remain of the essence of the Development Agreement, the Operating Agreement, the Licence and of this Agreement.

Signature page follows as page 6 and forms part of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
by its authorized signatories)

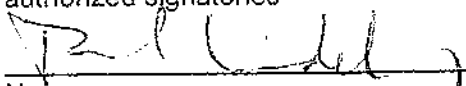


Chief Administrative Officer)



Senior Manager of Corporate Administration)

CEDAR ROAD BIOENERGY INC. by its)
authorized signatories)



Name:)

Name:)

This is Exhibit "O" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

SIXTH AMENDING (OPERATING AND OTHER AGREEMENTS) AGREEMENT

THIS AGREEMENT made this 20th day of FEBRUARY, 2012.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

(the "RDN")

OF THE FIRST PART

AND:

CEDAR ROAD BIOENERGY INC.
(inc. #C0893418)
#106 - 36 Selby Street
Nanaimo, BC V9R 2R5

(the "IPP")

OF THE SECOND PART

WHEREAS:

- A. The RDN and Suncurrent Industries Ltd. entered into a Development Agreement and Operating Agreement dated July 21, 2005 which was assigned to the IPP operating under the name Cedar Road LFG Inc. by agreement dated November 2, 2005;
- B. The RDN and the IPP entered into a Licence Agreement dated October 26, 2006 and an Option to Purchase Agreement date June 2, 2008;
- C. The RDN and the IPP, operating under the name Cedar Road LFG Inc., entered into an Operating Agreement, dated November 2, 2005;
- D. The Development Agreement and Operating Agreement were amended by an Amending Agreement dated October 26, 2006, by a Second Amending Agreement dated November 27, 2007, by a Third Amending Agreement dated June 12, 2008 and by a Fourth Amending Agreement dated March 30, 2009;
- E. Cedar Road LFG Inc. was continued into British Columbia under the name Cedar Road Bioenergy Inc. on October 21, 2010;
- F. Under the Development Agreement and Operating Agreement the IPP is to design, finance, construct, own and operate a bioenergy utilization facility at the RDN Landfill to convert biogas energy into electrical and thermal energy and biofuel for sale on a commercial basis;

- 2 -

- G. The IPP has entered into an energy purchase agreement with B.C. Hydro dated November 27, 2009 and achieved commercial operation on December 1, 2009 for the first electrical genset and December 8, 2010 for the second genset to sell 1.3 MW of electricity to B.C Hydro;
- H. The IPP has entered into an amended and restated collaboration agreement dated August 6, 2009 (the "Collaboration Agreement") with the B.C. Bioenergy Network and the RDN to develop a collaborative and innovative demonstration centre at the RDN Landfill to help disseminate best practices for sustainable landfill gas-to-energy projects to other small-to-medium-sized landfills;
- I. The RDN and IPP have amended the Development Agreement by way of a Fifth Amending Agreement dated August 29, 2011 to reflect the construction of additional works for the purpose of expanding the Facility for the purpose of increasing utilization efficiencies which is intended to increase the net profit of the IPP arising from or in connection with the operation of the Facility or use of the License Area and the Royalty payable to the RDN.

NOW THIS AGREEMENT WITNESSES that in consideration of the premises, the terms and conditions hereinafter contained and the payment of TEN (\$10.00) DOLLARS from the IPP to RDN, the sufficiency and receipt of which is hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEVELOPMENT AGREEMENT

1.1 The Development Agreement is amended as follows:

- (a) by amending Section 1.1 to delete the definition of "Facility Phase II Completion Date" and replace it with the following:

"Facility Phase II Completion Date" means the 31st day of December 2015;"

- (b) by deleting Schedule "E" to the Development Agreement and replacing it with Schedule "B" to this Agreement which will be come Schedule "E" to the Development Agreement.

2.0 OPERATING AGREEMENT

2.1 The Operating Agreement is amended as follows:

- (a) Section 1.1 is amended by:

- (i) adding a definition of "Facility Expansion" as follows:

"Facility Expansion" means the Facility Expansion as defined in the Development Agreement.

- 3 -

- (ii) adding a definition of "Development Agreement" as follows:

"Development Agreement" means the Development Agreement dated the 21st day of July, 2005 between the RDN and the IPP for the construction of the Facility, as amended by the parties as set out in Recitals D and H to this Agreement.

- (b) by adding a new section 1.11 as follows:

"A reference in this Agreement to the IPP shall be deemed to be a reference to the IPP whether operating under the name Cedar Road LFG Inc. or Cedar Road Bioenergy Inc."

- (c) by adding a new section 1.12 as follows:

"A reference in this Agreement to the Facility or the work shall be deemed to include the Facility Expansion.

- (d) Section 9.7(a) "Indemnity" is amended by deleting the second paragraph, and replacing it with the following:

"The IPP will indemnify and save harmless the RDN from any and all liability of any kind arising from the construction or operation of the Facility or Facility Expansion, or by reason of liens for non payment of labour or materials in connection with the Facility or Facility Expansion provided that the RDN will provide such co-operation, agency and/or representation as is reasonably required to support any application that might be made by IPP to remove or discharge any lien registered against the RDN Landfill."

3.0 COLLABORATION AGREEMENT

- 3.1 The RDN acknowledges and agrees that a reference in the Collaboration Agreement to the Facility or the work includes the Facility Expansion.

4.0 OPTION TO PURCHASE

The Option to Purchase dated the 2nd day of June, 2008 is amended as follows:

- 4.1 The definition of "Development Agreement" is deleted and replaced with the following:

"Development Agreement" means the Agreement dated the 21st day of July, 2005, between the RDN and the IPP for the construction of the Facility, as amended."

- 4.2 The definition of "Operating Agreement" is deleted and replaced with the following:

"Operating Agreement" means the Agreement dated the 2nd day of November, 2005, between the RDN and the IPP for the operation of the Facility, as amended."

4.3 A new section 4.3 is added as follows:

"The Owner shall assign to the Purchaser as of the Completion Date all right, title and benefit of any contract or agreement for the sale or transfer of any Emission Reduction Rights (as defined in the Development Agreement) arising from the operation of the Purchased Interest from and after the Completion Date and if the Completion Date occurs partway through a vintage year, the parties shall adjust amounts to the Completion Date."

4.4 A new section 16.2 is added to read as follows:

"Any reference to the IPP in this Agreement shall be deemed to be a reference to the IPP whether operating under the name Cedar Road LFG Inc. or Cedar Road Bioenergy Inc."

4.5 Schedule "A" of the Option to Purchase dated June 2, 2008 is amended to add the following words to the end of the paragraph: "including, for certainty, the "Facility Expansion"".

5.0 LICENCE AGREEMENT

5.1 The Licence Agreement is amended by:

- (a) deleting Schedule "A" 'Licence Area' and replacing it with Schedule "A" attached to this Agreement;
- (b) deleting Schedule "B" 'Facility Description' and replacing it with Schedule "B" attached to this Agreement.

6.0 WAIVER AGREEMENT

The IPP shall execute the Waiver of Emission Rights attached as Schedule "C" to this Agreement.

7.0 REFERENCE

A reference to the Development Agreement, the Operating Agreement, the Collaboration Agreement or to the Licence is a reference to those Agreements as amended.

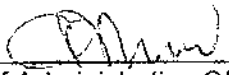
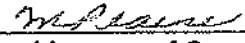
8.0 RATIFICATION

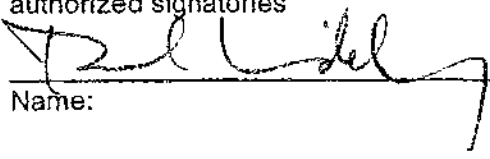
Except as expressly amended by this Agreement, the parties ratify and confirm (as such pertains to the parties) the Development Agreement, the Operating Agreement the Licence and the Collaboration Agreement. The Development Agreement, the Operating Agreement, the Licence, the Collaboration Agreement and this Agreement shall be read and construed as one document.

9.0 TIME

Time shall remain of the essence of the Development Agreement, the Operating Agreement, the Licence Agreement, the Collaboration Agreement and of this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands as of the day and year first above written.

REGIONAL DISTRICT OF NANAIMO)
 by its authorized signatories)
)

 _____)
 Chief Administrative Officer)
)

 _____)
 Senior Manager of Corporate Administration)

CEDAR ROAD BIOENERGY INC. by its)
 authorized signatories)
)

 _____)
 Name:)
)
 _____)
 Name:)

SCHEDULE "B"**Licence Agreement Schedule "B" and
Development Agreement Schedule "E"****Facility Description****PART 1****PHASE II FACILITY**

The Phase II Facility, owned, constructed, maintained, and operated by Cedar Road Bioenergy Inc., shall include all works associated with the Phase II Facility, located at the RDN Landfill, for the purpose of generation and transmission and sale of electricity, thermal energy, biofuel for transport and electric vehicle charging.

The Phase II Facility shall be an extension of the Phase I Facility (collectively called the "Facility") and shall not adversely impact the operation of the Phase I Facility.

The Phase II Facility elements shall include the following elements:

- LFG storage facility;
- Battery electricity storage facility;
- LFG cleaning / processing systems;
- Above grade geothermal system;
- Thermal waste heat recovery system;
- LFG processing and compression plant to produce compressed biogas (RNG) grade Fuel, and
- Third party demonstration and testing platforms for collaboration.

The Phase II Facility expansion shall be constructed within the Amended License Area, as defined by the legal survey corner posts provided by the RDN within a fenced compound area.

The Phase II Facility shall conform to RDN and City of Nanaimo bylaws and applicable codes and regulations. In addition, no adverse environmental impacts or impacts to the LFG Collection System shall result from the operation of the Facility.

- 2 -

PART 2 – CONSTRUCTION REQUIREMENTS**PHASE II FACILITY**

The Phase II Facility project objective is to increase utilization efficiencies associated with the Phase I Facility and demonstrate other landfill gas utilization technologies, while maintaining the paramount objective of the LFG Collection System; the optimized collection and destruction of methane gas.

The design of the Phase II Facility shall include, but is not limited to, the following objectives:

- Ongoing methane destruction efficiency greater than 98 percent (volumetric basis);
- minimized risk of environmental releases or impact during the construction, operation, maintenance, and decommissioning of the Phase II Facility;
- minimized impact to daily operation of the RDN Landfill;
- condensate management and connection to the RDN Landfill leachate collection system; and
- integration with the existing LFG Control Plant

PART 3: CONSTRUCTION SCHEDULE**PHASE II FACILITY****Construction Phase**

The Construction Phase shall be undertaken incrementally for each element associated with the Phase II expansion of the Facility commencing in 2012, with a completion date of December 2015.

The construction schedule for each element is as follows:

- LFG storage facility (2012-2013);
- Battery electricity storage facility (2012 - 2013);
- LFG cleaning / processing systems (2012 - 2013);
- Above grade geothermal system (2012 - 2013);
- Thermal waste heat recovery system (2013 - 2014);
- LFG processing and compression plant (2014 - 2015); and
- Third party demonstration and test platforms 2012 - 2015

SCHEDULE "C"

WAIVER OF EMISSION RIGHTS

This Agreement made the _____ day of _____, 2012.

BETWEEN:

CEDAR ROAD BIOENERGY INC.

(Inc. #C0893418)
#106 – 36 Selby Street
Nanaimo, BC V9R 2R5

(the "Assignor")

OF THE FIRST PART

AND:

REGIONAL DISTRICT OF NANAIMO

6300 Hammond Bay Road,
Nanaimo, B.C. V9T 6N2

("RDN")

OF THE SECOND PART

WHEREAS:

- A. RDN owns and operates the RDN Landfill located at 1105 Cedar Road ("Landfill");
- B. RDN has installed and operates a landfill gas collection and flare system (the "Project") on the Landfill which may result in Emissions Reductions Rights (as defined below);
- C. The Assignor entered into Agreements with the RDN for the development and operation of an electricity-generating facility on the Landfill, making use of landfill gas from the System, and has provided works or services to the RDN under such Agreements;
- D. The RDN has entered into an agreement for the sale of Emission Reduction Rights arising from the Project to the Green Municipal Corporation.

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

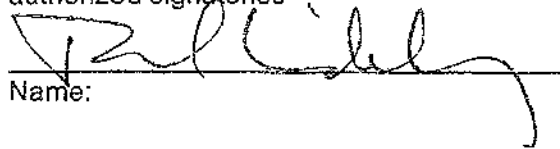
1. The Assignor hereby irrevocably assigns, transfers, releases and conveys to RDN, free and clear of all security interests, liens and encumbrances, all of its current and future rights (including moral rights), title and interests, if any, in any greenhouse gas emission reductions (as broadly and inclusively defined by Environment Canada, any Province in Canada, the United States Environmental Protection Agency, and any State) and greenhouse gases (as set out in Annex A of the Kyoto Protocol to the United Nations Framework Convention on Climate Change) that result directly or indirectly from the operation of the Project as and whenever they occur, including, without limitation, all of

its rights (including moral rights), title and interests, if any, in current and future emission allowances, units, permits, credits, reductions, amounts and similar measures (collectively, the "Emission Reduction Rights").

- 2. From time to time subsequent to the date hereof, the Assignor will, at the expense of RDN for no additional consideration, promptly execute and deliver all such documents, and do all such other acts and things as the RDN may from time to time reasonably request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement and ensure the Emission Reduction Rights vest in RDN.
- 3. This Agreement shall be governed by the laws of British Columbia.
- 4. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Assignor and RDN has executed this Agreement on the day and year first above written.

CEDAR ROAD BIOENERGY INC. by its)
authorized signatories)


Name:)

Name:)

REGIONAL DISTRICT OF NANAIMO)
by its authorized signatories)

Chief Administrative Officer)

Senior Manager of Corporate Administration)

SCHEDULE "E"**DESCRIPTION OF FACILITY****PART 1****PHASE II FACILITY**

The Phase II Facility, owned, constructed, maintained, and operated by Cedar Road LFG Inc, shall include all works associated with the Phase II Facility, located at the RDN Landfill, for the purpose of generation and transmission of electricity.

The Phase II Facility shall be an extension of the Phase I Facility (collectively called the "Facility") and shall not adversely impact the operation of the Phase I Facility.

The Phase II Facility elements shall include the following elements:

- LFG storage facility;
- Battery electricity storage facility;
- LFG cleaning / processing systems;
- Above grade geothermal system;
- Thermal waste heat recovery system; and
- LFG processing and compression plant to produce compressed natural gas (CNG) grade fuel.

The Phase II Facility expansion shall be constructed within the Amended Licence Area within a fenced compound area.

The Phase II Facility shall conform to RDN bylaws and applicable codes and regulations. In addition, no adverse environmental impacts or impacts to the LFG Collection System shall result from the operation of the Facility.

PART 2 – CONSTRUCTION REQUIREMENTS

PHASE II FACILITY

The Phase II Facility project objective is to increase utilization efficiencies associated with the Phase I Facility and demonstrate other landfill gas utilization technologies, while maintaining the paramount objective of the LFG Collection System; the optimized collection and destruction of methane gas.

The design of the Phase II Facility shall include, but is not limited to, the following objectives:

- Ongoing methane destruction efficiency greater than 98 percent (volumetric basis);
- minimized risk of environmental releases or impact during the construction, operation, maintenance, and decommissioning of the Phase II Facility;
- minimized impact to daily operation of the RDN Landfill;
- condensate management and connection to the RDN Landfill leachate collection system;
and
- integration with the existing LFG Control Plant

PART 3: CONSTRUCTION SCHEDULE

PHASE II FACILITY

Construction Phase

The Construction Phase shall be undertaken incrementally for each element associated with the Phase II expansion of the Facility commencing in 2011, with a completion date of December 2014.

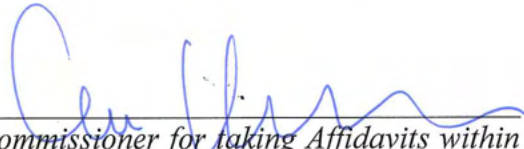
The construction schedule for each element is as follows:

- LFG storage facility (2011);
- Battery electricity storage facility (2011-2012);
- LFG cleaning / processing systems (2011-2012);
- Above grade geothermal system (2011-2012);
- Thermal waste heat recovery system (2012-2013); and
- LFG processing and compression plant (2013-2014).

SCHEDULE "F"



This is Exhibit "P" referred to in the affidavit of
Frank Seminara sworn before me at Coquitlam this
3 day of August 2022.


A Commissioner for taking Affidavits within British
Columbia

AMENDED AND RESTATED COLLABORATION AGREEMENT

THIS AMENDED AND RESTATED COLLABORATION AGREEMENT (this "**Agreement**") is dated for reference as of August 6, 2009 ("**Effective Date**").

BETWEEN:

BC BIOENERGY NETWORK ASSOCIATION, a not-for-profit society constituted under the laws of the Province of British Columbia

("BCBN")

AND:

THE REGIONAL DISTRICT OF NANAIMO, a municipal corporation constituted under the laws of the Province of British Columbia

("RDN")

AND:

CEDAR ROAD LFG INC., a corporation constituted under the laws of the Province of Alberta and extra-provincially registered under the laws of the Province of British Columbia

("Cedar Road")

RECITALS:

- A. BCBN has the mandate of supporting the development and deployment of bioenergy and associated biorefining production, technology development and research in British Columbia and is actively engaged in encouraging and promoting the adoption of successful technologies and components of technologies for widespread adoption in bioenergy value streams (the "**BCBN Mandate**").
- B. RDN owns and operates a landfill located at 1105 Cedar Road, in the City of Nanaimo, British Columbia (the "**Landfill**") and which is operated subject to a waste management plan approved by the Minister of Environment of the Province of British Columbia.
- C. RDN Board's strategic goals and actions for 2006 – 2009 regarding energy, climate change and solid waste include engaging in partnerships to support the development and implementation of innovative projects to access sustainable power supply sources, increase overall energy efficiency and explore opportunities that encourage, industry, municipalities and stakeholders to work together to develop a regional eco-industrial network to reduce waste and increase economic performance including but not limited to the development of an eco-industrial park adjacent to the Landfill.
- D. Cedar Road is a bioenergy solutions company that has constructed a pilot and demonstration facility for the utilization of landfill gas (the "**Facility**") at the Landfill which Facility has a long term

contract in place to utilize all of the methane gas available from the Landfill for conversion into clean energy for sale.

E. BCBN and Cedar Road entered into a Collaboration Agreement on March 31, 2009 (the "**Collaboration Agreement**") to, amongst other things, establish a collaborative development and demonstration centre ("**CDDC**") in and through which technology suppliers, small to medium sized municipalities in British Columbia each having population of between 50,000 and 250,000 residents ("**SMSMs**") and other stakeholders (collectively, the "**Stakeholders**") would be encouraged to participate in the CDDC to observe, test and demonstrate bioenergy technologies and solutions in order to identify best practices for sustainable and economically and environmentally viable projects for utilization of existing waste facilities or "greenfield" land fill sites of SMSMs (the "**Objective**").

F. The Facility has the capacity to facilitate the establishment of the CDDC, Cedar Road has obtained such rights and licenses required for the establishment and operation of the CDDC.

G. The Objective and the RDN Strategic Goal are aligned and BCBN and Cedar Road wish to invite RDN to participate as a founding member of the CDDC to collectively establish a network of Stakeholders, which will include the Parties, to collaboratively work together to pursue the advancement of the Objective (the "**CDDC Network**") and RDN wishes to so participate.

H. BCBN, RDN and Cedar Road (each a "**Party**" and collectively, the "**Parties**") wish to enter into this Agreement to set out the terms and conditions pursuant to which they will establish and facilitate the governance and operation of the CDDC and the CDDC Network to carry out such testing, evaluation and demonstration of technologies and processes by the CDDC Network at or in connection with the CDDC to advance the aims of the Objective (the "**Projects**").

NOW THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which each Party hereby acknowledges, the Parties hereto agree as follows:

1. CDDC NETWORK

1.1 During the Term of this Agreement (as set out below), the Parties will endeavour, on a non-exclusive basis, to establish the CDDC Network by October 15, 2009 by inviting Stakeholders to collaboratively work together and with the Parties to pursue the aims of the Objective.

1.2 The CDDC Network will be governed and operated by the Advisory Board in accordance with the terms set out in Section 2 below. The Parties, as founding members of the CDDC Network will have an integral role in establishing the CDDC Network and facilitating the governance of the CDDC Network and accordingly agree that their respective involvement in the CDDC Network will at all times be in accordance with the responsibilities set out in Section 1.3 to 1.5, below.

1.3 In connection with BCBN's participation in the CDDC Network, BCBN will:

- (a) encourage and invite the Stakeholders to participate in the CDDC Network;
- (b) independently and/or through the CDDC Network, encourage utility distributors and regulators (including Terasen Gas, BC Hydro and Ministry of Environment for the Province of British Columbia) to adopt policies that facilitate bioenergy distribution opportunities and encourage sustainable green energy pricing mechanisms in British Columbia;

- (c) identify academic institutions or individuals in the academia in British Columbia with interest in and expertise related to technological issues or gaps identified by the Advisory Board (as defined below) and will encourage the involvement of such institutions or individuals in the CDDC Network;
- (d) prepare an annual report for the CDDC Network describing the Projects (as defined below) and the results of the Projects, including an assessment of the potential application of the Projects in British Columbia SMSMs (the "**Annual Report**");
- (e) provide economic and environmental information collected by BCBN in connection with the Objective with RDN, Cedar Road and other Stakeholders to further the aims of the Objective and other undertakings of CDDC and will encourage SMSMs to do the same;
- (f) facilitate the creation of a website dedicated to the undertakings of the CDDC Network (the "**Website**"); and
- (g) at its discretion, recommend to the Advisory Board, and encourage other members of the CDDC Network to recommend potential Projects to the Advisory Board.

1.4 In connection with RDN's participation in the CDDC Network, RDN will subject to section 2.4:

- (a) encourage and invite technology suppliers, SMSMs in British Columbia, and other stakeholders to participate in the CDDC Network;
- (b) encourage local government and governmental bodies to adopt policies that facilitate bioenergy distribution opportunities and encourage sustainable green energy pricing mechanisms in British Columbia;
- (c) assist BCBN in preparing the Annual Report by providing information and content for incorporation in the Annual Report;
- (d) provide economic, environmental and governance information collected by RDN and related to RDN's Strategic Goal with BCBN, Cedar Road and other Stakeholders to further the aims of the Objective and other undertakings of CDDC and will encourage SMSMs to do the same;
- (e) provide information and content for incorporation in the Website; and
- (f) at its discretion, recommend potential Projects to the Advisory Board and encourage other members of the CDDC Network to recommend potential Projects to the Advisory Board.

1.5 In connection with Cedar Road's participation in the CDDC Network, Cedar Road will:

- (a) at all times be an active participant in the CDDC Network and will in conjunction with BCBN seek to identify "best in class" technologies for application in municipal landfills of SMSMs with a view to identifying Projects which have the potential to further the Objective;

- (b) provide economic and environmental information collected by Cedar Road and related to the Objective and the undertakings at CDDC with BCBN, RDN and other Stakeholders to further the aims of the Objective and will encourage SMSMs to do the same;
- (c) Subject to Section 2.5, will, without compensation from BCBN or RDN, make the Facility available to the CDDC Network as and when needed to carry out the Projects;
- (d) provide the Advisory Board with all relevant material setting out the RDN Obligations (as defined below in 2.5(c)) to facilitate informed consideration of proposed activities at the CDDC;
- (e) at its discretion, recommend to the Advisory Board, and encourage other members of the CDDC Network to recommend potential Projects to the Advisory Board; and
- (f) carry out the functions of the project manager in respect of each Project in accordance with each applicable Project Plan (as defined below).

2. ADVISORY BOARD

2.1 The Parties will establish an advisory group comprised of representatives of the Parties and SMSMs (the "Advisory Board") by September 30, 2009. The Advisory Board will create a "Terms of Reference" to guide the CDDC Network members' activities and cooperation in respect of the undertakings of the CDDC Network including the composition, structure and activities of the Advisory Board and the CDDC Network, the duration of the existence of the CDDC Network, communications and public relations protocols and other such matters as deemed appropriate by the Advisory Board including the matters set out in Section 2.3, by September 30, 2009 (the "Terms of Reference").

2.2 The Advisory Board will initially be comprised of five (5) representatives appointed as follows:

- (a) one representative appointed by BCBN;
- (b) one representative appointed by RDN;
- (c) one representative appointed by Cedar Road; and
- (d) two representatives of SMSMs, the initial appointees of which will be selected by the Parties.

2.3 The Advisory Board mandate is to and the Advisory Board will undertake such activities as set out in the Terms of Reference, which will include the following:

- (a) establish the activities and objectives of the CDDC Network, always having regard to responsibilities of the Parties as set out in Sections 1.3 to 1.5 above;
- (b) be primarily responsible for the review and approval of Projects;
- (c) select Projects pursuant to an open expression of interest project submission system and will undertake a contracting process based on criteria established by BCBN, which criteria will include whether funding for the Projects is obtained from Sustainable Development Technology Canada or the Province of British Columbia's ICE Fund;

- (d) define the major value streams and subcomponents thereof to be supported by the CDDC and will thereby establish a framework for the collaborative Projects undertaken or to be undertaken at the CDDC;
- (e) approve plans implemented in respect of each Project (each a "**Project Plan**") for posting on the Website;
- (f) meet on a periodic basis, no less frequently than on a quarterly basis, to review the activities undertaken at, or with respect to, the CDDC and will plan for future undertakings of the CDDC Network to advance the aims of the Objective;
- (g) establish a communications protocol for the Projects undertaken and the activities of the CDDC;
- (h) make recommendations to regulators or applicable ministries of the Government of British Columbia, which recommendations will be aimed at elimination of policy barriers, including regulations and procedures and development of those policies, regulations, and procedures that encourage bioenergy development in British Columbia;
- (i) develop and publish case studies from time to time to set out the performance and success of the Projects; and
- (j) hold or cause the members of the CDDC Network to hold periodic conferences and/or workshops (no less frequently than on an annual basis) to publicly describe the progress of the Projects and to identify other projects that advance the aims of the Objective, the first such conference to be held in Nanaimo, British Columbia.

2.4 With respect to any proposed Project, RDN may reject the carrying out of that Project at the CDDC if the Project:

- (a) results in or may reasonably be expected to result in a breach of RDN's obligations under the Grant Agreement dated April 15, 2005 between RDN and the Federation of Canadian Municipalities or the Project and Transfer Agreement dated April 15, 2005 between RDN and Green Municipal Corporation (the "**Governing Agreements**");
- (b) is in conflict with the Solid Waste Management Plan of RDN; or
- (c) is in conflict with any enactment applicable to the RDN or the RDN's use of the Landfill, including, without limitation, the zoning bylaw of the City of Nanaimo (individually or collectively, "**Enactment**").

2.5 With respect to each proposed Project, Cedar Road may reject any Project that:

- (a) results in or may reasonably be expected to result in a breach of Cedar Road's obligations under its energy purchase agreements with BC Hydro or any subsidiary or affiliate of BC Hydro or the applicable laws and regulations relating to production, distribution and sale of electricity (collectively, the "**Regulatory Obligations**");
- (b) results in or may reasonably be expected to result in a breach of a term or condition of the loan agreements between Cedar Road and its debt holders, including BCBN (collectively, the "**Funding Agreements**");

- (c) results in or may reasonably be expected to result in a breach of a term or condition of licenses granted to Cedar Road by RDN or agreements entered into between Cedar Road and RDN pursuant to which Cedar Road has obtained rights to operate the Facility (the "RDN Obligations"); or
- (d) has a material negative financial impact on Cedar Road, as determined by Cedar Road acting reasonably, and the Parties are not able to agree to a mutually acceptable outcome that mitigates against the material negative financial impact on Cedar Road.

2.6 The CDDC Network will hold periodic conferences (no less frequently than on an annual basis) to publicly describe the progress of the Projects and to identify other projects that advance the aims of the Objective, the first such conference to be held in Nanaimo, British Columbia.

3. REPRESENTATIONS, WARRANTIES, COVENANTS, AND ACKNOWLEDGEMENTS

3.1 BCBN hereby represents, warrants, covenants and acknowledges as follows:

- (a) it is duly incorporated or organized and validly existing under the laws of the Province of British Columbia;
- (b) it has the necessary power, capacity, right and authority to enter into and deliver this Agreement and to perform its obligations hereunder;
- (c) if the Advisory Board does not approve a Project proposed by Cedar Road for inclusion in the CDDC within forty-five (45) days following Cedar Road's recommendation, Cedar Road may independently implement, develop or carry out the proposed Project, provided that in no event shall Cedar Road implement, develop or carry out the proposed Project (as defined in Recital H above) in a manner that would materially de-value the CDDC or undermine the Objective or cause a breach under the RDN Obligations or the Regulatory Obligations; and
- (d) as of the Effective Date, BCBN is not aware of any impending or threatened action that may restrict the ability of BCBN to establish the CDDC or carry out such activities generally contemplated in this Agreement.

3.2 RDN hereby represents, warrants, covenants and acknowledges, as applicable, as follows:

- (a) it is duly incorporated and organized and validly existing under the laws of the Province of British Columbia;
- (b) it has the necessary power, capacity, right and authority to enter into and deliver this Agreement and to perform its obligations hereunder;
- (c) subject Section 2.4, RDN will to the greatest extent possible facilitate the activities of the CDDC Network and carrying out of the Objective;
- (d) if the Advisory Board does not approve a Project proposed by Cedar Road for inclusion in the CDDC within forty-five (45) days following Cedar Road's recommendation, Cedar Road may independently implement, develop and/or carry out the proposed Project, provided that in no event shall Cedar Road implement, develop or carry out the proposed Project in a manner that would materially de-value the CDDC or undermine the

Objective or cause a breach under the RDN Obligations or the Regulatory Obligations;
and

- (e) as of the Effective Date, RDN has the right to use and operate the Landfill and is not aware of any impending or threatened action pursuant to any Enactment that may restrict the ability of Parties to establish the CDDC or carry out such activities generally contemplated in this Agreement.

3.3 Cedar Road hereby represents, warrants and covenants as applicable, as follows:

- (a) it is duly incorporated or organized and validly existing under the laws of the Province of Alberta and extra-provincially registered in the Province of British Columbia;
- (b) it has the necessary power, capacity, right and authority to enter into and deliver this Agreement and to perform its obligations hereunder;
- (c) it will forthwith provide BCBN and the Advisory board with any information related to any changes to, or addition of new, RDN Obligations (as defined in Section 2.5(c) above) or the Regulatory Obligations (as defined in Section 2.5(a) above); and
- (d) it is not in default under the RDN Obligations, Funding Agreements, or the Regulatory Obligations.

3.4 Notwithstanding any provision of this Agreement to the contrary, the Parties acknowledge and agree that:

- (a) Cedar Road, in its own capacity, participates in a marketing and promotional capacity within the "Suncurrent" group of companies (the "**Suncurrent Group**");
- (b) The Facility is understood to be the first of many "Waste to Energy" utilization facilities and Cedar Road fulfills a pilot, demonstration and training role to support the start up and growth of other new facilities within the Suncurrent Group;
- (c) Cedar Road may, in its own capacity and without reference to BCBN, RDN, or CDDC Network, unless the Parties otherwise agree, continue to participate in its marketing and promotional role within the Suncurrent Group; and
- (d) Nothing in this Agreement shall be interpreted as fettering or impairing a statutory power or discretion of the RDN.

4. INDEMNITY AND INSURANCE

4.1 Cedar Road will be liable for and will indemnify and hold BCBN, its employees, officers, director and agents harmless against any expense, loss or damage in connection with or arising out of the actions, omissions or negligence of Cedar Road.

4.2 Cedar Road agrees to indemnify BCBN for any liability or expense due to claims for personal injury or property damage arising out of the furnishing, performance or use of the Facility, as well as any claim for payment of compensation or salary asserted by an employee of Cedar Road.

4.3 Cedar Road will acquire and maintain during the Term of this Agreement:

- (a) Commercial General Liability Insurance to include minimum limits of \$2 Million on an occurrence form basis protecting BCBN from claims for personal injury (including bodily injury and death) and property damage which may arise from or in connection with the performance of hereunder or from or out of any negligent act or omission of Cedar Road, its officers, directors, agents, contractors or employees; and
- (b) Such other insurance coverage as may reasonably be required by the Advisory Board.

Cedar Road will furnish all certificates of insurance (or copies of policies, if required by BCBN) to BCBN upon request.

5. LIMITATION OF LIABILITY

5.1 In no event shall a Party be liable to any other Party for any indirect, incidental, special or consequential damages, including loss of profits, revenue, data, or use, incurred by a party or any third party, whether in contract, negligence, strict liability or other legal or equitable theory, in any way arising from a Party's performance or non-performance of this Agreement, even if the other Party or other Parties have been advised of the possibility of such damages.

5.2 In no event shall a Party be liable for any direct damages in any way arising from a Party's performance or non-performance and under this Agreement in excess of Five Hundred Thousand Dollars.

6. CONFIDENTIALITY

6.1 "Confidential Information" means all information and data, including, without limitation, all business, planning, performance, financial, product, trade secret, technical, sales, marketing, contractual, employee, supplier and customer information and data, disclosed orally, in writing or electronically by a Party (the "Disclosing Party") to the other (the "Receiving Party") hereunder and designated as confidential by the Disclosing Party. Confidential Information shall not include information which:

- (a) is generally known or in the public domain at the time of disclosure;
- (b) was in the Receiving Party's possession before receipt from the Disclosing Party;
- (c) though originally Confidential Information, subsequently becomes a matter of public knowledge through no fault of the Receiving Party, as of the date of its becoming part of the public knowledge;
- (d) is rightfully received by the Receiving Party without obligations of confidence from a third party who is free to disclose the information; or
- (e) is in the nature of information referred to in Section 1.2(e) and 1.3(b) of this Agreement.

6.2 The Receiving Party shall maintain the confidentiality of all Confidential Information disclosed to it and shall take all necessary precautions against unauthorized disclosure of the Confidential Information. The Receiving Party shall not directly or indirectly disclose, allow access to, transmit or transfer any Confidential Information to any third party without the prior written consent of the Disclosing Party, except that the Receiving Party may disclose Confidential Information to those employees, advisors and contractors who (i) have a need to know the information for the purposes of advising on any matter in connection with the transactions contemplated in this Agreement; (ii) have been informed of the Receiving Party's obligations hereunder; and (iii) have entered into a confidentiality or similar agreement

with the Receiving Party that contains or imposes confidentiality and restricted use obligations that are consistent with the terms and conditions of this Agreement.

6.3 Upon the request of the Disclosing Party, the Receiving Party shall immediately return to the Disclosing Party all materials, including all copies in whatever form, containing any Confidential Information which are in the Disclosing Party's possession or under its control.

6.4 Each Party acknowledges and agrees that monetary damages may not be an adequate remedy to compensate the Disclosing Party for any breach of the Receiving Party's obligations hereunder in respect of Confidential Information. Accordingly, any Party agrees that, in addition to any and all other remedies available to the Disclosing Party under this Agreement or at law or in equity, the Disclosing Party shall be entitled to seek injunctive relief against the breach, or threatened breach of the confidentiality provisions of this Agreement, and specific performance of its obligations hereunder. The injunctive relief contemplated hereunder is in addition to any other legal or equitable remedies available.

6.5 The Parties acknowledge that despite anything in this Agreement, the RDN is subject to the disclosure requirements of the *Freedom of Information and Protection of Privacy Act* (British Columbia), and its obligations under this Agreement shall at all times be subject to that Act.

7. INTELLECTUAL PROPERTY

7.1 As between BCBN and Cedar Road, Cedar Road shall own all right, title, and interest in and to all other materials, products and deliverables developed or prepared for the CDDC and the CDDC Network ("Work Product"). BCBN hereby assigns all copyrights and other intellectual property rights, including economic and moral rights in the Work Product, without any remuneration in excess of the consideration set forth in this Agreement. Cedar Road agrees to provide BCBN with an irrevocable, perpetual, non-transferable, royalty-free, world-wide and non-exclusive license to use and distribute the Work Product to further the BCBN Mandate. Nothing in this Agreement shall be construed as an assignment of an intellectual property right of BCBN which pre-existed the date of this Agreement.

7.2 BCBN shall, at its own expense, execute, acknowledge and deliver, or cause its partners, officers, directors, employees, agents or contractors to execute, acknowledge and deliver any and all assignments, contracts or other instruments, including waivers of moral rights, to Cedar Road that may reasonably be required in order to vest all of the rights granted or to be granted to Cedar Road in the Work Product.

8. PUBLIC RELATIONS

- 8.1 Unless otherwise agreed by the Parties, after the execution of this letter:
 - (a) The Parties will issue a press release with respect to the CDDC and the CDDC Network which press release shall be generally in the form set out in Schedule "A", provided however that the form of the press release may be modified by BCBN acting reasonably, based upon amendments recommended by the government of British Columbia.
 - (b) BCBN may erect signage at the Facility titled "BC Bioenergy Network CDDC" or a similar name as determined by BCBN, and thereon include references to the CDDC and the CDDC Network, as well as the involvement of BCBN and the Regional District of Nanaimo.

- (c) The Parties may publicize their engagement in the CDDC and the activities of the CDDC on their respective websites, including without limitation, to include photographs of the CDDC and the Facility.

8.2 Except as set out in this paragraph 8, or as may be required by law, no public announcement or press release concerning the CDDC may be made by a Party without the prior written consent of the other Parties.

9. NOTICE

9.1 All communications and notices required or permitted to be given under this Agreement, will be given in writing and personally delivered, mailed (postage prepaid), or emailed in pdf. file format attached to email at its address as follows:

BC Bioenergy Network Association
 1501 – 700 West Pender Street
 Vancouver, B.C., Canada, V6C 1G8
 Attention: Michael Weedon, Executive Director
 Email: Michael.weedon@bcbioenergy.ca

Regional District of Nanaimo
 Transportation & Solid Waste Services
 6300 Hammond Bay Road
 Nanaimo, British Columbia, V9T 6N2
 Attention: Carey McIver
 Email: clmciver@rdn.bc.ca

Cedar Road LFG Inc.
 106 – 360 Selby Street
 Nanaimo, British Columbia, V9R 2R5
 Attention: Paul Liddy
 Email: pliddy@suncurrent.ca

A Party may change its address for service by notice delivered to the other Parties as set out above.

10. TERM AND TERMINATION

10.1 The term of this Agreement will commence on the Effective Date and end five (5) years thereafter (the “**Initial Term**”) provided that the Initial Term will renew automatically for successive annual terms (each a “**Renewal Term**”) (the Initial term and all Renewal Terms, herein referred to as the “**Term**”), provided that a Party provides written notice to the other Parties, no less than ninety (90) days prior to the expiry of the Initial Term or the then current Renewal Term, of such Party’s intention not to renew this Agreement.

10.2 A Party may terminate this Agreement for cause provided that any material breach of this Agreement by the Party in breach remains uncured ninety (90) days following written notice thereof from the non-breaching Party to the breaching Party.

11. GENERAL PROVISIONS

11.1 This Agreement will be governed by and construed in accordance with the laws of British Columbia and the applicable laws of Canada. The Parties attorn to the jurisdiction of the courts in the Province of British Columbia.

11.2 This Agreement will, when duly executed supersede and replace all other existing agreements between the Parties with respect to the subject matter of this Agreement.

11.3 This Agreement may be executed in several counterparts and delivered by original or electronic means producing a printed copy, each of which shall be deemed to be an original and all of which together shall be deemed to constitute one and the same instrument.

11.4 This Agreement may not be amended, supplemented, restated or altered except by written instrument signed by the Parties. No indulgence or forbearance by a Party in respect of the matters set out in this Agreement will be deemed to constitute a waiver of the Parties rights. Any waiver of a Party's rights, in order to be binding upon a Party, must be expressed in writing and signed by such Party and then such waiver will only be effective in the specific instance and for the specific purpose for which it is given. Any costs, charges or expenses incurred by a Party in preparation for, in consequence of or as a result of this Agreement or the Parties' meetings and communications or any work done hereunder are to the sole account of the Party incurring same, unless otherwise agreed in writing.

11.5 This Agreement does not represent, and in no way implies a partnership, joint venture or other commercial relationship between the Parties, an authorization for a Party to act as the agent or representative of the other, or an encouragement to a Party to expend funds or other resources in the development of Projects.

11.6 Nothing contained in this Agreement shall be construed as prohibiting a Party from entering into a business arrangement with any other third party, whether or not such third party is in a similar line of business to the other Parties to this Agreement.

11.7 No Party may assign this Agreement without the consent of the other Parties, such consent may not be unreasonably withheld.

11.8 The terms of this Agreement will be binding upon, and enure to the benefit of the Parties and their respective successors and permitted assigns.

11.9 This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and supersedes and replaces all previous agreements, negotiations, discussions, representations and warranties between the Parties with respect to its subject matter.

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

BC BIOENERGY NETWORK ASSOCIATION

Per: _____

Name: Michael Weedon

Title: Executive Director

REGIONAL DISTRICT OF NANAIMO

Per: _____

Name: Carey McIver

Title: Manager Solid Waste Services

CEDAR ROAD LFG INC.

Per: _____

Name: Paul Liddy

Title: Managing Director

SCHEDULE "A"
FORM OF PRESS RELEASE

NEWS RELEASE

BC Bioenergy Network and Cedar Road welcome the Regional District of Nanaimo to the Collaborative Development and Demonstration Centre

VANCOUVER, BC –xxxx, 2009

The BC Bioenergy Network ("BCBN"), a provincially-funded leader supporting the growing bioenergy sector in British Columbia and Cedar Road LFG Inc. ("Cedar Road"), a gas utilization facility at the Nanaimo landfill, announced today the expansion of the Collaborative Development and Demonstration Centre ("CDDC") to include a third partner, the Regional District of Nanaimo ("RDN"). This next step in the CDDC will bring in a local government partner with expertise in landfill gas collection and supply and leadership with other BC municipalities.

In March 2009, BCBN supported an investment of \$400,000 in the Cedar Road facility to complete and expand the commercial applications of its \$3 million dollar landfill-gas-to electricity conversion facility at the Regional District of Nanaimo landfill site. In conjunction with this investment, BCBN entered into an agreement with Cedar Road to establish the CDDC. The goal of the centre is to bring together technology suppliers, innovators, and small-to-medium sized municipalities to observe, test, and demonstrate technologies to advance best-in-class solutions and gas utilization commercialization.

The Nanaimo Regional District Board approved the inclusion of the RDN into the CDDC at their board meeting on July 28, 2009.

Province quote – to be inserted

"We are thrilled to have the Regional District of Nanaimo formally join the CDDC and look forward to the substantial contribution they can make as leaders in municipal waste management," says Michael Weedon, Executive Director of the BCBN. "We supported Cedar Road's project and the establishment of the CDDC as a means to share economic and environmental information about effective landfill gas utilization across the Province and create a showcase for new technology demonstration. This fits with our strategy of identifying strategic projects that can lead to more rapid deployment of innovative and sustainable practices in BC."

"The Regional District of Nanaimo supports the development and implementation of innovative projects that encourage industry, municipalities and other stakeholders to work together to more efficiently use landfill gas." said George Holme, Chair of the RDN Regional Solid Waste Advisory Committee. "Participation in the Collaborative Development and Demonstration Centre will enable us to work with our partners to share the RDN's innovative practices with others while significantly reducing our own greenhouse gas emissions."

"As the operator of the utilization facility, Cedar Road is committed to advancing this private public partnership model. The expanded CDDC will invite new stakeholder participation and

support the parties in reaching our shared objective to showcase waste to energy solutions for the bioenergy sector's advancement" said Paul Liddy, Managing Director of Cedar Road LFG Inc.

About the BC Bioenergy Network

Established in April 2008 with a \$25 million grant from the BC government, the BC Bioenergy Network is an industry-led network that acts as a catalyst for deploying near-term bioenergy technologies and organizing mission-driven research for the development and demonstration of new bioenergy technologies. BCBN focuses on the value streams from solid wood residues, pulp and paper residues, harvesting and pelletization, agriculture residues, municipal wastewater, municipal landfill waste, municipal solid waste, and community heating-electricity greenhouse systems. BC is well positioned to become a major player in the global bioenergy sector. For more information about the BCBN, visit <http://www.bcbioenergy.ca>

About the RDN

The Regional District of Nanaimo consists of four municipalities and seven rural Electoral Areas located on mid-Vancouver Island. The RDN's 17-member Board of Directors works to ensure that services are delivered on a cooperative, region-wide basis, or within selected local areas. These services include solid waste management, sewage treatment, growth management, public transit, fire protection, recreation and parks, water supply, building inspection and bylaw enforcement, general administration and emergency planning.

About Cedar Road LFG Inc.

Cedar Road is a member of the Suncurrent Group of Companies (Est. in 1981). The Nanaimo facility is a commercial landfill biogas to electricity Independent Power Producer (IPP), with a mandate to advance and lead demonstration and development in bioenergy sector. The Nanaimo, BC company is striving to become a location base in the America's for new utilization technologies and process that will find channels to domestic and export markets through enablers focused on installing clean energy alternatives.

For further information, contact:

Michael Weedon, Executive Director
BC Bioenergy Network
Tel: 604-891-1257 or 604-805-2115
Michael.Weedon@bcbioenergy.ca
www.bcbioenergy.ca

Sandy Ferguson, Director of Marketing
BC Bioenergy Network
Tel: 604-891-1260 or 778-385-2750
Sandy.ferguson@bcbioenergy.ca
www.bcbioenergy.ca

Paul Liddy, Managing Director
Cedar Road LFG Inc
Tel: 250 816-2250
pliddy@suncurrent.ca
www.suncurrent.ca

Carey McIver, Solid Waste Manager
Regional District of Nanaimo
Tel: 250-390-6539
CImciver@rdn.bc.ca
www.rdn.bc.ca

This is Exhibit "Q" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

CONSENT AGREEMENT

THIS AGREEMENT made this 18th day of January, 2017.

BETWEEN:

REGIONAL DISTRICT OF NANAIMO
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

("RDN")

AND:

VANCOUVER CITY SAVINGS CREDIT UNION
5th Floor, 183 Terminal Avenue
Vancouver, BC V6A 4G2

("Vancity")

WHEREAS:

A. RDN entered into a Development Agreement with Suncurrent Industries Inc. for the development of an electricity-generating facility at the RDN Landfill on land described as:

PID 013-239-813
Lot 1, Sections 2 and 3, Plan 48020, Except Part in Plan VIP66090, Land District 32

(the "Lands");

B. By agreement dated November 2, 2005, the Development Agreement was assigned from Suncurrent Industries Inc. to Cedar Road Bioenergy Inc. (formerly known as Cedar Road LFG Inc.) ("**Cedar Road**");

IES

C. RDN subsequently entered into an Operating Agreement, Licence of Occupation, Option to Purchase, and Waiver of Emission Rights with Cedar Road;

R

D. The Development Agreement and the Operating Agreement were amended by an Amending Agreement dated October 26, 2006, a Second Amending Agreement dated November 27, 2007, and a Third Amending Agreement dated June, 2008; *FOURTH DATED MARCH 30, 2009, FIFTH DATED AUG. 29, 2011, AND SIXTH DATED FEB. 20, 2012.*

NW

E. Cedar Road wishes to obtain financing (the "**Credit**") from Vancity, and intends to grant Vancity a security interest (the "**Security**") in all of its undertaking and assets, including those located upon the Lands (the "**Collateral**");

F. RDN has agreed to grant to Vancity certain rights under the terms of this Agreement.

NOW THIS AGREEMENT WITNESSES that RDN and Vancity, in consideration of the premises, the terms, and conditions hereinafter contained, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties covenant and agree each with the other as follows:

1.0 DEFINITIONS

1.1 "Amending Agreements" means the amending agreements referred to in Recital D above;

"Agreements" means, collectively, the Development Agreement, the Amending Agreements, the Operating Agreement, the Licence of Occupation, the Option to Purchase, and the Waiver of Emission Rights;

"Assumption Notice" means a notice given by Vancity to RDN pursuant to Section 6.1(a) of this Agreement;

"Cedar Road's Facility" means the Cedar Road landfill gas electricity-generating facility, including all improvements of Cedar Road relating thereto, located on the Lands in Nanaimo, British Columbia;

"Receiver" means a receiver, manager, or receiver-manager appointed or designated by, or on the initiative of, Vancity.

2.0 AMENDMENTS

2.1 RDN and Cedar Road acknowledge and agree that the Agreements are in full force and effect and that the Agreements have been amended only as referred to herein.

3.0 CONFIRMATIONS CONCERNING THE AGREEMENTS

3.1 RDN confirms to Vancity that:

- (a) RDN has not given any notice of termination respecting the Agreements or any of them;
- (b) RDN is not aware of any default or other circumstance that would entitle RDN to give a notice of disconnection or notice of termination, provided however that RDN has not undertaken any investigation or due diligence in respect of this confirmation; and
- (c) to the knowledge of RDN, Cedar Road's operations at Cedar Road's Facility are in compliance with all applicable bylaws, codes, and permitting requirements of RDN.

4.0 ASSIGNMENT OF AGREEMENTS TO VANCITY

4.1 RDN Acknowledgment

- (a) RDN acknowledges receipt of notice of, and consents to the assignment by Cedar Road to Vancity of all the right, title, and interest of Cedar Road in and to the Agreements made pursuant to and in accordance with the Credit and the Security;
- (b) Subject to sub-paragraph 4.1(c), RDN hereby waives in favour of Vancity any landlord's lien and all rights of levy or distraint, or security interest that it has or may hereafter have, whether by statute, contract (including the Agreements) or common law, in any of the Collateral (the "Landlord's Liens"), and agrees that, until Vancity has been paid in full, Vancity's Security in the Collateral takes priority over any Landlord's Liens;
- (c) Sub-paragraph 4.1(b) does not apply to any lien RDN may in the future have as a result of the failure of Cedar Road to pay local government taxes levied against the Lands; and
- (d) RDN acknowledges that any Collateral located at any time on the Lands shall not be deemed a fixture and shall be considered personal property, despite any degree of affixation to the Lands.

4.2 Vancity Acknowledgment

- (a) Vancity acknowledges that it has received copies of the Agreements; and
- (b) Vancity acknowledges that the assignment by Cedar Road to Vancity of the Agreements pursuant to the Credit and the Security is subject in all respects to the terms and conditions of this Agreement.

5.0 NOTICES

5.1 RDN covenants and agrees with Vancity that, except as hereinafter otherwise permitted, RDN:

- (a) shall give Vancity a copy of any material waiver, amendment, or modification to any of the Agreements;
- (b) shall give Vancity 45 days written notice and the opportunity to cure any failure of Cedar Road to pay local government taxes before taking any enforcement or other action against the Collateral as a result of such failure to pay local government taxes;
- (c) shall give Vancity a copy of any notice of disconnection or notice of termination of any of the Agreements concurrently with, or promptly after, any such notice is given to Cedar Road;
- (d) shall give Vancity a copy of any notice of termination of any of the Agreements received from Cedar Road, promptly after receipt from Cedar Road; and

- (e) shall not exercise any right it may have to terminate the Agreements unless it has complied with sub-paragraphs 5.1(a)-(c) above (as applicable) with respect to the default or other circumstance entitling RDN to terminate.

5.2 Nothing in this Agreement prevents or restricts:

- (a) termination of the Agreements upon failure of any condition for which notice is not required under the Agreements;
- (b) the exercise by RDN with respect to Cedar Road of any other right or remedy that it may be entitled to exercise under or in relation to the Agreements; or
- (c) the right of Vancity to cure, or cause the cure, of any default by Cedar Road under the Agreements that would be curable by Cedar Road, whether or not an Assumption Notice is given.

6.0 REALIZATION BY LENDER

6.1 Assumption Notice and/or Transfer of Operations: Agreements not Terminated

If Cedar Road has defaulted under the Credit or the Security, Vancity may, at its option, do any one or more of the following:

- (a) give RDN written notice (an "Assumption Notice") stating that Vancity is assuming the Agreements whereupon:
 - (i) Vancity shall be entitled to all the rights and benefits, and shall have assumed, and shall perform and discharge, all the obligations and liabilities of Cedar Road under the Agreements, and Vancity shall be a party to, and bound by, the Agreements as if an original signatory thereto in the place and stead of Cedar Road;
 - (ii) notwithstanding sub-paragraph 6.1(a)(i) above, Vancity shall not be liable to RDN for defaults of Cedar Road or for any other circumstance or liability occurring before the Assumption Notice is given;
 - (iii) Vancity may assign its interest in the Agreements to a third person or persons provided that Vancity obtains RDN's prior written consent, not to be unreasonably withheld, and provided that the proposed assignee or transferee has agreed in writing with RDN to be bound by the terms of the Agreements, and upon assignment to the assignee or transferee, and execution and delivery of such agreement in writing by such assignee or transferee, Vancity will be released from its obligations under the Agreements; or
 - (iv) Vancity may terminate the Agreements (other than the Option to Purchase and Waiver of Emission Rights);

- (b) without assuming the rights, obligations, or any liability of Cedar Road under the Agreements, give written notice to RDN that Vancity wishes to cause Cedar Road to assign all of Cedar Road's right, title, and interest in and to the Agreements and Cedar Road's Facility to a third person or persons provided that Vancity and Cedar Road first obtain RDN's prior written consent, not to be unreasonably withheld, in which case:
- (i) it is acknowledged that RDN's consent may be conditional on the assignee entering into agreements with RDN in substantially the same terms as the Agreements (and in the case of the Waiver of Emission Rights, in exactly the same terms); and
 - (ii) RDN agrees that if Vancity enters Cedar Road's Facility for the purpose of viewing or examining the state of repair, condition, or operation thereof such shall not constitute taking possession thereof

6.2 RDN Purchase of Collateral – Following Termination of the Agreements

Upon termination of the Agreements by RDN, Cedar Road (prior to assumption by Vancity), or Vancity (following assumption by Vancity) RDN may within 60 days, pursuant to the Option to Purchase, provide written notice to Vancity that it intends to purchase all of the Collateral, and if it does so:

- (a) Vancity will exercise its rights as a secured party holding a security interest in the Collateral, and enter into Cedar Road's Facility and repossess in order to sell the Collateral to RDN; RDN agrees that the entry by Vancity for this purpose shall not constitute taking possession thereof;
- (b) the purchase price for the Collateral will, notwithstanding the terms of the Option to Purchase, be the fair market value thereof;
- (c) the purchase price for the Collateral, if not agreed between the parties, will be determined by an appraiser or appraisers appointed pursuant to Section 6.3 of the Option to Purchase, who will be experienced in the valuation of industrial equipment of the type comprising the Collateral; and
- (d) RDN shall pay the entirety of the purchase price to Vancity, pursuant to Section 59 of the *Personal Property Security Act*, and by virtue of that section, RDN shall take title free and clear of all of the interest of Cedar Road, the interest of Vancity, and the interest of any secured party registered against the Collateral subordinate to Vancity.

6.3 Sale of Collateral – Following Termination of the Agreements (if RDN elects not to Purchase)

Upon termination of the Agreements by RDN, Cedar Road (prior to assumption by Vancity), or Vancity (following assumption by Vancity), and if RDN does not, within 60 days of the termination, elect by notice in writing to Vancity to purchase all of the Collateral for the fair market value thereof:

(a) Vancity may enter into Cedar Road's Facility and inspect, remove, or repossess the Collateral and may advertise and conduct a public auction or private sale of the Collateral; provided, however, that Vancity will repair, or pay the reasonable cost to repair, any damage to the Lands resulting from such inspection, removal, repossession, auction, or sale; RDN agrees that the entry by Vancity for this purpose shall not constitute taking possession thereof.

6.4 Vancity Liability and Release

Other than as specifically set out herein, Vancity will not, pursuant to this Agreement, be obliged to exercise any of its rights, powers, or remedies under the Credit, the Security, or by statute, whether or not Vancity has exercised some of such rights, powers, and remedies, and whether or not Vancity has become entitled to exercise them.

Vancity assumes no liability to RDN under the Agreements unless and until Vancity gives an Assumption Notice. Thereafter, if Vancity completes an assignment to a third person or persons pursuant to and in accordance with the applicable provisions of the Agreements and this Agreement, Vancity shall be released from all liability and obligations to RDN under the Agreements accruing from and after completion of that assignment.

6.5 Cedar Road Not Released

Nothing in this Agreement, and neither the giving of an Assumption Notice, nor any assignment pursuant to Section 6.1(b), releases Cedar Road from its obligations and liabilities to RDN under and in relation to the Agreements.

6.6 Receiver Included

References in this section to Vancity include a Receiver appointed by or on behalf of Vancity.

7.0 **NOTICE**

7.1 It is hereby mutually agreed that any notice required to be given under this Agreement will be deemed to be sufficiently given:

- (a) to be delivered at the time of delivery; and
- (b) if mailed from any government post office in the Province of British Columbia by prepaid registered mail addressed as follows:

If to RDN:

6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

LARRY GARDNER

Attention: ~~Ms. Carey Melver~~

Fax No.: (250) 390-1542

If to Vancity:

5th Floor, 183 Terminal Avenue
Vancouver, BC V6A 4G2

Attention: Manager
Fax No.: (604) 877-8488

Unless otherwise specified herein, any notice required to be given under this Agreement by any party will be deemed to have been given if mailed by prepaid registered mail, or sent by facsimile transmission, or delivered to the address of the other party set forth on the first page of this Agreement, or at such other address as the other party may from time to time direct in writing, and any such notice will be deemed to have been received if mailed or faxed, 72 hours after the time of mailing or faxing and, if delivered, upon the date of delivery. If normal mail service or facsimile service is interrupted by strike, slow down, force majeure or other cause, then a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice must utilize any other such services which have not been so interrupted or must deliver such notice in order to ensure prompt receipt thereof.

8.0 TERMINATION

8.1 This Agreement, and all rights and liabilities among the parties hereunder, shall terminate upon the full and final discharge of all of the Security.

9.0 JURISDICTION

9.1 Each party to this Agreement attorns irrevocably and unconditionally to the Courts of the Province of British Columbia. Notwithstanding the foregoing, Vancity acknowledges that upon an Assumption Notice being given, Vancity will become party to, and be bound by, the dispute resolution provision contained in the Agreements with respect to matters arising under the Agreements.

10.0 TIME

10.1 Time is to be the essence of this Agreement.

11.0 BINDING EFFECT

11.1 This Agreement will enure to the benefit of, and be binding upon the parties hereto and their respective successors and permitted assignees.

12.0 WAIVER

12.1 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

13. AMENDMENT

13.1 This Agreement may not be modified or amended except by the written agreement of the parties.

14.0 ENTIRE AGREEMENT

14.1 The whole agreement between the parties is set forth in this Agreement and no representations, warranties, or conditions, express or implied, have been made other than those expressed.

15.0 COUNTERPART

15.1 This Agreement may be executed in counterpart with the same effect as if both parties had signed the same document.

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

REGIONAL DISTRICT OF NANAIMO, by its authorized signatory(ies):

VANCOUVER CITY SAVINGS CREDIT UNION, by its authorized signatory(ies):

Per: 
for **William Veenhof, Chairperson**

Per:  **Arlene Atherley**
Team Manager
Community Business Administration

Per: 
Matt O'Halloran, Legislative Coordinator

Per: _____

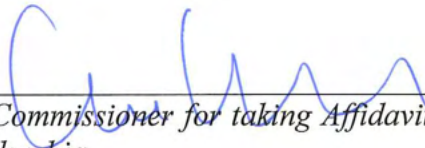
Acknowledged by:

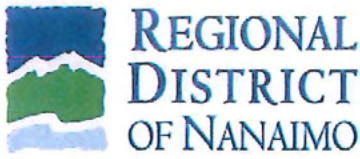
CEDAR ROAD BIOENERGY INC.,
by its authorized signatory(ies):

Per: 
Paul Liddy

Per: _____

This is Exhibit "R" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.


A Commissioner for taking Affidavits within British Columbia



April 5, 2022

VIA EMAIL: Scott.Stanners@bcbioenergy.ca & pliddy@suncurrent.co

Dr. Scott Stanners
Executive Director
BC Bioenergy Network
20337 Lower Mall
Vancouver, BC, V6T 1Z4

Paul Liddy
Manager Director
Cedar Road Bioenergy Inc.
Box 852 Stn. A
Nanaimo, BC, V9R 5N2

Re: Notice of Triparty Contract Termination – RDN Board Motion 22-IC-147

Dear Dr. Scott Stanners & Paul Liddy;

This letter serves to notify you that the Board has voted to give notice to the BC Bioenergy Network Association and Cedar Road LFG Inc. that the Regional District of Nanaimo will not be renewing the August 6, 2009, collaboration agreement between the three parties and contract termination will take place on August 7, 2022.

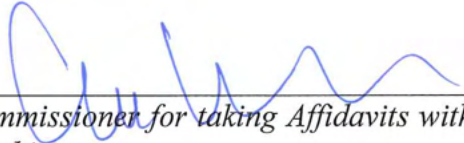
If you should have any questions, please do not hesitate to contact me via email or at the number below.

Sincerely,

Ben Routledge
Manager, Solid Waste Services
T: 250-390-4111 | Email: broutledge@rdn.bc.ca

cc: Jane Hamilton, Superintendent Landfill Operations

This is Exhibit "S" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 5 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

Alan A Frydenlund, QC* *
Harvey S Delaney*
Paul J Brown*
John J Kim*
Jonathan L Williams*
Paul A Brackstone* *
Daniel H Coles* *
Samoor Kamboj*
Claire M Armstrong
Laura A Butendyk

Allison R Kuchta*
James L Carpick*
Patrick J Habari*
Heather E Maronachie
Michael F Robson*
Scott H Stephens*
Jocelyn M Dellerud*
Heather A Frydenlund**
Patrick J Weafer
Taahaa Patel

Jeffrey B Lighfoot*
Christopher P Weafer*
Gregory J Tucker, QC* * **
Terence W Yu*
James H McBeath*
George J Roper*
Tony R Anderson*
Brian Y K Cheng**
Georgia Barnard
Lily Y Zhang

Daniel W Burnett, QC*
Ronald G Paton*
Gary M Yaffe*
Harley J Harris*
Kari F Richardson*
David W P Moriarty*
Katharina R Spotzi*
Nikta Shirazian
Brittney S Dumanowski

OWEN · BIRD
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Canada V7X 1J5

Telephone 604 688-0401
Fax 604 688-2827
Website www.owenbird.com
Direct Line: 604 691-7511
Direct Fax: 604 632-4486
E-mail: afrydenlund@owenbird.com
Our File: 22868-0143

Josephine M Nadel, QC, Associate Counsel*
Duncan J Marston, Associate Counsel*
Michelle Kirby, Associate Counsel*
Hon Walter S Owen, QC, QC, LLD (1981)
John I Bird, QC (2005)

* Law Corporation
* Also of the Yukon Bar
** Also of the Alberta Bar
*** Also of the Ontario Bar
** Also of the Washington Bar

July 19, 2022

SUNCURRENT INDUSTRIES INC.
106 – 360 Selby Street
Nanaimo, BC V9R 2R5

SUNCURRENT INDUSTRIES INC.
523 – 10333 Southport Rd SW
Calgary, AB T2W 3X6

PAUL LIDDY
P.O. Box 852, Station A
Nanaimo, BC V9R 5N2

PAUL LIDDY
615 Kennedy Street
Nanaimo, BC V9R 2J9

Dear Sirs:

Re: Debts due to Vancouver City Savings Credit Union

We are counsel to Vancouver City Savings Credit Union (“Van City”).

Van City has exercised its right to demand repayment of the indebtedness of CEDAR ROAD BIOENERGY INC. and, accordingly, the indebtedness is now due and payable. The total amount due is the sum of \$798,336.28 as of July 7, 2022 (inclusive of legal costs) plus current combined per diem interest of \$85.76 thereafter.

Demand is hereby made under your guarantee for immediate payment to our offices by way of **bank draft or certified cheque** payable to “Owen Bird Law Corporation, In Trust” for the amount due thereunder. Unless we are in receipt of the sum of \$798,336.28 as of July 7, 2022 and current combined per diem interest of \$85.76 thereafter to and including the date funds are received in our offices on or before **NOON, AUGUST 5, 2022**, Van City has instructed us to commence proceedings against you forthwith thereafter without further notice to recover the full amount owing under your guarantee plus costs. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include per diem interest to and including the next business day.

Please note that one loan is a floating interest rate and therefore any changes in the prime rate will reflect a change in the accrued interest and the per diem. Please re-confirm the balance prior to payout.

July 19, 2022
Page 2

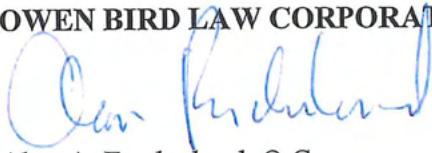
OWEN · BIRD
LAW CORPORATION

Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Please govern yourselves accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION



Alan A. Frydenlund, Q.C.

AAF/arl

Encls.: Copy of demand letter to borrower and notice of intention to enforce security

cc: Van City

E&OE

FORM 86

**Notice of Intention to Enforce Security
[Subsection 244(1)]**

To: CEDAR ROAD BIOENERGY INC. and SUNCURRENT INDUSTRIES INC. (together, the "insolvent persons")

Take notice that:

- 1. VANCOUVER CITY SAVINGS CREDIT UNION, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

All real and personal property interests of the insolvent persons charged in favour of VANCOUVER CITY SAVINGS CREDIT UNION.

- 2. The security that is to be enforced is the following:

The business and commercial loan security agreements and all other security granted by the insolvent persons to VANCOUVER CITY SAVINGS CREDIT UNION.

- 3. The total amount of the indebtedness secured by the security is:

\$798,336.28 as of July 7, 2022 plus current combined per diem interest at \$85.76 thereafter and all costs and charges of enforcement.

- 4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent persons consent to an earlier enforcement.

DATED at Vancouver, B.C., this 19th day of July, 2022.

Solicitor for VANCOUVER CITY SAVINGS CREDIT UNION

Name and Address of Solicitor for VANCOUVER CITY SAVINGS CREDIT UNION:

ALAN A. FRYDENLUND, Q.C., Owen Bird Law Corporation, Barristers & Solicitors, P.O. Box 49130, Three Bentall Centre, 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5, Tel.: 604-691-7511

ACKNOWLEDGEMENT, CONSENT AND WAIVER

THE UNDERSIGNED HEREBY:

1. Acknowledge receipt of the above Form 86 Notice of Intention to Enforce Security; .
2. Waives the ten day period of notice required under *Section 244 of the Bankruptcy and Insolvency Act*;
3. Waives all notice and cure provisions contained in the security referred to in the above Form 86 Notice of Intention to Enforce Security; and
4. Consents to the immediate enforcement by VANCOUVER CITY SAVINGS CREDIT UNION of the security referred to in the above Form 86 Notice of Intention to Enforce Security.

Executed by CEDAR ROAD BIOENERGY
 INC. on the ____ day of July/August, 2022 by
 its authorized signatory(ies):

 Print Name:
 Title: Director and Officer

 Print Name:
 Title: Director and Officer

Executed by SUNCURRENT INDUSTRIES
 INC. on the ____ day of July/August, 2022 by
 its authorized signatory(ies):

 Print Name:
 Title: Director and Officer

 Print Name:
 Title: Director and Officer

COPY

Ailan A Frydenlund, QC*
Harvey S Delaney*
Paul J Brown*
John J Kim*
Jonathan L Williams*
Paul A Brackstone**
Daniel H Coles**
Samcer Kamboj*
Claire M Armstrong
Laura A Buitendyk

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Kari F Richardson*
David W P Moriarty*
Katharina R Spatzl*
Nikta Shirazian
Brittney S Dumanowski

Josephine M Nadel, QC, Associate Counsel*
Duncan J Manson, Associate Counsel*
Michelle Karby, Associate Counsel*
Hon Walter S Owen, OC, QC, LLD (1981)
John I Bird, QC (2005)

* Law Corporation
* Also of the Yukon Bar
** Also of the Alberta Bar
*** Also of the Ontario Bar
** Also of the Washington Bar

OWEN BIRD
LAW CORPORATION

PO Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, BC
Canada V7X 1J5

Telephone 604 688-0401
Fax 604 688-2827
Website www.owenbird.com

Direct Line: 604 691-7511
Direct Fax: 604 632-4486
E-mail: afrydenlund@owenbird.com
File No. 22868-0143

July 19, 2022

CEDAR ROAD BIOENERGY INC.
106 – 360 Selby Street
Nanaimo, BC V9R 2R5

CEDAR ROAD BIOENERGY INC.
615 Kennedy Street
Nanaimo, BC V9R 2J9

CEDAR ROAD BIOENERGY INC.
PO Box 852 Station A
Nanaimo, BC V9R 5N2

Dear Sirs:

Re: Debts due to Vancouver City Savings Credit Union

We are counsel to Vancouver City Savings Credit Union (“**Van City**”).

We are informed by Van City that you are in default of your obligations under the security granted in favour of Van City including, without limitation, you have ceased or threatened to cease carrying on your business. Due to adverse material changes in your financial condition, Van City hereby exercises its right to demand repayment of the secured indebtedness. The total amount due is the sum of \$796,336.28 as of July 7, 2022 plus current combined per diem interest of \$85.76 thereafter to and including the date funds are deemed to be received in our offices.

Demand is hereby made for the immediate payment to our offices by way of **bank draft** or **certified cheque** payable to “Owen Bird Law Corporation, In Trust,” in the sum of \$798,336.28 as of July 7, 2022 (inclusive of legal costs) plus current combined per diem interest of \$85.76 thereafter to and including the date funds are received in our offices. Any payment less than the full amount outstanding may be accepted by Van City, but such payments shall not vitiate this demand for full payment and Van City reserves its right to take whatever steps it deems appropriate to recover the full amount owed notwithstanding such payments.

Unless we are in receipt of the sum of **\$798,336.28 as of July 7, 2022 plus current combined per diem interest of \$85.76 thereafter to and including the date funds are received in our offices on or before NOON, AUGUST 5, 2022**, Van City has instructed us to commence proceedings against you forthwith thereafter without further notice to recover the full amount owing plus costs. Please note that funds received after noon shall be regarded as funds received on the next business day and therefore must include interest to and including the next business day.

COPY

July 19, 2022
Page 2

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LAW CORPORATION

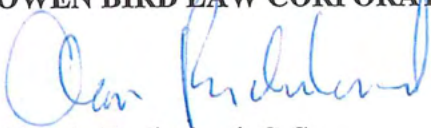
Please note that one loan is a floating interest rate and therefore any changes in the prime rate will reflect a change in the accrued interest and the per diem. Please re-confirm the balance prior to payout.

Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION



Alan A. Frydenlund, Q.C.

AAF/arl
Encl.
cc: Van City
cc: guarantors
E&OE

COPY

FORM 86

Notice of Intention to Enforce Security
[Subsection 244(1)]

To: CEDAR ROAD BIOENERGY INC. and SUNCURRENT INDUSTRIES INC. (together, the "insolvent persons")

Take notice that:

- 1. VANCOUVER CITY SAVINGS CREDIT UNION, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

All real and personal property interests of the insolvent persons charged in favour of VANCOUVER CITY SAVINGS CREDIT UNION.

- 2. The security that is to be enforced is the following:

The business and commercial loan security agreements and all other security granted by the insolvent persons to VANCOUVER CITY SAVINGS CREDIT UNION.

- 3. The total amount of the indebtedness secured by the security is:

\$798,336.28 as of July 7, 2022 plus current combined per diem interest at \$85.76 thereafter and all costs and charges of enforcement.

- 4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent persons consent to an earlier enforcement.

DATED at Vancouver, B.C., this 19th day of July, 2022.

Solicitor for VANCOUVER CITY SAVINGS CREDIT UNION

Name and Address of Solicitor for VANCOUVER CITY SAVINGS CREDIT UNION:

ALAN A. FRYDENLUND, Q.C., Owen Bird Law Corporation, Barristers & Solicitors, P.O. Box 49130, Three Bentall Centre, 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5, Tel.: 604-691-7511

COPY

ACKNOWLEDGEMENT, CONSENT AND WAIVER

THE UNDERSIGNED HEREBY:

1. Acknowledge receipt of the above Form 86 Notice of Intention to Enforce Security;
2. Waives the ten day period of notice required under *Section 244 of the Bankruptcy and Insolvency Act*;
3. Waives all notice and cure provisions contained in the security referred to in the above Form 86 Notice of Intention to Enforce Security; and
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<p>Executed by CEDAR ROAD BIOENERGY INC. on the ____ day of July/August, 2022 by its authorized signatory(ies):</p> <hr/> <p>Print Name: Title: Director and Officer</p> <hr/> <p>Print Name: Title: Director and Officer</p>
<p>Executed by SUNCURRENT INDUSTRIES INC. on the ____ day of July/August, 2022 by its authorized signatory(ies):</p> <hr/> <p>Print Name: Title: Director and Officer</p> <hr/> <p>Print Name: Title: Director and Officer</p>

Alan A Frydenlund, QC*⁺
Harvey S Delaney*
Paul J Brown*
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Telephone 604 688-0401
Fax 604 688-2827
Website www.owenbird.com

Direct Line: 604 691-7511
Direct Fax: 604 632-4486
E-mail: afrydenlund@owenbird.com
File No. 22868-0143

July 19, 2022

CEDAR ROAD BIOENERGY INC.
106 – 360 Selby Street
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CEDAR ROAD BIOENERGY INC.
615 Kennedy Street
Nanaimo, BC V9R 2J9

CEDAR ROAD BIOENERGY INC.
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We are counsel to Vancouver City Savings Credit Union (“Van City”).

We are informed by Van City that you are in default of your obligations under the security granted in favour of Van City including, without limitation, you have ceased or threatened to cease carrying on your business. Due to adverse material changes in your financial condition, Van City hereby exercises its right to demand repayment of the secured indebtedness. The total amount due is the sum of \$796,336.28 as of July 7, 2022 plus current combined per diem interest of \$85.76 thereafter to and including the date funds are deemed to be received in our offices.

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July 19, 2022
Page 2

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OWEN BIRD
LAW CORPORATION

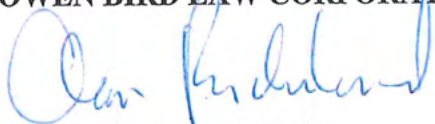
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Enclosed is a copy of our client's Notice of Intention to Enforce Security served upon you pursuant to s. 244 of the *Bankruptcy and Insolvency Act*.

Please govern yourself accordingly.

Yours truly,

OWEN BIRD LAW CORPORATION



Alan A. Frydenlund, Q.C.

AAF/arl
Encl.
cc: Van City
cc: guarantors
E&OE

FORM 86

Notice of Intention to Enforce Security
[Subsection 244(1)]

To: CEDAR ROAD BIOENERGY INC. and SUNCURRENT INDUSTRIES INC. (together, the "insolvent persons")

Take notice that:

1. VANCOUVER CITY SAVINGS CREDIT UNION, a secured creditor, intends to enforce its security on the insolvent persons' property described below:

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DATED at Vancouver, B.C., this 19th day of July, 2022.

Solicitor for VANCOUVER CITY SAVINGS
CREDIT UNION

Name and Address of Solicitor for VANCOUVER CITY SAVINGS CREDIT UNION:

ALAN A. FRYDENLUND, Q.C., Owen Bird Law Corporation, Barristers & Solicitors, P.O.
Box 49130, Three Bentall Centre, 2900-595 Burrard Street, Vancouver, B.C., V7X 1J5,
Tel.: 604-691-7511

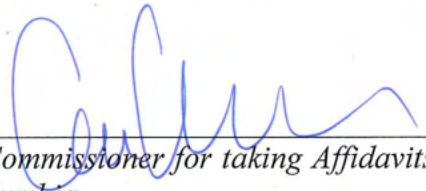
ACKNOWLEDGEMENT, CONSENT AND WAIVER

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<p>Executed by CEDAR ROAD BIOENERGY INC. on the ____ day of July/August, 2022 by its authorized signatory(ies):</p> <p>_____</p> <p>Print Name: Title: Director and Officer</p> <p>_____</p> <p>Print Name: Title: Director and Officer</p>
<p>Executed by SUNCURRENT INDUSTRIES INC. on the ____ day of July/August, 2022 by its authorized signatory(ies):</p> <p>_____</p> <p>Print Name: Title: Director and Officer</p> <p>_____</p> <p>Print Name: Title: Director and Officer</p>

This is Exhibit "T" referred to in the affidavit of Frank Seminara sworn before me at Coquitlam this 3 day of August 2022.



A Commissioner for taking Affidavits within British Columbia

BC Hydro Standing Offer Program - Standard Form EPA

BC HYDRO

CEDAR ROAD LFG INC. ELECTRICITY PURCHASE AGREEMENT

STANDING OFFER PROGRAM

THIS ELECTRICITY PURCHASE AGREEMENT ("EPA") is made as of September 9, 2009 (the "Effective Date")

BETWEEN:

CEDAR ROAD LFG INC., a corporation incorporated under the laws of Alberta with its head office at 106-360 Selby Street, Nanaimo, BC V9R 2R5

("Seller")

AND:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a corporation continued under the *Hydro and Power Authority Act* R.S.B.C. 1996, c. 212, with its head office at 333 Dunsmuir Street, Vancouver, BC V6B 5R3

("BC Hydro").

The Parties agree as follows:

1. INTERPRETATION

The definitions and certain principles of interpretation that apply to this EPA are set out in Appendix 1.

2. TERM

The term ("Term") of this EPA commences on the Effective Date and continues until the 20th anniversary of COD, unless it is terminated earlier as authorized under this EPA.

W
ABB

*BC Hydro Standing Offer Program - Standard Form EPA***3. REGULATORY REVIEW**

3.1 Regulatory Review Termination - Subject to section 3.3, either Party may terminate this EPA if, within 120 days after the date on which the EPA is filed with the BCUC, this EPA has not been accepted for filing by the BCUC, without conditions, as an energy supply contract under section 71 of the UCA (such acceptance without conditions being herein called "BCUC Acceptance").

3.2 Regulatory Filing - BC Hydro on behalf of itself and the Seller shall file the EPA with the BCUC within a reasonable time after the Effective Date.

3.3 Termination - A Party entitled to terminate under section 3.1 must do so by giving notice to terminate to the other Party at any time after the right to terminate arises under section 3.1 and prior to the earlier of:

- (a) the date of issuance of the BCUC Acceptance;
- (b) the date of issuance of an Exemption; and
- (c) the date that is 150 days after the date on which the EPA is filed with the BCUC.

3.4 Effect of Termination - If this EPA is terminated by either Party in accordance with sections 3.1 and 3.3, the following provisions apply:

- (a) on or before the 30th day following the date of termination, BC Hydro shall return to the Seller any Network Upgrade Security previously delivered to BC Hydro after deducting any amount to which BC Hydro is entitled but which has not been paid in accordance with Appendix 3 of this EPA; and
- (b) except as set out in section 9.4, the Parties shall have no further liabilities or obligations under, or in relation to, this EPA.

3.5 Exemption - Sections 3.1 to 3.4 are of no effect if an Exemption exists before termination of the EPA under section 3.1. Nothing in this EPA obliges either Party to seek an Exemption, and the Parties acknowledge that they have entered into this EPA in the expectation that no Exemption will exist.

4. CONSTRUCTION AND OPERATION

4.1 Construction and Operation Costs and Liabilities - Except as set out in Appendix 3, the Seller shall be responsible for all costs, expenses, liabilities and other obligations associated with the design, engineering, construction, interconnection, commissioning, operation, maintenance and decommissioning of the Seller's Plant.

4.2 Standard of Construction and Operation - The Seller shall own the Seller's Plant. The Seller represents, warrants and covenants that the location, design, engineering, construction, interconnection, commissioning, operation and maintenance of the Seller's Plant, are and, except as otherwise consented to by BC Hydro, shall be carried out at all times during the Term in compliance with: (a) the information in the Application in all material respects; (b) all applicable Laws, Permits and land tenure agreements for the Seller's Plant; (c) the requirements in effect at the Effective Date for the Energy from the Seller's Plant to be considered Clean Energy; (d) Good Utility Practice; (e) the terms and conditions of this EPA and the Interconnection Agreements; and (f) the Code of Conduct in Appendix 7.

BC Hydro Standing Offer Program - Standard Form EPA

4.3 Project Changes - Without limiting any other section of this EPA under which BC Hydro's consent is required, the Seller shall not make any change to:

- (a) those aspects of the Seller's Plant described in sections 1 - 3 of Appendix 2, or
- (b) any other aspects of the Seller's Plant or the information in the interconnection study filed with the Seller's Application where such change would increase BC Hydro's liability for Network Upgrade Costs with respect to the Seller's Plant or any other project,

in either case without BC Hydro's prior consent, such consent not to be unreasonably withheld, conditioned or delayed. The Seller shall not make any change to the Plant Capacity without BC Hydro's prior consent. The Seller acknowledges that BC Hydro may require as a condition of its consent to any change described in this section, or any other change to the Seller's Plant for which BC Hydro's consent is required under any other section of this EPA, that the Seller agree in writing to reimburse BC Hydro for any incremental liability for Network Upgrade Costs with respect to the Seller's Plant or any other project, and any other losses, costs and damages incurred by BC Hydro as a result of any change described in this section. BC Hydro may also require the Seller to provide security to BC Hydro to secure such reimbursement obligation.

4.4 Development Reports - Intentionally Deleted.

4.5 Network Upgrades - The Parties' obligations with respect to Network Upgrade Costs and Network Upgrade Security are set out in Appendix 3.

4.6 Revenue Metering Equipment - The Seller shall ensure that a Revenue Meter is installed, operated and maintained at a location approved by BC Hydro, acting reasonably. The Revenue Meter must be capable of accurately measuring the quantity of Energy generated by the Seller's Plant and delivered to the POI independent of all other generation equipment or facilities. If there is any dispute regarding the accuracy of the Revenue Meter, either Party may give notice to the other Party of the dispute. In that case the Parties will resolve the matter in accordance with the *Electricity and Gas Inspection Act* (Canada). BC Hydro may, at its cost, install a duplicate revenue meter at the Seller's Plant at a location agreed to by the Seller, acting reasonably. The Seller shall allow BC Hydro to access the Seller's Plant to install, inspect and maintain any such duplicate meter. The Seller shall make equipment and telephone access available to BC Hydro as required for the duplicate revenue meter. If the Seller's Plant is rated 1.00 MVA or higher, the Seller shall ensure that the Seller's Plant is equipped with SCADA capability.

4.7 Insurance - The Seller shall at its cost obtain and thereafter maintain during the Term insurance covering such risks and in such amounts as would a prudent owner of a facility the same as or similar to the Seller's Plant. Such insurance shall include commercial general liability insurance with a per occurrence limit of liability not less than \$2,000,000 applicable to the Seller's Plant separate from all other projects and operations of the Seller. All commercial general liability policies must include BC Hydro, its directors, officers, employees and agents as additional insureds and must include a cross liability and severability of interest clause. The Seller shall provide evidence of such insurance to BC Hydro on request.

4.8 Early COD - Except with BC Hydro's prior consent, COD may not occur earlier than 90 days prior to Target COD. BC Hydro shall not be required to incur any incremental expense or other liability of any kind to enable COD to occur prior to Target COD.

*BC Hydro Standing Offer Program - Standard Form EPA***4.9 Change in Target COD - Intentionally Deleted.**

4.10 GHG Requirements - Without limiting section 4.2, the Seller shall comply with all applicable Laws and all Permits regulating emissions from the Seller's Plant, including GHG emissions. The Seller shall by each January 31 after COD (or, if alternate reporting dates are established under any Laws or Permits regulating GHG emissions from the Seller's Plant, then by such alternate reporting dates) deliver to the Buyer a report signed by a senior officer of the Seller, in a form satisfactory to the Buyer acting reasonably, detailing the status of compliance by the Seller with this section during the immediately preceding year (or if an alternate compliance period is established under any Laws or Permits regulating GHG emissions from the Seller's Plant, then the report shall address such alternate compliance period). If the Seller is not in compliance with any Law or Permit regulating GHG emissions from the Seller's Plant and the Seller fails to remedy such non-compliance within 30 days after the date of notice from the Buyer to the Seller, the Buyer may, but is not required to, on behalf of the Seller, purchase any Compliance Units required to remedy, in whole or in part, the Seller's non-compliance with the applicable Law or Permit. The Seller shall cooperate with the Buyer as necessary to enable the Buyer to purchase such Compliance Units. The Seller shall reimburse the Buyer for all costs (including all commissions, charges, brokerage, consulting and legal fees, taxes, duties, transfer and registration fees and all other transaction costs and expenses) incurred by the Buyer in purchasing such Compliance Units, together with an administration fee equal to 15% of such costs within 30 days after receipt of an invoice from the Buyer for such amount.

5. PURCHASE AND SALE OBLIGATIONS

5.1 Pre-COD Energy - BC Hydro shall make commercially reasonable efforts to accept delivery of Energy at the POI prior to COD, provided that BC Hydro shall not be required to take any steps or to incur any incremental expense or other liability of any kind to enable delivery of Energy to the POI prior to 90 days before the Target COD.

5.2 Post-COD Sale and Purchase of Energy - From and after COD for the remainder of the Term, the Seller shall sell and deliver all Energy to BC Hydro at the POI and BC Hydro shall purchase and accept delivery of all Delivered Energy. BC Hydro shall pay for all Delivered Energy after COD in accordance with section 6.2. Notwithstanding the foregoing, BC Hydro shall have no obligation to take or pay for any Energy that is generated as a result of an increase in the Plant Capacity made without the consent of BC Hydro in accordance with section 4.3.

5.3 Transmission Outages - BC Hydro will not be in breach or default of its obligations under section 5.1 or section 5.2 if BC Hydro is not able to accept delivery of Energy at the POI as a result of a Distribution/Transmission Constraint. BC Hydro shall have no liability with respect to a Distribution/Transmission Constraint, except as set out in section 5.8, if applicable.

5.4 Environmental Attributes - The Seller hereby transfers, assigns and sets over to BC Hydro all right, title and interest in and to the Environmental Attributes.

5.5 Exclusivity - The Seller shall not at any time during the Term commit, sell or deliver any Energy or any Environmental Attributes to any Person, other than BC Hydro under this EPA. The Seller shall not use or apply any Energy or Environmental Attributes for any purpose whatsoever except for sale to BC Hydro under this EPA. These prohibitions do not apply when BC Hydro is in breach of its obligations under section 5.2. The Seller acknowledges and agrees that the exclusive rights conferred by this section are of fundamental importance, and that, without prejudice to any right to claim damages, compensation or an accounting of profits, the granting of an interim, interlocutory and permanent

BC Hydro Standing Offer Program - Standard Form EPA

injunction is an appropriate remedy to restrain any breach or threatened breach by the Seller of the obligation set out in this section.

5.6 Custody, Control and Risk of Energy - Custody, control and risk of, and title to, all Energy passes from the Seller to BC Hydro at the POI. The Seller shall ensure that all Energy delivered to BC Hydro under this EPA and all Environmental Attributes transferred to BC Hydro under this EPA are free and clear of all liens, claims, charges and encumbrances. The Seller is responsible for all transmission losses and costs relating to the transmission of Energy from the Seller's Plant to the POI.

5.7 Interconnection Delays - Intentionally Deleted.

5.8 Distribution/Transmission System Outages - If in any month after COD the Seller is unable to deliver Energy at the POI solely as a result of a Distribution/Transmission Constraint that exceeds 30 continuous minutes in duration and such Distribution/Transmission Constraint:

- (a) is not caused by a Transmission/Distribution Force Majeure;
- (b) is not caused by the Seller or the Seller's Plant; and
- (c) occurs after Distribution/Transmission Constraints have been in effect for more than 24 hours in the aggregate, whether or not continuous, in that month;

then, notwithstanding that BC Hydro is excused under section 5.3 from its obligations under section 5.2, BC Hydro shall pay to the Seller an amount equal to the price payable for post-COD Delivered Energy under section 6.2 multiplied by the amount of Energy, not exceeding 0.633MWh/h, that could have been generated and delivered at the POI in each hour after the 24 hours has elapsed but for the occurrence of the Distribution/Transmission Constraint less any costs the Seller avoided or, acting reasonably, could have avoided during the Distribution/Transmission Constraint. The Seller shall maintain accurate and complete records of all avoided or avoidable costs and shall report all such costs to BC Hydro and provide BC Hydro with all information required to calculate such costs. BC Hydro or its designated representative may audit such costs and in that event the provisions of section 8.2 apply. BC Hydro will not be required to pay for any Energy under this section during any period specified as a maintenance period in an Energy schedule delivered pursuant to section 8.7 or during any other period where the Seller's Plant would otherwise not have been operating. For greater certainty, the provisions of this section will not apply during any period when BC Hydro is or would be excused, in accordance with section 8.9, from its obligation to accept delivery of Energy as a result of Force Majeure.

6. PRICE AND PAYMENT TERMS

6.1 Pre-COD Energy - No price is payable by BC Hydro for Energy delivered to the POI prior to COD.

6.2 Post-COD Energy Price - Subject to section 5.2, the price payable by BC Hydro for each MWh of Delivered Energy after COD and prior to expiry of the Term is \$85.22/MWh, adjusted as follows:

- (a) effective as of January 1 in each year after the Effective Date in accordance with the following formula:

$$\text{Payment Price}_n = (.5 * \$85.22/\text{MWh} * \text{CPI}_{\text{January 1 } n} / \text{CPI}_{\text{January 1, 2009}}) + (.5 * \$85.22/\text{MWh})$$

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Where:

n = the year for which the relevant calculation is being conducted

$CPI_{January 1 n}$ = the CPI for December in the year immediately prior to the year for which the relevant calculation is being conducted; and

- (b) for each hour, the price determined pursuant to subsection (a) for Delivered Energy during that hour will be adjusted to an amount (expressed in \$/MWh) equal to the percentage of that price applicable for that hour as set out in the table in Appendix 4.

6.3 Environmental Attributes - Subject to section 7.5, for each MWh of Delivered Energy in respect of which the Seller has delivered confirmation of Environmental Certification to BC Hydro in accordance with this section, BC Hydro shall pay the Seller for the Environmental Attributes associated with that Energy a price of \$3.10/MWh adjusted effective as of January 1 in each year after January 1, 2008 in accordance with the following formula:

$$\$3.10/\text{MWh} * CPI_{January 1 n} / CPI_{January 1, 2008}$$

Where $CPI_{January 1 n}$ has the meaning given in subsection 6.2(a).

Notwithstanding the foregoing, BC Hydro shall not be required to pay for any Environmental Attributes for any Energy that is generated as a result of an increase in the Plant Capacity without the consent of BC Hydro in accordance with section 4.3. As a condition of payment under this section, the Seller must deliver to BC Hydro a certificate issued by the administrator of the Environmental Certification program certifying the amount (MWh) of Delivered Energy that qualified for the Environmental Certification.

6.4 No Further Payment - The amounts payable by BC Hydro as specified in section 6.2 and section 6.3 are the full and complete payment and consideration payable by BC Hydro for Energy delivered by the Seller to BC Hydro under this EPA and for the Environmental Attributes transferred by the Seller to BC Hydro under this EPA.

6.5 Statements and Payment

(a) **Statements:**

- (i) The Seller shall, by the 15th day of each month after COD, deliver to BC Hydro a statement for the preceding month. The statement must indicate, among other things, the amount of Delivered Energy for that month (including any deemed Delivered Energy and any associated avoided or avoidable costs pursuant to section 5.8), the price payable for the Delivered Energy, any Delivered Energy for that month in respect of which the Seller has delivered a certificate pursuant to section 6.3 and any Final Amounts owing by either Party to the other Party. The statement must set out in reasonable detail the manner by which the statement and the amounts shown thereon were computed and be accompanied by sufficient data to enable BC Hydro, acting reasonably, to satisfy itself as to the accuracy of the statement.
- (ii) Either Party may give notice to the other Party of an error, omission or disputed amount on a statement within 36 months after the statement was first issued together with reasonable detail to support its claim. After expiry of that

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36 month period, except in the case of willful misstatement, fraud or concealment, amounts on a previously issued statement will be considered accurate and amounts which were omitted will be considered to be nil, other than amounts disputed in accordance with this subsection within the 36 month period, which will be resolved in accordance with this EPA.

(b) Payment:

- (i) Within 30 days after receipt of a statement delivered under subsection 6.5(a), and subject to section 6.7, BC Hydro shall pay to the Seller the amount set out in the statement, except to the extent BC Hydro in good faith disputes all or part of the statement by notice to the Seller in compliance with subsection 6.5(a)(ii). If BC Hydro disputes any portion of a statement, BC Hydro must nevertheless pay the undisputed net amount payable by BC Hydro pursuant to the statement.
- (ii) Any amount required to be paid in accordance with this EPA, but not paid by either Party when due, will accrue interest at an annual rate equal to the Prime Rate plus 2%, compounded monthly. Any disputed amount that is found to be payable will be deemed to have been due within 30 days after the date of receipt of the statement which included or should have included the disputed amount.

6.6 Taxes - All dollar amounts in this EPA do not include any value added, consumption, commodity or similar taxes applicable to the purchase by BC Hydro of Delivered Energy and Environmental Attributes, including goods and services tax and provincial sales tax, which, if applicable, will be added to each statement and paid by BC Hydro.

6.7 Set-off - If BC Hydro and the Seller each owe the other an amount under this EPA in the same month, then such amounts with respect to each Party shall be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed, provided that:

- (a) this section applies only to any purchase price for Delivered Energy or Environmental Attributes owing by BC Hydro to the Seller, any Final Amount owing by either Party to the other Party, and any amount owing by the Seller to BC Hydro under Appendix 3 of this EPA; and
- (b) no Final Amount or amount owing by the Seller to BC Hydro under Appendix 3 of this EPA shall be added to or deducted from the price owing by BC Hydro to the Seller for Delivered Energy unless that amount remains unpaid 30 days after BC Hydro gives notice to the Seller of the amount owing.

Except as otherwise expressly provided herein, each Party reserves all rights, counterclaims and other remedies and defences which such Party has, or may be entitled to, arising from or related to this EPA.

7. ENVIRONMENTAL ATTRIBUTES - CERTIFICATION AND ADMINISTRATION

7.1 Mandatory EcoLogo^M Certification - If at the Effective Date EcoLogo^M Certification is required for any or all of the Energy to be considered Clean Energy, the Seller shall obtain EcoLogo^M Certification by the first anniversary of COD and shall maintain EcoLogo^M Certification for as long as EcoLogo^M Certification is required for the Energy to be considered Clean Energy. The Seller shall notify BC Hydro forthwith if the Seller fails to obtain EcoLogo^M Certification by the date specified in

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this section or if at any time the Seller's Plant does not have EcoLogo^M Certification as required pursuant to this section. If the Seller fails to obtain or maintain EcoLogo^M Certification as required by this section, and the Seller has failed to cure such default within 30 days after receipt of written notice from BC Hydro, BC Hydro may withhold payment of any amount owing by BC Hydro to the Seller under this EPA until 10 days after the Seller has delivered evidence of EcoLogo^M Certification as required by this section to BC Hydro. Any amounts withheld by BC Hydro in accordance with this section will not bear interest.

7.2 Optional EcoLogo^M Certification - Except where EcoLogo^M Certification is required pursuant to section 7.1, the Seller may elect whether or not to obtain EcoLogo^M Certification for the Seller's Plant. If the Seller elects to obtain EcoLogo^M Certification for the Seller's Plant and all or a portion of the Energy, sections 7.3 and 6.3 apply.

7.3 Environmental Certification Fees - Except as set out in this section, BC Hydro shall reimburse the Seller for all certification, audit and licensing fees paid by the Seller to obtain the Environmental Certification, but excluding any fees to obtain any letter from TerraChoice Environmental Marketing filed by the Seller with the Application. BC Hydro shall reimburse the Seller for such fees within 30 days after receipt of an invoice, together with reasonable supporting information, for such fees. BC Hydro shall not be required to pay for any audit or other certification process in which the Seller's Plant and all or part of the Energy does not qualify for the Environmental Certification, or for any audit or recertification process following a loss of the Environmental Certification by the Seller's Plant.

7.4 Alternate Certification - The Seller shall at BC Hydro's request and at BC Hydro's cost use commercially reasonable efforts to apply for and diligently pursue and maintain any certification, licensing or approval offered by any Governmental Authority or independent certification agency evidencing that the Seller's Plant and the Energy has Environmental Attributes as an addition to or as an alternative to the EcoLogo^M Certification.

7.5 Direction by BC Hydro - BC Hydro may direct the Seller to take all steps required to obtain the Environmental Certification by implementing measures that are technologically feasible and not inconsistent with Good Utility Practice, Permits or applicable Laws. The Seller shall comply promptly and diligently with that direction. Except where the failure to obtain or maintain the Environmental Certification results from a breach of Laws or Permits or constitutes a breach of section 7.1, BC Hydro shall reimburse the Seller for reasonable direct capital and reasonable incremental operating costs incurred by the Seller resulting solely from compliance with BC Hydro's direction within 30 days after submission of an invoice and reasonable supporting documentation necessary to evidence such costs. The Seller shall maintain accurate and complete records of such costs, and BC Hydro or its designated representative may audit such costs and in that event the provisions of section 8.2 apply. The Seller shall provide to BC Hydro within 60 days after receipt of a written request from BC Hydro, an estimate, together with supporting detail and rationale, of the reasonable direct capital and reasonable incremental operating costs the Seller would expect to incur in complying with a direction from BC Hydro under this section. If BC Hydro reimburses the Seller's costs under this section, then notwithstanding the grant or reinstatement of the Environmental Certification, BC Hydro will not be required to make any payment to the Seller under section 6.3 for the remainder of the Term and BC Hydro will continue to have title to the Environmental Attributes.

8. EPA ADMINISTRATION

8.1 Records - The Seller shall prepare and maintain at the Seller's Main Office all records required to properly administer this EPA, including Energy generation records and operating logs, meter readings, maintenance reports, invoice support records, documents concerning compliance with Permits

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and applicable Laws, information relating to the Environmental Certification, information relating to the qualification of the Energy as Clean Energy, information relating to the existence, nature and quantity of Environmental Attributes, information required for the purposes of any Environmental Attributes or energy certification or tracking system, any other information BC Hydro requires to enable it or any of its Affiliates to obtain and realize the benefit of the Environmental Attributes and all other records and logs consistent with Good Utility Practice. The Audit Parties may take copies of such records for the purposes of an inspection or audit under section 8.2. The Audit Parties may at any time request copies of any and all such records for the purposes of an inspection or audit under section 8.2 and, upon such a request, the Seller shall forthwith deliver copies of such records to the Audit Parties c/o BC Hydro at the address specified for delivery of notices in section 3.1 of Appendix 1. The Seller shall keep each such record for at least 7 years from the date on which the record was created.

8.2 Inspection and Audit Rights - For the sole purpose of verifying: (a) compliance with this EPA; (b) the accuracy of invoices and other statements or calculations delivered by the Seller to BC Hydro under this EPA; (c) the qualification of the Energy as Clean Energy; (d) the qualification of the Seller's Plant and the Energy for the Environmental Certification; or (e) the liability of each of the Parties for Network Upgrade Costs, the Seller shall, on reasonable prior notice from BC Hydro, provide BC Hydro and its Affiliates, representatives, consultants, advisors and any third party with whom the BC Hydro or any of its Affiliates has entered into a contract for the sale and purchase of Environmental Attributes and their Affiliates, representatives, consultants and advisors (the "Audit Parties") with prompt access during normal business hours to the Seller's Main Office and all records relating to the Seller's Plant, or, upon request made at any time by the Audit Parties, the Seller shall forthwith deliver copies of such records to the Audit Parties c/o BC Hydro at the address specified for delivery of notices in section 3.1 of Appendix 1, including any Confidential Information, to enable the Audit Parties to conduct an inspection or audit thereof. The Audit Parties shall exercise any access and audit rights under this section in a manner that minimizes disruption to the operation of the Seller's Main Office. Any review, inspection or audit by any of the Audit Parties may not be relied upon by the Seller, or others, as confirming or approving these matters. Where BC Hydro requires the Seller to provide access to the Seller's Main Office and/or records relating to the Seller's Plant to a third Person with whom BC Hydro or any of its Affiliates has entered into a contract for the sale and purchase of Environmental Attributes or any Affiliate, representative, consultant or advisor to any such third Person, BC Hydro shall first obtain from the third Person an agreement to maintain the confidentiality of any Confidential Information to which such Person may have access and to limit the use of such Confidential Information as required to verify the Environmental Attributes.

8.3 Seller Consents - The Seller shall promptly provide any consents required to enable any of the Audit Parties to make enquiries with any Governmental Authority or any Person administering the Environmental Certification concerning any or all of the following: (a) the qualification of the Energy as Clean Energy; (b) the qualification of the Seller's Plant and the Energy for Environmental Certification, the status of the Environmental Certification and copies of any audits, inspections or reports prepared in connection with the Environmental Certification; and (c) compliance by the Seller with Laws and Permits applicable to the Seller's Plant.

8.4 Assignment

- (a) **Requirement for Consent:** The Seller may not Assign this EPA except with the prior consent of BC Hydro, which consent may not be unreasonably withheld, conditioned or delayed. Any Assignment (other than an Assignment to a Facility Lender) is subject to the assignee entering into and becoming bound by this EPA, assuming all the obligations and liabilities of the Seller under the EPA arising both before and after the Assignment, providing any Network Upgrade Security as applicable at the time of Assignment, and

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providing the representations and warranties set out in the Application and in section 10.1 effective as at the time of Assignment, subject in the case of the representation and warranty in subsection 10.1(c) to such exceptions as BC Hydro consents to acting reasonably.

- (b) **Time for Request:** Any request by the Seller for BC Hydro's consent under subsection 8.4(a) must be delivered to BC Hydro not less than 30 days before the date of the proposed Assignment. A request under this section must be accompanied by such information as reasonably required by BC Hydro to assess the request for consent including the name, address and ownership structure of the assignee, a list of the directors and officers of the assignee and information concerning the assignee's operations, experience and financial status.
- (c) **Assignment to Facility Lender:** If the Seller seeks consent to Assign this EPA to a Facility Lender, BC Hydro may require, as a condition of its consent to the Assignment, that the Seller and the Facility Lender enter into a Lender Consent Agreement with BC Hydro. If the Seller seeks consent to Assign this EPA to a Facility Lender, the Seller may require that BC Hydro enter into a Lender Consent Agreement with the Seller and the Facility Lender, provided that BC Hydro will not be required to enter into any form of Lender Consent Agreement other than the form attached as Appendix 6 to this EPA.
- (d) **Costs:** The Seller shall reimburse BC Hydro for all costs reasonably incurred by BC Hydro in connection with any request by the Seller for BC Hydro's consent pursuant to subsection 8.4(a).

8.5 Dispute Resolution

- (a) **Arbitration:** Any dispute under or in relation to this EPA will be referred to and finally resolved by arbitration conducted by a single arbitrator in Vancouver, British Columbia and administered by the British Columbia International Commercial Arbitration Centre ("BCICAC") pursuant to its rules. Except as otherwise expressly provided in this EPA, the arbitrator shall have the jurisdiction to grant equitable remedies, including interim or permanent injunctive relief. It shall not be incompatible with this agreement to arbitrate for a party to seek from the Supreme Court of British Columbia, or for that court to grant, interim measures of protection pending the outcome of arbitral proceedings. The decision of the arbitrator will be final and binding on the Parties.
- (b) **Effect of Arbitration:** All performance and payments required under this EPA will continue during any dispute under this EPA, provided that the Parties may, notwithstanding the foregoing, exercise any right to terminate this EPA in accordance with the terms of this EPA. Any payments or reimbursements required by an arbitration award will be due as of the date determined under subsection 6.5(b)(ii) or, where that subsection does not apply, as of the date determined in the award. Without duplication with subsection 6.5(b)(ii), any payments or reimbursements required by an arbitration award will bear interest at an annual rate equal to the Prime Rate plus 2% compounded monthly from the date such payment was due until the amount is paid.
- (c) **Confidentiality:** The Parties shall maintain in confidence the fact that an arbitration has been commenced, all documents and information exchanged during the course of the arbitration proceeding, and the arbitrator's award, provided that each of the Parties shall be entitled to disclose such matters: (i) as required by applicable Law or for

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regulatory purposes (including pursuant to the rules of any stock exchange on which the shares of the Seller or its Affiliates are traded); (ii) as required to enforce any arbitration award; (iii) to that Party's consultants and professional advisors who have a need to know such information; and (iv) in the case of BC Hydro, to representatives of the Government of British Columbia.

8.6 Notices - Any notice, consent, waiver, declaration, request for approval or other request, statement or bill that either Party may be required or may desire to give to the other Party under this EPA must be in writing addressed to the other Party at the address for that Party stated in Appendix 1 and:

- (a) notices under section 8.9, section 9.1, section 9.3 and section 4 of Appendix 3 must be delivered by hand or by a courier service during normal business hours on a Business Day and a notice so delivered will be deemed to have been delivered on that Business Day;
- (b) all notices other than notices described in subsection 8.6(a) may be delivered by email during normal business hours on a Business Day and a notice so delivered will be deemed to have been delivered on that Business Day; and
- (c) either Party may change its address for notices under this EPA by notice to the other Party.

8.7 Energy Schedules - By September 15 of each year, the Seller shall deliver to BC Hydro a schedule of the expected total deliveries of Energy to the POI in each month during the 12 month period commencing on October 1 of the year in which the schedule is delivered and a schedule of the maintenance outages expected for the Seller's Plant during that period. The Energy schedules are provided for planning purposes only and do not constitute a guarantee by the Seller that Energy will be delivered in accordance with the schedules and do not limit the amount of Energy the Seller may deliver during the periods covered by the schedules. The Seller shall deliver a revised schedule to BC Hydro promptly upon becoming aware of any expected material change in a delivered Energy schedule.

*BC Hydro Standing Offer Program - Standard Form EPA***8.8 Confidentiality**

- (a) Without limiting any other confidentiality agreement between the Parties, during the Term and for 5 years thereafter, BC Hydro shall treat as confidential and will not cause or permit the publication, release or disclosure of any Confidential Information except to the extent that publication, release or disclosure: (i) is expressly authorized under any section of this EPA; (ii) is necessary to enable BC Hydro to fulfil its obligations under this EPA; (iii) is required by law or for regulatory purposes; (iv) is necessary, in BC Hydro's reasonable opinion, for BC Hydro to adequately pursue or defend any legal or regulatory proceeding; (v) is made with the prior consent of the Seller; or (vi) if such information has entered the public domain other than through the actions of BC Hydro. BC Hydro may also disclose Confidential Information to consultants and advisors to BC Hydro who have a need to know the Confidential Information and representatives of the Government of British Columbia, who in either case have been informed by BC Hydro of the need to maintain the confidentiality of the Confidential Information disclosed to them.
- (b) The Seller acknowledges that BC Hydro is subject to the *Freedom of Information and Protection of Privacy Act* (British Columbia) and agrees that BC Hydro's non-disclosure obligations under this EPA are subject to the provisions of that legislation.

8.9 Force Majeure - Neither Party will be in breach or default as to any obligation under this EPA if that Party is unable to perform that obligation due to an event or circumstance of Force Majeure, of which notice is given promptly to the other Party identifying the nature of the Force Majeure, its expected duration and the particular obligations affected by the Force Majeure. Subject to any limitations expressly set out in this EPA, the time for performance of such obligation will be extended by the number of days that Party is unable to perform such obligation as a result of the event or circumstance of Force Majeure. The Party invoking Force Majeure shall promptly respond to any inquiry from the other Party regarding the efforts being undertaken to remove the Force Majeure and shall give prompt notice of the end of the Force Majeure.

9. TERMINATION

9.1 Termination by BC Hydro - In addition to any other right to terminate this EPA expressly set out in any other provision of this EPA and in addition to all other rights and remedies BC Hydro may have under this EPA or at law or in equity in respect of any of the following events, BC Hydro may terminate this EPA by notice to the Seller if:

- (a) COD does not occur by the second anniversary of Target COD for any reason whatsoever (including Force Majeure), provided that BC Hydro may terminate the EPA under this provision only if BC Hydro delivers a termination notice prior to COD; or
- (b) at any time after COD, the Seller does not deliver any Energy to BC Hydro for a period of 730 continuous days for any reason whatsoever (including Force Majeure or a Transmission/Distribution Constraint), but excluding a Distribution/Transmission Constraint for which the Seller is entitled to receive payment under section 5.8; or
- (c) at any time after COD, BC Hydro is unable to accept delivery of Energy at the POI for a period of 730 continuous days due to Force Majeure invoked by BC Hydro in accordance with section 8.9 or a Distribution/Transmission Constraint other than a

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Distribution/Transmission Constraint for which the Seller is entitled to receive payment under section 5.8; or

- (d) the Seller breaches section 5.5; or
- (e) the Seller fails to complete any application, payment, filing, study, document or other step in the process for interconnecting the Seller's Plant to the Transmission System or the Distribution System in accordance with the requirements of, and within the time limits, including any cure periods, specified by the Transmission Authority or Distribution Authority, as applicable, and such failure results in a loss of the interconnection queue position for the Seller's Plant or otherwise could reasonably be expected to have an adverse impact on BC Hydro; or
- (f) the Seller is Bankrupt or Insolvent; or
- (g) the Seller, as a result of an act or omission of the Seller, ceases to be exempt from regulation as a "public utility" as defined in the UCA with respect to the Seller's Plant and the sale of Energy to BC Hydro under this EPA, and the loss of such exemption could reasonably be expected to have an adverse effect on the benefit to BC Hydro of this EPA; or
- (h) an amount due and payable by the Seller to BC Hydro under this EPA remains unpaid for 15 days after its due date and such default has not been cured within 15 days after BC Hydro has given notice of the default to the Seller; or
- (i) the Seller is in material default of any of its covenants, representations and warranties or other obligations under this EPA (other than as set out above), unless within 30 days after the date of notice by BC Hydro to the Seller of the default the Seller has cured the default or, if the default cannot be cured within that 30 day period, the Seller demonstrates to the reasonable satisfaction of BC Hydro that the Seller is working diligently and expeditiously to cure the default and the default is cured within a further reasonable period of time. A "material default" includes any purported Assignment of this EPA without the consent of BC Hydro and any breach by the Seller of its obligations under any of subsection 4.2(c), section 7.1 or section 7.5; or
- (j) any of the following agreements between the Seller and the Regional District of Nanaimo is terminated:
 - (i) Development Agreement dated July 21, 2005 between Regional District of Nanaimo and Suncurrent Industries Ltd. as assigned to the Seller by agreement dated November 2, 2005, as amended from time to time ("Development Agreement");
 - (ii) Operating Agreement between Regional District of Nanaimo and the Seller dated November 2, 2005 as amended from time to time ("Operating Agreement"); or
 - (iii) Licence of Occupation between Regional District of Nanaimo and the Seller made October 26, 2005 as amended from time to time ("Licence of Occupation");

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Any termination pursuant to this section shall be effective immediately upon delivery of the notice of termination to the Seller.

9.2 Notice of Termination Event - The Seller shall notify BC Hydro promptly if the Seller is Bankrupt or Insolvent or if there is a material risk that the Seller will become Bankrupt or Insolvent or if the Seller has defaulted under any agreement with a Facility Lender.

9.3 Termination by the Seller - In addition to any other right to terminate this EPA expressly set out in any other provision of this EPA and in addition to all other rights and remedies the Seller may have under this EPA or at law or in equity in respect of any of the following events, the Seller may terminate this EPA by notice to BC Hydro if:

- (a) Intentionally Deleted.
- (b) after COD, BC Hydro has not accepted delivery of Energy for a period of 180 continuous days due to an event described in section 5.3 or any event of Force Majeure and the Seller is not entitled to receive any payment pursuant to section 5.8 in respect of that period; or
- (c) the Seller's Plant has suffered Major Damage;
- (d) the Seller has been unable to achieve COD for a period of 730 days after Target COD or has been unable to deliver Energy to the POI for a period of 730 continuous days after COD in either case solely as a result of Force Majeure invoked by the Seller in accordance with section 8.9 or a Transmission/Distribution Constraint other than a Transmission/Distribution Constraint for which the Seller is entitled to receive payment under section 5.8; or
- (e) BC Hydro is Bankrupt or Insolvent; or
- (f) except where an amount has been disputed in the manner specified in subsection 6.5(a)(ii), an amount due and payable by BC Hydro to the Seller under this EPA remains unpaid for 15 days after its due date and such default has not been cured within 15 days after the Seller has given notice of the default to BC Hydro; or
- (g) BC Hydro is in material default of any of its covenants, representations and warranties or other obligations under this EPA (other than as set out above), and such default has not been cured within 30 days after the Seller has given notice of the default to BC Hydro or, if the default cannot be cured within that 30 day period, BC Hydro fails to demonstrate to the reasonable satisfaction of the Seller that BC Hydro is working diligently and expeditiously to cure the default or the default is not cured within a further reasonable period of time.

Any termination pursuant to this section shall be effective immediately upon delivery of the notice of termination to BC Hydro. Notwithstanding any of the foregoing or any other provision of this EPA, the Seller shall not be entitled to terminate this EPA where the Seller has been unable to achieve COD or unable to generate and deliver Energy under this EPA or otherwise comply with its obligations under this EPA due to a lack of availability of landfill gas for the Seller's Plant regardless of the reason for such lack of availability.

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9.4 Effect of Termination - Upon expiry of the Term or earlier termination of this EPA in accordance with its terms:

- (a) the Parties may pursue and enforce any rights and remedies permitted by law or equity in respect of any prior breach or breaches of the EPA, and may enforce any liabilities and obligations that have accrued under this EPA prior to the expiry of the Term or the date of termination or that are stated to arise on termination of this EPA (including any claims by BC Hydro for amounts payable by the Seller under Appendix 3), subject to any express restrictions on remedies and limitations or exclusions of liability set out in this EPA; and
- (b) both Parties will remain bound by Article 6 and Appendix 3 with respect to the satisfaction of residual obligations for the period prior to termination or that are specified to arise on termination; and
- (c) the Seller will remain bound by sections 8.1 and 8.2 for a period of 36 months following expiry or termination of this EPA

and, in all such cases, both Parties will remain bound by any other provisions necessary for the interpretation and enforcement of the foregoing provisions.

9.5 BC Hydro Payment on Seller Termination - If the Seller terminates this EPA under any of subsections 9.3(e), (f) or (g), BC Hydro shall pay to the Seller an amount equal to the positive amount if any by which the Seller's Losses and Costs exceed its aggregate Gains. The Seller's Gains, Losses and Costs shall be determined by comparing the reasonably estimated quantities of Delivered Energy for the remaining Term and the price payable for those quantities under this EPA had it not been terminated (including the price payable for any Environmental Attributes associated with those quantities) to the relevant market prices for equivalent quantities of electricity and Environmental Attributes for the remaining Term either quoted by a bona fide arm's length third party or which are reasonably expected to be available in the market under a replacement contract for this EPA. Market prices will be adjusted for differences between the product subject to the market prices and the product specified under this EPA including with respect to quantity, delivery commitment, place of delivery, length of term, and the scope of, and generation resource giving rise to, Environmental Attributes. The Seller shall not be required to enter into a replacement transaction in order to determine the amount payable by BC Hydro under this section. The Seller's Gains, Losses and Costs will be discounted to the present value of those Gains, Losses and Costs at the effective date of termination of the EPA (to take into account the time value of money for the period between the effective date of termination of the EPA and the date the Gains, Losses and Costs would have occurred but for the termination of the EPA) using the Present Value Rate. If the Seller's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this EPA, the amount of the payment by BC Hydro to the Seller under this section shall be zero. If the termination of this EPA by the Seller occurs prior to COD, BC Hydro's liability for any payment under this section will be 115% of the Development Costs less the net realizable value of the assets forming part of the Seller's Plant at the date of termination.

9.6 Calculation and Payment - The Seller shall determine the amount of any payment owed by BC Hydro under section 9.5 and shall notify BC Hydro of such amount and provide reasonable particulars with respect to its determination within 120 days after the effective date of termination of this EPA, failing which the Seller will not be entitled to any payment under section 9.5. BC Hydro shall pay any amount owing by BC Hydro under section 9.5 within 30 Business Days after the date of delivery of an invoice by the Seller to BC Hydro. Any amounts owing by the Seller to BC Hydro under this EPA will be netted against any amount owing by BC Hydro to the Seller under section 9.5.

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9.7 Exclusive Remedies - Subject to section 9.4, payment by BC Hydro of the amount determined under section 9.5 is the exclusive remedy to which the Seller is entitled, and BC Hydro's limit of liability, for termination of this EPA by the Seller pursuant to any of subsections 9.3(e), (f) or (g). Subject to section 9.4, termination of this EPA is the exclusive remedy to which BC Hydro or the Seller as the case may be is entitled if BC Hydro or the Seller elects to exercise its right to terminate this EPA under any of Article 3, section 9.1, subsection 9.3(a), (b), (c), or (d) or section 4 of Appendix 3 as applicable. For greater certainty, subject to section 9.4, the Seller shall not be required to pay any termination payment on termination by BC Hydro of this EPA. Neither Party will have any right to terminate this EPA except as expressly set out herein.

10. REPRESENTATIONS AND WARRANTIES AND LIABILITY LIMITATIONS

10.1 Seller's Representations - The Seller represents and warrants to BC Hydro, and acknowledges that BC Hydro is relying on those representations and warranties in entering into this EPA, as follows:

- (a) **Binding Obligation** - this EPA constitutes a valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms;
- (b) **Authorization, Execution and Delivery** - this EPA has been duly authorized, executed and delivered by the Seller; and
- (c) **Application** - all information in the Application is true and correct in all material respects and there is no material information omitted from the Application that makes the information in the Application misleading or inaccurate in any material respect. The representations and warranties by the Seller in the Application are true and correct.

10.2 BC Hydro's Representations - BC Hydro represents and warrants to the Seller, and acknowledges that the Seller is relying on those representations and warranties in entering into this EPA, as follows:

- (a) **Corporate Status** - BC Hydro is a corporation continued under the *Hydro and Power Authority Act*, R.S.B.C. 1996, c.212, is validly existing and is in good standing under the laws of British Columbia, is lawfully authorized to carry on business in British Columbia, and has full corporate power, capacity and authority to enter into and to perform its obligations under this EPA;
- (b) **Binding Obligation** - this EPA constitutes a valid and binding obligation of BC Hydro enforceable against BC Hydro in accordance with its terms; and
- (c) **Authorization, Execution and Delivery** - this EPA has been duly authorized, executed and delivered by BC Hydro.

10.3 Limit of Liability - BC Hydro's liability for damages for any failure to take or pay for Delivered Energy or Environmental Attributes under this EPA is limited to the price payable by BC Hydro for that Delivered Energy and those Environmental Attributes under Article 6 and any interest thereon calculated under this EPA less the amount of any revenue received by the Seller from any third Person for that Delivered Energy and those Environmental Attributes.

10.4 Consequential Damages - Neither Party shall be liable to the other Party for any special, incidental, exemplary, punitive or consequential damages with respect to, arising out of, relating to or in any way connected with a Party's performance or non-performance under this EPA.

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11. GENERAL PROVISIONS

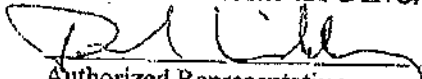
- 11.1 Electric Service to the Seller** - If at any time BC Hydro makes electric service available to the Seller's Plant, then that service will be provided under and in accordance with BC Hydro's electric tariff applicable at the relevant time, and not under this EPA.
- 11.2 Independence** - The Parties are independent contractors, and nothing in this EPA or its performance creates a partnership, joint venture or agency relationship between the Parties.
- 11.3 Enurement** - This EPA enures to the benefit of the Parties, their successors and their permitted assigns.
- 11.4 Entire Agreement** - This EPA contains the entire agreement between the Parties with respect to the purchase and sale of Energy and Environmental Attributes and supersedes all previous communications, understandings and agreements between the Parties with respect to the subject matter hereof including, without limitation, the documents related to the Standing Offer Program and all questions and answers and any other communications of any kind whatsoever by BC Hydro in connection therewith or relating thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements express, implied or statutory between the Parties other than as expressly set out in this EPA.
- 11.5 Amendment** - This EPA may not be amended except by an agreement in writing signed by both Parties.
- 11.6 No Waiver** - Other than in respect of the specific matter or circumstance for which a waiver is given, and except as otherwise specified in this EPA, no failure by a Party to enforce, or require a strict observance and performance of, any of the terms of this EPA will constitute a waiver of those terms or affect or impair those terms or the right of a Party at any time to enforce those terms or to take advantage of any remedy that Party may have in respect of any other matter or circumstance.
- 11.7 Interconnection Agreements** - Nothing in the Interconnection Agreements and no exercise of any right thereunder, restricts or otherwise affects any right, obligation or liability of either Party under this EPA, except to the extent set out expressly herein, and no notice, consent, approval or other communication or decision under or in relation to the Interconnection Agreements shall constitute or be relied upon as a notice, consent, approval or communication or decision under this EPA. This EPA shall be interpreted and applied as though the Distribution Authority were a third party.
- 11.8 Commodity Contract/Forward Contract** - The Parties agree and intend that this EPA constitutes an "eligible financial contract" under the *Bankruptcy and Insolvency Act* (Canada) and *Companies' Creditors Arrangement Act* (Canada) and that this EPA and the transactions contemplated under this EPA constitute a "forward contract" within the meaning of section 556 of the United States Bankruptcy Code and that the Parties are "forward contract merchants" within the meaning of the United States Bankruptcy Code.
- 11.9 Further Assurances** - Each Party shall, upon the reasonable request of the other Party, do, sign or cause to be done or signed all further acts, deeds, things, documents and assurances required for the performance of this EPA including, in the case of the Seller, completing any registration process required in respect of Environmental Attributes as requested by BC Hydro.
- 11.10 Severability** - Any provision of this EPA which is illegal or unenforceable will be ineffective to the extent of the illegality or unenforceability without invalidating the remaining provisions of this EPA.

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11.11 Counterparts - This EPA may be executed in counterparts, each of which is deemed to be an original document and all of which are deemed one and the same document.

IN WITNESS WHEREOF each Party by its duly authorized representative(s) has signed this EPA effective as of the date set out on page 1 of this EPA.

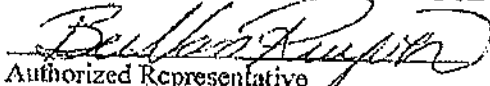
For CEDAR ROAD LFG INC.:


Authorized Representative

Paul Libby Managing Director
Print Name and Office

Sept 4, 2009
Date

For BRITISH COLUMBIA HYDRO AND POWER AUTHORITY:


Authorized Representative

Bev VanRuyven Executive VP, CC&C
Print Name and Office

September 9, 2009
Date

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APPENDIX 1

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

References in an Appendix to a section or subsection mean a section or subsection of the EPA, and not an Appendix, unless otherwise stated. The following words and expressions wherever used in this EPA have the following meaning:

- 1.1 "Affiliate" means, with respect to the Seller or any third party, any Person directly or indirectly Controlled by, Controlling, or under common Control with, the Seller or the third party, and with respect to BC Hydro, any Person directly or indirectly Controlled by BC Hydro and, if at any time BC Hydro is not Controlled, directly or indirectly, by the Province of British Columbia, shall include any Person directly or indirectly Controlling, or under common Control, with BC Hydro.
- 1.2 "Application" means the application and all supporting documents and information with respect to the Seller's Plant filed by the Seller with BC Hydro in the Standing Offer Program.
- 1.3 "Assign" or "Assignment" means to assign or dispose of this EPA or any direct or indirect interest in this EPA, in whole or in part, for all or part of the Term and, without limiting the foregoing, each of the following is deemed to be an Assignment of this EPA by the Seller:
- (a) any sale or other disposition of all or a substantial part of the Seller's ownership interest in the Seller's Plant, or of all or any interest of the Seller in this EPA or revenue derived from this EPA;
 - (b) any mortgage, pledge, charge or grant of a security interest in all or any part of the Seller's Plant or the Seller's ownership interest therein; and
 - (c) any change of Control, merger, amalgamation or reorganization of the Seller.
- 1.4 "Audit Parties" has the meaning given in section 8.2.
- 1.5 "Bankrupt or Insolvent" means, with respect to a Person:
- (a) the Person has started proceedings to be adjudicated a voluntary bankrupt or consented to the filing of a bankruptcy proceeding against it; or
 - (b) the Person has filed a petition or similar proceeding seeking reorganization, arrangement or similar relief under any bankruptcy or insolvency law; or
 - (c) a receiver, liquidator, trustee or assignee in bankruptcy has been appointed for the Person or the Person has consented to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy; or
 - (d) the Person has voluntarily suspended the transaction of its usual business; or
 - (e) a court of competent jurisdiction has issued an order declaring the Person bankrupt or insolvent.

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- 1.6 "BCUC" means the British Columbia Utilities Commission or any successor thereto.
- 1.7 "Business Day" means any calendar day which is not a Saturday, Sunday or British Columbia statutory holiday.
- 1.8 "Clean Energy" means Energy that is determined by the Ministry of Energy, Mines and Petroleum Resources or any successor Ministry thereto to be clean, renewable or high efficiency cogeneration electricity based on the policies of that Ministry in effect from time to time.
- 1.9 "COD" or "Commercial Operation Date" means the date that is the later of:
- (a) 90 days prior to Target COD, unless BC Hydro has consented to an earlier date pursuant to section 4.8; and
 - (b) the date on which all of the following conditions have been satisfied in respect of the Seller's Plant:
 - (i) the Seller has obtained all Permits required for the construction, commissioning, and operation of the Seller's Plant and all such Permits are in full force and effect;
 - (ii) the Seller is not: (A) Bankrupt or Insolvent; (B) in material default of any of its covenants, representations, warranties or obligations under this EPA; or (C) in material default under any Permit or Law applicable to the construction, commissioning or operation of the Seller's Plant or under any tenure agreement for the site on which the Seller's Plant is located or under the Interconnection Agreements;
 - (iii) a Revenue Meter has been installed in accordance with section 4.6;
 - (iv) the Seller has delivered to BC Hydro:
 - (A) a Declaration of Compatibility-Generator (Operating), or such other document(s) of similar effect as may be substituted therefor, in respect of the Plant Capacity issued by the Distribution Authority/Transmission Authority to the Seller under the Interconnection Agreements,
 - (B) proof of registration by the Seller with Measurements Canada as an energy seller with respect to the Seller's Plant, and
 - (C) a COD Certificate; and
 - (v) the BCUC Acceptance (as defined in section 3.1) or an Exemption has been issued,

and for purposes of this EPA, COD will be deemed to have occurred at 24:00 PPT on the later of the dates set out above.
- 1.10 "COD Certificate" means a certificate in the form attached at Appendix 6 to this EPA.
- 1.11 "Confidential Information" means any of the Seller's confidential technical or financial information provided by the Seller to BC Hydro in confidence with express written notice to the BC Hydro of the confidential nature of the information.

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- 1.12 "Control" of any Person means:
- (a) with respect to any corporation or other Person having voting shares or the equivalent, the ownership or power to vote, directly or indirectly, shares, or the equivalent, representing 50% or more of the power to vote in the election of directors, managers or persons performing similar functions;
 - (b) ownership of 50% or more of the equity or beneficial interest in that Person; or
 - (c) the ability to direct the business and affairs of any Person by acting as a general partner, manager or otherwise.
- 1.13 "Costs" means brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred or that would reasonably be expected to be incurred by the Seller in entering into new arrangements which replace this EPA and legal fees, if any, incurred in connection with enforcing the Seller's rights under this EPA.
- 1.14 "CPI" means the British Columbia Consumer Price Index, All Items (Not Seasonally Adjusted) as published by Statistics Canada or any successor agency thereto, adjusted or replaced in accordance with subsection 2.9(c) of this Appendix.
- 1.15 "Delivered Energy" means in each month after COD the amount of Energy delivered by the Seller at the POI in that month as recorded by the Seller's metering equipment described in section 4.6, or where that equipment is not functioning correctly, the duplicate revenue meter installed by BC Hydro under section 4.6, if any.
- 1.16 "Development Costs" means all costs reasonably incurred or committed by the Seller after the Effective Date for the development of the Seller's Plant and all costs reasonably incurred, or that are reasonably likely to be incurred by the Seller, after taking reasonable mitigation measures, to terminate all contractual commitments with respect to the development of the Seller's Plant and to otherwise cease development of the Seller's Plant, but excluding any lost profits, loss of opportunity costs or damages and all other special, incidental, indirect or consequential losses.
- 1.17 Intentionally Deleted.
- 1.18 "Direct Assignment Facilities" means additions, modifications and upgrades to the Distribution System that are determined by the Distribution Authority (as to the Distribution System) to be "direct assignment facilities" under the applicable policies of the Distribution Authority.
- 1.19 "Distribution Authority" means the Person or Persons who is or are responsible for the planning, asset management and operation of the Distribution System, in whole or in part, including an independent system operator.
- 1.20 "Distribution System" means the distribution, protection, control and communication facilities in British Columbia that are or may be used in connection with, or that otherwise relate to, the transmission of electrical energy at 35 kilovolts or less, and includes all additions and modifications thereto and repairs or replacements thereof.
- 1.21 "Distribution/Transmission Constraint" means any disconnection of the Seller's Plant from the Distribution System/Transmission System or any outage, suspension, constraint or curtailment in the operation of the Distribution System or the Transmission System preventing or

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- limiting deliveries of Energy at the POI or any direction from the Distribution Authority or the Transmission Authority to reduce generation of the Seller's Plant as a result of any outage, suspension, constraint or curtailment in the operation of the Transmission System or Distribution System.
- 1.22 "EcoLogo^M Certification" means certification pursuant to Environment Canada's Environmental Choice^M program confirming that the Seller's Plant and all or part of the Energy complies with the "Guideline on Renewable Low-Impact Electricity" as amended from time to time and is therefore entitled to the EcoLogo^M designation.
- 1.23 "Effective Date" means the date set out on page one hereof.
- 1.24 "Energy" means all electric energy expressed in MWh generated by the Seller's Plant, excluding electricity required to service the Seller's Plant.
- 1.25 "Environmental Attributes" means:
- (a) all attributes associated with, or that may be derived from, the Energy and/or the Seller's Plant having decreased environmental impacts relative to certain other generation facilities or technologies including any existing or future credit, allowance, "green" tag, ticket, certificate or other "green" marketing attribute or proprietary or contractual right, whether or not tradeable;
 - (b) any credit, reduction right, offset, allowance, allocated pollution right, certificate or other unit of any kind whatsoever, whether or not tradeable and any other proprietary or contractual right, whether or not tradeable, resulting from, or otherwise related to the actual or assumed reduction, displacement or offset of emissions at any location other than the Seller's Plant as a result of the generation, purchase or sale of the Energy;
 - (c) On-Site Emission Reduction Rights; and
 - (d) all revenues, entitlements, benefits and other proceeds arising from or related to the foregoing,
- but excluding the "Emission Reductions" and "Emission Reduction Rights" defined in the letter from BC Hydro to Regional District of Nanaimo and the Seller attached hereto as Schedule 8.
- 1.26 "Environmental Certification" means either or both of the following:
- (a) EcoLogo^M Certification; or
 - (b) any alternate certification BC Hydro requires the Seller to obtain under section 7.4.
- 1.27 "Exemption" means a lawful exemption from the requirement under section 71 of the UCA that this EPA be filed thereunder as an energy supply contract.
- 1.28 "Facility Lender" means any lender(s) providing any debt financing or debt hedging facilities for the design, engineering, construction and/or operation of the Seller's Plant and any successors or assigns thereto.

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- 1.29 "Final Amount" means an amount owing by either Party to the other Party under this EPA (including as a result of a breach of this EPA) where such amount is: (a) undisputed by the Party owing such amount; or (b) has been finally determined by an arbitration award under section 8.5 or by a court order and all rights of appeal in respect of such award or order have been exhausted or have expired.
- 1.30 "Force Majeure" means any event or circumstance not within the control of the Party claiming Force Majeure, but does not include:
- (a) any economic hardship or lack of money, credit or markets;
 - (b) an event or circumstance that is the result of a breach by the Party seeking to invoke Force Majeure of a Permit or of any applicable Laws;
 - (c) a mechanical breakdown unless the Party seeking to invoke Force Majeure can demonstrate that the mechanical breakdown was caused by a latent defect in the design or manufacture of the equipment which could not reasonably have been identified by normal inspection or testing;
 - (d) an event or circumstance caused by a breach of, or default under, this EPA or a wilful or negligent act or omission by the Party seeking to invoke Force Majeure;
 - (e) any Distribution/Transmission Constraint; or
 - (f) any acts or omissions of: (i) any Affiliate, employee, director, officer, agent or other representative of the Party invoking Force Majeure; (ii) any vendor, supplier, contractor, subcontractor, consultant or customer of or to the Party invoking Force Majeure; (iii) any other Person for whom the Party invoking Force Majeure is responsible at law, unless the act or omission is not within the control of the third Person and is not due to an event described in the preceding subparagraphs (a) to (e) inclusive; or (iv) in the case of the Seller, the Regional District of Nanaimo or any other party to the Development Agreement, Operating Agreement or Licence of Occupation (as those terms are defined in subsection 9.1(j)) except to the extent such act or omission constitutes a breach of those agreements by the Regional District of Nanaimo or such other party.

For greater certainty, and notwithstanding the foregoing, any order or decision of any court of competent jurisdiction or any regulatory authority, including the BCUC, that is binding on BC Hydro and/or the Seller, the compliance with which would prevent BC Hydro and/or the Seller from performing all or any of its obligations under this EPA, which is based in whole or in part on any failure or alleged failure of BC Hydro, or Her Majesty in Right of the Province of British Columbia in its capacity as principal of BC Hydro, to adequately consult with, and/or accommodate, any First Nation, including any band, band council, tribal council, aboriginal treaty nation and/or other aboriginal group, in relation to this EPA, the Seller's Plant, or on any matter pertaining directly or indirectly to the EPA or the Seller's Plant (including the interconnection of the Seller's Plant to the Distribution System), shall be an event of Force Majeure that may be invoked by the Party or Parties so prevented, provided that BC Hydro shall not invoke Force Majeure as a result of such order or decision unless it has given the Seller reasonable details in writing of such order or decision and ten day's notice of its intention to exercise its right of Force Majeure.

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BC Hydro shall not invoke Force Majeure as a result of an order or decision described immediately above if:

- (i) BC Hydro has received notice in writing from the Seller that the Seller is attempting to resolve, cure, fulfill or remedy, as the case may be, at its own initiative and at its own expense, the issues, orders or obligations raised or required by the order or decision;
- (ii) BC Hydro is not incurring additional expense, risk or liability as a result of the Seller taking the steps described in paragraph (i), including, for greater certainty, any liability of any kind to the Seller under this EPA;
- (iii) the Seller is at all times moving expeditiously and in good faith to resolve, cure, fulfill or remedy the issues, orders or obligations raised in the order or decision; and
- (iv) BC Hydro would not be in breach of the order or decision if it takes no steps to address the decision of the court or regulatory authority, while giving the Seller the opportunity to do so.

BC Hydro covenants and agrees that if the Seller is attempting to resolve, cure, fulfill or remedy the issues, orders or obligations raised in the order or decision, that it will, if requested by the Seller, give reasonable assistance to the Seller, provided that the Seller shall compensate BC Hydro for all costs and expenses reasonably incurred by BC Hydro in providing such assistance (including a reasonable allocation of BC Hydro's internal costs).

- 1.31 "Gains" means an amount equal to the present value of the economic benefit (exclusive of Costs), if any, to the Seller resulting from the termination of this EPA, determined in a commercially reasonable manner and in the manner set out in section 9.5.
- 1.32 "Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the Western Electricity Coordinating Council region.
- 1.33 "Governmental Authority" means any federal, provincial, local or foreign government or any of their boards or agencies, or any regulatory authority other than BC Hydro and the Seller and entities controlled by BC Hydro or the Seller.
- 1.34 "Interconnection" means the facilities and procedures that permit the flow of electric power from the Seller's Plant to the Transmission System or the Distribution System and vice versa.
- 1.35 "Interconnection Agreements" means the agreement or agreements between the Seller and the Distribution Authority/Transmission Authority which provide for the design, construction, implementation and operation of the facilities that permit the flow of electric power from the Seller's Plant to the Distribution System/Transmission System and vice versa, and the payments associated with the construction of such facilities, including any facilities agreement or facilities letter, all as amended or replaced from time to time.

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- 1.36 "Interconnection Facilities" means Direct Assignment Facilities and Interconnection Network Upgrades.
- 1.37 "Interconnection Facilities Study" means the study prepared by the Distribution Authority as the basis for entering into a facilities letter with the Seller for the interconnection of the Seller's Plant to the Distribution System.
- 1.38 "Interconnection Network Upgrades" has the meaning given in Appendix 3.
- 1.39 "Interconnection Network Upgrade Costs" has the meaning given in Appendix 3.
- 1.40 "Laws" means any and all statutes, laws (including common law), ordinances, rules, regulations, codes, orders, bylaws, policies, directions, standards, guidelines, protocols and other lawful requirements of any Governmental Authority.
- 1.41 "Lender Consent Agreement" means a lender consent agreement in the form attached at Appendix 7 this EPA.
- 1.42 "Losses" means an amount equal to the present value of the economic loss (exclusive of Costs), if any, to the Seller resulting from the termination of this EPA, determined in a commercially reasonable manner and in the manner set out in section 9.5.
- 1.43 "Major Damage" means damage to the Seller's Plant caused by Force Majeure where the cost to repair the damage exceeds the net-present value (using the Present Value Rate) of the expected revenues under the EPA for the remainder of the Term less the net present value (using the Present Value Rate) of the estimated operating and maintenance costs for the Seller's Plant for the remainder of the Term.
- 1.44 "MW" means megawatt.
- 1.45 "MWh" means megawatt-hour.
- 1.46 "Network Upgrade Costs" has the meaning given in Appendix 3.
- 1.47 "Network Upgrade Security" has the meaning given in Appendix 3.
- 1.48 "On-Site Emission Reduction Rights" means any credit, reduction right, off-set, allowance, allocated pollution right, certificate or other unit of any kind whatsoever whether or not tradeable resulting from or otherwise related to the reduction, removal, or sequestration of emissions at or from the Seller's Plant.
- 1.49 "Party" means: (a) BC Hydro and its successors and permitted assigns; or (b) the Seller and its successors and permitted assigns, and "Parties" means both BC Hydro and the Seller and their respective successors and permitted assigns, provided that the Distribution Authority shall be deemed not to be a "Party", whether or not owned or operated by BC Hydro.
- 1.50 "Permits" means permits, certificates, licences, and other approvals required for the design, construction, ownership, operation, maintenance and decommissioning of the Seller's Plant and the delivery of Energy to the POI.

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- 1.51 "Person" means an individual, body corporate, firm, partnership, joint venture, trust, legal representative or other legal entity.
- 1.52 "Plant Capacity" means the electrical capacity of the Seller's Plant as set out in Appendix 2.
- 1.53 "POI" or "Point of Interconnection" means the point at which the Seller's Plant interconnects with the Distribution System/Transmission System as described in Appendix 2.
- 1.54 "PPT" means Pacific Prevailing Time, which means Pacific Daylight Time or Pacific Standard Time as applicable.
- 1.55 "Present Value Rate" means the annual yield on a Government of Canada bond having a term and maturity date that most closely matches the remaining Term (as at the date of the applicable calculation) and expiry date of the EPA, plus 3%.
- 1.56 "Prime Rate" means the floating prime interest rate announced from time to time by the main branch of Bank of Montreal in Vancouver, or any successor thereto, expressed as an annual rate, as the reference rate it will use to determine rates of interest payable on Canadian dollar commercial loans made in Canada.
- 1.57 "Revenue Meter" means a revenue meter leased by BC Hydro to the Seller that is: (a) capable of being remotely interrogated; and (b) calibrated to measure on an hourly basis the quantity of Energy delivered by the Seller to the POI after adjusting for any line losses associated with the transmission of Energy from the Seller's Plant to the POI.
- 1.58 "Seller" means the Party so identified on page one of this EPA, and its successors and permitted assigns.
- 1.59 "Seller's Main Office" means the head office of the Seller located at 106-360 Selby Street, Nanaimo, British Columbia, V9R 2R5, or any subsequent location.
- 1.60 "Seller's Plant" means the Seller's plant described in Appendix 2 and all rights, property, facilities, assets, equipment, materials, Permits and contracts required to design, engineer, procure, construct, commission, operate and maintain the plant described in Appendix 2 and to interconnect that plant to the Distribution System/Transmission System, whether real or personal and whether tangible or intangible including all land tenure and all books, records and accounts with respect to the Seller's plant described in Appendix 2.
- 1.61 "Standing Offer Program" means BC Hydro's power procurement program described as the Standing Offer Program for the purchase by BC Hydro of electrical energy from generating plants with a nameplate capacity of greater than 0.05 MW but not more than 10 MW.
- 1.62 "Standing Offer Website" means the website with respect to the Standing Offer Program located at www.bchydro.com/standingoffer.
- 1.63 "Target COD" means October 1, 2009.
- 1.64 "Term" has the meaning given in Article 2.
- 1.65 "Transmission Authority" means the British Columbia Transmission Corporation or any successor thereto.

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- 1.66 "Transmission/Distribution Force Majeure" means an event that is beyond the control of the Distribution Authority and/or Transmission Authority and is not due to an event described in subparagraph (a), (b), (c), (d) or (f) of the definition of "Force Majeure".
- 1.67 "Transmission System" means the transmission, substation, protection, control and communication facilities: (a) owned by BC Hydro or by the Transmission Authority; and (b) operated by the Transmission Authority in British Columbia, and includes all additions and modifications thereto and repairs or replacements thereof.
- 1.68 "UCA" means the *Utilities Commission Act* (British Columbia).

2. INTERPRETATION

- 2.1 **Headings** - The division of this EPA into Articles, sections, subsections, paragraphs and Appendices and the insertion of headings are for convenience of reference only and do not affect the interpretation of this EPA.
- 2.2 **Plurality and Gender** - Words in the singular include the plural and vice versa. Words importing gender include the masculine, feminine and neuter genders.
- 2.3 **Governing Law** - This EPA is made under, and will be interpreted in accordance with, the laws of the Province of British Columbia. Subject to section 8.5, any suit, action or proceeding (a "Proceeding") arising out of or relating to this EPA may be brought in the courts of the Province of British Columbia at Vancouver, and those courts have non-exclusive jurisdiction in respect of any Proceeding and the Parties hereby irrevocably attorn to the jurisdiction of such courts in respect of any Proceeding.
- 2.4 **Industry Terms** - Technical or industry specific phrases or words not otherwise defined in this EPA have the well known meaning given to those terms as of the date of this EPA in the industry or trade in which they are applied or used.
- 2.5 **Statutory References** - Reference to a statute means, unless otherwise stated, the statute and regulations, if any, under that statute, in force from time to time, and any statute or regulation passed and in force which has the effect of supplementing or superseding that statute or those regulations.
- 2.6 **Currency** - References to dollars or \$ means Canadian dollars, unless otherwise stated.
- 2.7 **Reference Indices** - If any index, tariff or price quotation referred to in this EPA ceases to be published, or if the basis therefor is changed materially, there will be substituted an available replacement index, tariff or price quotation that most nearly, of those then publicly available, approximates the intent and purpose of the index, tariff or quotation that has so ceased or changed. This EPA shall be amended as necessary to accommodate such replacement index, tariff or price quotation, all as determined by written agreement between the Parties, or failing agreement, by arbitration under section 8.5.
- 2.8 **Conversions** - If a value used in a calculation in this EPA must be converted to another unit of measurement for purposes of consistency or to achieve a meaningful answer, the value will be converted to that different unit for purposes of the calculation.
- 2.9 **Payment Calculations** - All payments under this EPA will be calculated applying the following principles:

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- (a) all payment calculations will be rounded to the nearest cent;
- (b) Energy will be expressed in MWh rounded to two decimal places; and
- (c) if Statistics Canada (or the then recognized statistical branch of the Canadian Government):
 - (i) computes, at any time after the Effective Date, the CPI on a basis different to that employed at the Effective Date, then the CPI will be converted using the appropriate formula recommended by Statistics Canada (or the then recognized statistical branch of the Canadian Government);
 - (ii) at any time ceases to publish or provide the CPI, then the provisions of section 2.7 of Appendix 1 will apply;
 - (iii) has not published the CPI for a relevant period at the time the Seller is required to provide BC Hydro with an invoice, the Seller shall prepare the invoice based on the CPI in effect at the time the invoice is issued and when the CPI for the relevant period is published, the Seller shall recalculate the invoice amounts in the next succeeding invoice and shall include a credit or debit, without interest, in the next succeeding invoice based on the results of the recalculation; or
 - (iv) recalculates the CPI within 36 months after an invoice affected by that CPI calculation has been issued, then the Seller shall recalculate the invoice amounts for the relevant period in the next succeeding invoice and shall include a credit or debit, without interest, in the next succeeding invoice based on the results of the recalculation.

2.10 Additional Interpretive Rules - For the purposes of this EPA, except as otherwise expressly stated:

- (a) "this EPA" means this EPA as it may from time to time be supplemented or amended and in effect, and includes the Appendices attached to this EPA;
- (b) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this EPA as a whole and not to any particular section, subsection or other subdivision;
- (c) the word "including" or "includes" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto;
- (d) the words "year" and "month" refer to a calendar year and a calendar month;
- (e) any consent, approval or waiver contemplated by this EPA must be in writing and signed by the Party against whom its enforcement is sought, and may be given, withheld or conditioned in the unfettered discretion of the Party of whom it is requested, unless otherwise expressly stated;
- (f) all rights and remedies of either Party under this EPA are cumulative and not exclusive of any other remedies to which either Party may be lawfully entitled, and either Party may pursue any and all of its remedies concurrently, consecutively and alternatively; and

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- (g) any notice required to be given, or other thing required to be done, under this EPA on or before a day that is not a Business Day, shall be deemed to be given or done when required hereunder if given or done on or before the next following Business Day.

3. ADDRESSES FOR NOTICES

- 3.1 **Notices to BC Hydro**— Except as noted below, all notices addressed to BC Hydro shall be delivered to the following address:

Contracts & Evaluations, Power Acquisitions
 333 Dunsmuir Street, 10th floor
 Vancouver, B.C.
 V6B 5R3
 Attention: Contracts & Evaluations Manager
 Email: IPP.Contract@bchydro.com

Invoices and Statements

To: CC & C Finance, IPP Invoicing
 333 Dunsmuir Street, 9th floor
 Vancouver, B.C.
 V6B 5R3
 Email: IPP.Invoicing@bchydro.com

Insurance and Network Upgrade Security

To: Contracts & Evaluations, Power Acquisitions
 333 Dunsmuir Street, 10th floor
 Vancouver, B.C.
 V6B 5R3
 Attention: Contracts & Evaluations Manager
 Email: IPP.Contract@bchydro.com

- 3.2 **Notices to Seller** - All notices addressed to the Seller shall be delivered to the following address:

To: Cedar Road LFG Inc.
 106-360 Selby Street
 Nanaimo, BC
 V9R 2R5
 Attention: Paul Liddy, Managing Director
 Fax: 250-759-9132
 Email: pliddy@suncurrent.ca

*BC Hydro Standing Offer Program -- Standard Form EPA***APPENDIX 2****SELLER'S PLANT DESCRIPTION**

1. **Location:** Regional District of Nanaimo landfill located at 1105 Cedar Road, Nanaimo. PID: 013-239-813, Lot 1, Sections 2 and 3, Plan 48020, Except Plan VIP66090, Land District 32
2. **Fuel:** Biogas
3. **Point of Interconnection:** South side of Cedar Road at the generator owned GOAB switch at the termination of the primary service extension tapped off 25F38 HWD.
4. **Plant Capacity:** 0.633 MW
5. **General Description:** Landfill gas generating facility with .63 MW plant rating, induction generator, 480V at .9 p.f. and related facilities as more particularly described in the Interconnection Agreement between BC Hydro and the Seller dated May 27, 2008.

BC Hydro Standing Offer Program -- Standard Form EPA

APPENDIX 3

NETWORK UPGRADES

1. Definitions

In this Appendix 3 or elsewhere in the EPA, the following words and expressions have the following meanings:

- (a) Intentionally Deleted.
- (b) **"Interconnection Network Upgrades"** means additions, modifications and upgrades to the Transmission System or Distribution System that are determined by the Transmission Authority (as to the Transmission System) or the Distribution Authority (as to the Distribution System) to be interconnection network upgrades under the applicable policies of the Distribution Authority or under the Transmission Authority's OATT in effect from time to time.
- (c) **"Interconnection Network Upgrade Costs"** means all costs incurred by the Transmission Authority and/or the Distribution Authority for the design, engineering, procurement, construction, installation and commissioning of Interconnection Network Upgrades.
- (d) Intentionally Deleted.
- (e) **"OATT"** means Open Access Transmission Tariff.
- (f) **"Network Upgrades"** means both Interconnection Network Upgrades and Transmission Network Upgrades.
- (g) Intentionally Deleted.
- (h) **"Network Upgrade Costs"** means all Interconnection Network Upgrade Costs and Transmission Network Upgrade Costs.
- (i) Intentionally Deleted.
- (j) **"Transmission Network Upgrades"** means additions, modifications and upgrades to the Transmission System or Distribution System that are determined by the Transmission Authority (as to the Transmission System) or the Distribution Authority (as to the Distribution System) to be transmission network upgrades under the applicable policies of the Distribution Authority or under the Transmission Authority's OATT in effect from time to time.
- (k) **"Transmission Network Upgrade Costs"** means all costs incurred by the Transmission Authority and/or the Distribution Authority after the Effective Date for the design, engineering, procurement, construction, installation and commissioning of Transmission Network Upgrades.

BC Hydro Standing Offer Program - Standard Form EPA

2. **Network Upgrades**

- (a) **BC Hydro's Obligation** - Except as otherwise set out in this EPA, BC Hydro shall pay all Transmission Network Upgrade Costs.
- (b) **Seller's Obligation** - The Seller is responsible for all Interconnection Network Upgrade Costs.
- (c) **Payment on Termination** - If this EPA is terminated by BC Hydro under any section of this EPA on or before the date that is 90 days after COD or by the Seller under subsection 9.3(e) or (d) on or before COD, the Seller shall within 15 days after receipt of an invoice from BC Hydro reimburse BC Hydro for any Network Upgrade Costs the Seller is responsible for under any reimbursement agreement pursuant to section 4.3 of this EPA or section 7 of this Appendix.

3. **Network Upgrade Security**

Intentionally Deleted.

4. **EPA Termination**

Intentionally Deleted.

5. **Consent to Disclosure of Information**

The Seller hereby consents to the Distribution Authority and the Transmission Authority disclosing to BC Hydro on request:

- (a) all information with respect to Network Upgrades, including any information provided by the Seller to the Transmission Authority or the Distribution Authority that relates to, or affects, Network Upgrades, including any Interconnection applications, studies and reports and all information, data and calculations relating to such applications, studies and reports;
- (b) all metering data collected by, or provided to, the Transmission Authority or the Distribution Authority with respect to the Seller's Plant;
- (c) copies of any notice of a breach of, or default under, any of the Interconnection Agreements given or received by the Transmission Authority or Distribution Authority; and
- (d) any other information provided by the Seller to the Transmission Authority or the Distribution Authority or vice versa that is relevant to the administration of this EPA.

6. Requirement to Provide Interconnection Studies

The Seller shall provide to BC Hydro a copy of all interconnection studies completed by the Transmission Authority or the Distribution Authority with respect to the Interconnection of the Seller's Plant to the Transmission System or the Distribution System, as applicable, promptly on receipt by the Seller of any such reports.

7. Advancement of Network Upgrades

The Seller shall not request the Distribution Authority or Transmission Authority to complete any study or work or take any other step of any kind whatsoever that would change the position of the Seller's Plant in the interconnection queue or otherwise affect the validity of any interconnection study for the Seller's Plant without the prior consent of BC Hydro. The Seller acknowledges that BC Hydro may as a condition of its consent require that the Seller agree to reimburse BC Hydro for any incremental liability for Network Upgrade Costs with respect to the Seller's Plant or any other project incurred by BC Hydro as a result of such study, work or other step and that the Seller provide security to BC Hydro to secure such reimbursement obligation.

BC Hydro Standing Offer Program - Standard Form EPA

APPENDIX 4

DELIVERY TIME ADJUSTMENT TABLE

1. **Definitions:** In this Appendix 4, the following words and expressions have the following meanings:

(c) "HLH" or "Heavy Load Hours" means the hours commencing at 06:00 PPT and ending at 22:00 PPT Monday through Saturday inclusive but excluding British Columbia statutory holidays.

(b) "LLH" or "Light Load Hours" means all hours other than Heavy Load Hours.

2. **Adjustment Table:**

	HLH	LLH
January	125%	106%
February	126%	110%
March	114%	106%
April	103%	95%
May	92%	76%
June	90%	72%
July	91%	72%
August	95%	81%
September	96%	88%
October	108%	97%
November	109%	102%
December	122%	102%

APPENDIX 5**SPECIAL TERMS AND CONDITIONS**

To the extent there is any conflict between the provisions of this Appendix 5 and any other provisions of this EPA, the provisions of this Appendix 5 govern.

1. Fuel

The Seller shall ensure that all fuel used in the Seller's Plant is such that all Energy delivered to BC Hydro under this EPA is Clean Energy. The Seller shall, on each anniversary of COD, deliver to BC Hydro written confirmation from a senior officer of the Seller together with supporting documents (including, at the Seller's cost, third party audits and/or confirmations if requested by BC Hydro, acting reasonably) to confirm the fuel types and quantities used in the Seller's Plant during the immediately preceding 12 month period and such other evidence as BC Hydro may request, acting reasonably, to demonstrate compliance by the Seller with this section 2. Any breach by the Seller of this provision is a "material default" for purposes of subsection 9.1(j) of the EPA. BC Hydro may, on written notice to the Seller and without any liability or obligation to the Seller, suspend accepting deliveries of Energy under this EPA if BC Hydro has reasonable grounds to believe that the Seller is in breach of its obligations under this section until such time as the Seller has provided evidence satisfactory to BC Hydro acting reasonably that the Seller is in compliance with this section. Upon receipt of such evidence BC Hydro shall resume accepting deliveries but shall have no obligation to pay for any Energy that could not be delivered during the period when BC Hydro suspended accepting deliveries of Energy in accordance with this section.

APPENDIX 6
COD CERTIFICATE

PROJECT: _____

TO: British Columbia Hydro and Power Authority (the "Buyer")

RE: Electricity Purchase Agreement ("EPA") made as of [date] between the Buyer and [name of the Seller] (the "Seller") for [name of Project]

I, [name of senior officer], in my capacity as [title of senior officer] of the Seller, and not in my personal capacity, certify on behalf of the Seller that:

1. Defined Terms - Words and phrases having initial capitalized letters in this Certificate have the meanings given in the EPA.
2. COD Requirements - The Seller has satisfied all the conditions for COD as set out in the definition of "Commercial Operation Date" in Appendix 1 of the EPA. Attached to this Certificate is all evidence required to demonstrate that the Seller has satisfied all such requirements.
3. No Material Default - No event which results in the Buyer's right to terminate the EPA under section 9.1 of the EPA has occurred. The Seller is not in material default under any Permit (and all Permits are in full force and effect), any tenure agreement for the site on which the Seller's Plant is located, or the Interconnection Agreement.

Dated this ____ day of ____, 200__.

[name of senior officer]

[title of senior officer]

[Attach to the Certificate in tabbed format all documents and evidence required as set out in the definition of "Commercial Operation Date" in Appendix 1 of the EPA. Where documents have previously been provided to the Buyer, so indicate and attach a copy of the letter transmitting such documents to the Buyer.]

APPENDIX 7

LENDER CONSENT AGREEMENT

(See section 8.4(c) of the EPA)

THIS AGREEMENT is made as of _____, 200__

AMONG:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a corporation continued under the *Hydro and Power Authority Act*, R.S.B.C. 1996, c.212, having its head office at 333 Dunsmuir Street, Vancouver, British Columbia, V6B 5R3,

(the "Buyor")

AND:

[COMPANY], a company under the laws of _____ having an address at _____

(the "Company")

AND:

[LENDER], a _____ under the laws of _____ having an address at _____

(the "Lender").

WHEREAS:

A. The Buyer and the Company entered into an Electricity Purchase Agreement made as of _____ (as amended from time to time, the "EPA");

B. The Company has obtained certain credit facilities (the "Credit") from the Lender for the purposes of financing the design, engineering, construction, operation and/or maintenance of the Seller's Plant (as defined in the EPA);

C. To secure the due payment of all principal, interest (including interest on overdue interest), premium (if any) and other amounts payable in respect of the Credit and the due performance of all other obligations of the Company under the Credit, the Company has granted certain security to and in favour of the Lender, including an assignment of the right, title and interest of the Company under the EPA and security on the Seller's Plant (collectively, the "Lender Security"); and

D. The Lender has requested the Buyer to enter into this Agreement confirming certain matters.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the sum of \$10 and other good and valuable consideration now paid by each of the

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Company and the Lender to the Buyer (the receipt and sufficiency of which are hereby acknowledged by the Buyer), the parties covenant and agree that:

1. **Additional Definitions:** In this Agreement, including the recitals:
 - (a) "Assumption Notice" means a notice given by the Lender to the Buyer pursuant to subsection 6.1(a) of this Agreement;
 - (b) "Default or Termination Notice" means a notice given to the Company by the Buyer under the EPA that, with or without the lapse of time, entitles, or will entitle, the Buyer to terminate the EPA, subject to rights, if any, of the Company to cure the default or other circumstance in respect of which the notice is given;
 - (c) "Receiver" means a receiver, manager or receiver-manager appointed or designated by, or on the initiative of, the Lender; and
 - (d) words and phrases defined in the EPA, and not otherwise defined herein, when used herein have the meanings given in the EPA.
2. **EPA Amendments:** The Buyer and the Company acknowledge and agree that the EPA is in full force and effect, and that the EPA, as originally executed, has been amended only by the documents attached hereto as Schedule A.
3. **Buyer Confirmations Concerning the EPA:** The Buyer confirms to the Lender that:
 - (a) the EPA has been duly authorized, executed and delivered by the Buyer;
 - (b) the Buyer has not received any notice of assignment by the Company of all or any part of their right, title and interest in and to the EPA, except to the Lender;
 - (c) the Buyer has not given any Default or Termination Notice;
 - (d) the Buyer is not aware of any default or other circumstance that would entitle the Buyer to give a Default or Termination Notice, provided however that the Buyer has not undertaken any investigation or due diligence in respect of this confirmation; and
 - (e) the Buyer shall not enter into any agreement with the Company to materially amend the EPA, or enter into any agreement with the Company to terminate the EPA, without giving the Lender not less than 30 days' prior written notice.
4. **Assignment of EPA to Lender:**
 - 4.1 **Buyer Acknowledgement:** The Buyer acknowledges receipt of notice of, and consents to, the assignment by the Company to the Lender of all the right, title and interest of the Company in and to the EPA made pursuant to and in accordance with the Lender Security.
 - 4.2 **Lender Acknowledgement:** The Lender acknowledges that:
 - (a) it has received a copy of the EPA; and

- (b) the assignment by the Company to the Lender of the EPA pursuant to the Lender Security is subject in all respects to the terms and conditions of the EPA and this Agreement.

4.3 *Confidentiality*: The Lender covenants and agrees with the Buyer to be bound by the provisions of section 8.8 of the EPA regarding confidentiality, as if an original signatory thereto.

4.4 *Company Representation*: The Company represents and warrants to the Buyer that the Lender is the only person, other than the Buyer, to whom it has granted a security interest in the EPA or the Seller's Plant.

5. EPA Notices: The Buyer covenants and agrees with the Lender that, except as hereinafter otherwise permitted, the Buyer:

- (a) shall give the Lender a copy of any Default or Termination Notice concurrently with, or promptly after, any such notice is given to the Company;
- (b) shall not exercise any right it may have to terminate the EPA until the later of: (i) the date that is 45 days after the date on which the Buyer delivered to the Lender a copy of the Default or Termination Notice entitling the Buyer to terminate the EPA; and (ii) the date on which the Buyer is entitled to terminate the EPA;
- (c) shall not, provided that there is no other event that entitles the Buyer to terminate the EPA, terminate the EPA based on the Company being Bankrupt or Insolvent if the Lender is promptly and diligently prosecuting to completion enforcement proceedings under the Lender Security until 30 days after the expiry of any court ordered period restricting the termination of the EPA; and
- (d) shall not exercise any right it may have under section 6.7 of the EPA to deduct any amounts owing by the Seller to the Buyer under the EPA from amounts owing by the Buyer to the Seller under the EPA until the date that is 15 days after the date the Buyer provides the Lender with a copy of the notice delivered by the Buyer to the Seller under section 6.7 of the EPA.

Nothing in this Agreement prevents or restricts: (i) the exercise by the Buyer of any other right or remedy that it may be entitled to exercise under or in relation to the EPA; or (ii) the right of the Lender to cure, or cause the cure of, any default of the Company under the EPA that would be curable by the Company, whether or not an Assumption Notice is given.

6. Realization by Lender:

6.1 *Assumption Notice and/or Sale*: If the Company has defaulted under the Credit or the Lender Security and the Lender has elected to take possession of the Seller's Plant, either by a Receiver or in any other way, pursuant to the Lender Security, the Lender shall either:

- (a) give the Buyer written notice (an "Assumption Notice") stating that the Lender is assuming the EPA, whereupon:
- (i) the Lender shall be entitled to all the rights and benefits, and shall have assumed, and shall perform and discharge, all the obligations and liabilities, of the Company under the EPA, and the Lender shall be a

party to, and bound by, the EPA as if an original signatory thereto in the place and stead of the Company;

(ii) notwithstanding subparagraph (i), the Lender shall not be liable to the Buyer for defaults of the Company occurring before the Assumption Notice is given, except to the extent that such defaults continue thereafter; provided however that the Buyer may at any time before or after such notice is given exercise any rights of set-off in respect of any such prior default under or in relation to the EPA which the Buyer would otherwise be entitled to exercise; or

(b) give written notice to the Buyer that the Lender wishes to cause the Company to Assign all of the Company's right, title and interest in and to the EPA and the Seller's Plant to a third person or persons, subject however to the Company and the assignee complying with all provisions of the EPA relative to such Assignment.

The Buyer agrees that if the Lender enters the Seller's Plant for the purpose of viewing or examining the state of repair, condition or operation thereof such shall not constitute taking possession thereof.

6.2 *Lender Liability and Release:* The Lender assumes no liability to the Buyer under the EPA unless and until the Lender gives an Assumption Notice. Thereafter, if the Lender completes an Assignment to a third person or persons pursuant to and in accordance with the applicable provisions of the EPA, the Lender shall be released from all liability and obligations of the Company to the Buyer under the EPA accruing from and after completion of that assignment.

6.3 *Company not Released:* Nothing in this Agreement, and neither the giving of an Assumption Notice, nor any Assignment pursuant to subsection 6.1(b) of this Agreement releases the Company from its obligations and liabilities to the Buyer under and in relation to the EPA.

6.4 *Receiver Included:* References in this section 6 to the Lender include a Receiver.

7. *Notices:* Any notice required or permitted to be given under this Agreement must be in writing and may be given by personal delivery, or by transmittal by facsimile, addressed to the respective parties as follows:

(a) Buyer at:

British Columbia Hydro and Power Authority

Attention: _____

Facsimile No.: _____

(b) [Company] at:

Attention: _____

Facsimile No.: _____

(c) [Lender] at:

Attention: _____

Facsimile No.: _____

Notices given by facsimile shall be deemed to be received on the business day next following the date of transmission.

8. **Choice of Law:** This Agreement is governed by British Columbia law, and the laws of Canada applicable therein.

9. **Jurisdiction:** Each party to this Agreement attorns irrevocably and unconditionally to the courts of the Province of British Columbia, and to courts to which appeals therefrom may be taken, in connection with any action, suit or proceeding commenced under or in relation to this Agreement. Notwithstanding the foregoing, the Lender acknowledges that upon an Assumption Notice being given, the Lender will become party to, and bound by, the agreements to arbitrate contained in section 8.5 of the EPA.

10. **Termination:** This Agreement, and all rights and liabilities among the parties hereunder shall terminate upon the full and final discharge of all of the Lender Security. The Lender shall give the Buyer prompt notice of the full and final discharge of all of the Lender Security.

11. **Amendment:** This Agreement may be amended only by an instrument in writing signed by each of the parties hereto.

12. **Enurement:** This Agreement enures to the benefit of, and is binding upon, the parties hereto, and their respective successors and permitted assigns.

13. **Counterparts:** This Agreement may be executed by facsimile and in any number of counterparts, each of which is deemed an original, and all of which together constitute one and the same document.

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14. Effective Date: This Agreement is not binding upon any party unless and until executed and delivered by all parties, whereupon this Agreement will take effect as of the day first above written.

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

**BRITISH COLUMBIA HYDRO AND
POWER AUTHORITY**

[COMPANY]

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

[LENDER]

By: _____
(Signature)

Name: _____

Title: _____

APPENDIX 8
LETTER RE: ENVIRONMENTAL ATTRIBUTES

BC Hydro
FOR GENERATIONS

April 27, 2009

Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, B.C. V9T 6N2

and

Cedar Road LFG Inc.
Box 852 Station A
Nanaimo, BC V9R 5N2
Attention: Paul Liddy

Dear Sirs/Mesdames:

Re: Waiver of Emission Rights (the "Cedar/RDN Agreement")

made the 26th day of October, 2006 between Cedar Road LFG Inc. ("Cedar Road") and Regional District of Nanaimo ("RDN")

Cedar Road has submitted an application to the British Columbia Hydro and Power Authority ("BC Hydro") Standing Offer Program ("SOP"). Under the SOP "Environmental Attributes" (as defined in the SOP Standard Form Electricity Purchase Agreement) for energy sold to BC Hydro under an SOP electricity purchase agreement (an "SOP EPA") must be transferred to BC Hydro. The definition of "Environmental Attributes" from the SOP Standard Form Electricity Purchase Agreement is attached to this letter agreement as Schedule A.

We understand that Cedar Road and RDN entered into the Cedar/RDN Agreement. Section 1 of the Cedar/RDN Agreement contains an assignment from Cedar Road to RDN of Cedar Road's Emission Reduction Rights, being those rights that result directly or indirectly from the operation of the System. Except as otherwise expressly stated herein, capitalized terms used in this letter agreement but not otherwise defined herein shall have the meaning given to those terms in the Cedar/RDN Agreement.

We also understand that pursuant to a Project and Transfer Agreement between the RDN and Green Municipal Corporation dated the 15th day of April, 2005 (the "Project and Transfer Agreement"), the RDN has agreed to transfer to the Green Municipal Corporation Emission Reductions ("ERs") and Emission Reductions Rights ("ERRs") in consideration of a monetary grant provided by the Federation of Canadian Municipalities to the RDN for the installation of its landfill gas collection system.

In order to clarify the treatment of Environmental Attributes under any SOP EPA that may be entered into between BC Hydro and Cedar Road with respect to the electrical generating facility located at the RDN Landfill and in consideration of \$1.00 and other good and valuable consideration provided to us by each of Cedar Road and RDN (including, without limitation, the agreement by RDN attached hereto as Schedule B), we hereby agree with Cedar Road and RDN that:

- (a) the definition of "Environmental Attributes" under any SOP EPA that may be entered into between BC Hydro and Cedar Road, does not include Emission Reductions ("ERs") and Emission Reductions Rights ("ERRs") as those terms are defined in Schedule C hereto;
- (b) BC Hydro agrees that it will not seek to trade, use, apply or otherwise deal with the Environmental Attributes in any manner whatsoever, to the extent such trade, use, application or other dealing: (i) requires, implies or suggests in any manner whatsoever that any current or future right, title or interest of any kind whatsoever included within the definition of ERs or ERRs is included with that trade, use, application or other dealing with Environmental Attributes.

If you are in agreement with the foregoing please sign in the spaces indicated below and return a signed copy of this letter to us as soon as possible.

Yours truly,
BC HYDRO

By:

[Handwritten Signature]

Title:

DIRECTOR, POWER ACQUISITIONS

The undersigned agree to the above terms and conditions.
REGIONAL DISTRICT OF NANAIMO

By:

[Handwritten Signature]
Joe Stanhope, Chairperson

Title

Maureen Pearce, Sr. Mgr. Corporate Adm

Date

CEDAR ROAD LEG INC.

By:

[Handwritten Signature]
Managing Director

Title

Date

May 12, 2009

[Handwritten mark]

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SCHEDULE A**Definition of "Environmental Attributes"
(from Standing Offer Program EPA)**

- 0.1 "Environmental Attributes" means:
- (a) all attributes associated with, or that may be derived from, the Energy and/or the Seller's Plant having decreased environmental impacts relative to certain other generation facilities or technologies including any existing or future credit, allowance, "green" tag, ticket, certificate or other "green" marketing attribute or proprietary or contractual right, whether or not tradeable;
 - (b) any credit, reduction right, offset, allowance, allocated pollution right, certificate or other unit of any kind whatsoever, whether or not tradeable and any other proprietary or contractual right, whether or not tradeable, resulting from, or otherwise related to the actual or assumed reduction, displacement or offset of emissions at any location other than the Seller's Plant as a result of the generation, purchase or sale of the Energy;
 - (c) On-Site Emission Reduction Rights; and
 - (d) all revenues, entitlements, benefits and other proceeds arising from or related to the foregoing.



REGIONAL
DISTRICT
OF NANAIMO

April 24, 2009

File:

2240-20-LFG

Cedar Road LFG Inc.
Box 852 Station A
Nanaimo, BC V9R 5N2
Attention: Paul Liddy

Schedule B

British Columbia Hydro and Power Authority
333 Dunsmuir Street
10th Floor
Vancouver, BC V6B 5R3
Attention: Alison Briggs

Dear Sirs/Mesdames:

**Re: Waiver of Emission Rights (the "Cedar/RDN Agreement")
made the 26th day of October, 2006 between
Cedar Road LFG Inc. ("Cedar Road") and Regional District of Nanaimo ("RDN")**

We refer to the Cedar/RDN Agreement. Section 1 of the Cedar/RDN Agreement contains an assignment from Cedar Road to RDN of Cedar Road's Emission Reduction Rights, being those rights that result directly or indirectly from the operation of the System. Except as otherwise expressly stated herein, capitalized terms used in this letter agreement but not otherwise defined herein shall have the meaning given to those terms in the Cedar/RDN Agreement.

We understand that Cedar Road has submitted an application to the British Columbia Hydro and Power Authority ("BC Hydro") Standing Offer Program ("SOP"). We also understand that under the SOP "Environmental Attributes" (as defined in the SOP Standard Form Electricity Purchase Agreement) for energy sold to BC Hydro under an SOP electricity purchase agreement (an "SOP EPA") must be transferred to BC Hydro. We have reviewed the definition of "Environmental Attributes" in the SOP Standard Form Electricity Purchase Agreement.

However, pursuant to a Project and Transfer Agreement between the RDN and Green Municipal Corporation dated the 15th day of April, 2005 (the "Project and Transfer Agreement"), the RDN has agreed to transfer to the Green Municipal Corporation Emission Reductions ("ERs") and Emission Reductions Rights ("ERRs") in consideration of a monetary grant provided by the Federation of Canadian Municipalities to the RDN for the installation of its landfill gas collection system.

In order to clarify the treatment of Emission Reduction Rights under the Cedar/RDN Agreement and Environmental Attributes under any SOP EPA that may be entered into between BC Hydro and Cedar Road with respect to the electrical generating facility located at the RDN Landfill and in consideration of \$1.00 and other good and valuable consideration provided to us by each of Cedar Road and BC Hydro (including, without limitation, the agreement by BC Hydro attached hereto), we hereby agree with Cedar Road and BC Hydro that:

6300 Hammond Bay Rd.
Nanaimo, B.C.
V9T 6N2

Ph: (250)390-4111
Toll Free: 1-877-607-4111
Fax: (250)390-4163

RDN Website: www.rdn.bc.ca

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- (a) the definition of Emission Reduction Rights in the Cedar/RDN Agreement does not include any current or future right, title or interest of any kind whatsoever in any Environmental Attributes (as that term is defined in the SOP Standard Form Electricity Purchase Agreement, a copy of which definition is attached hereto as Schedule A), except only for any right, title or interest in ERs and ERRs that the RDN is obliged to deliver to Green Municipal Corporation pursuant to the Project and Transfer Agreement; and
- (b) the definition of "System" in the Agreement does not include the electrical generation facility located at the RDN landfill except only as required for the sole purpose of enabling RDN to meet its obligations with respect to any ERs and ERRs pursuant to the Project and Transfer Agreement; and
- (c) RDN agrees that, except for the transfer of the ERs and ERRs to the Green Municipal Corporation under the Project and Transfer Agreement, the RDN will not seek to trade, use, apply or otherwise deal with the ERs and ERRs in any manner whatsoever, to the extent such trade, use, application or other dealing: (i) requires, implies or suggests in any manner whatsoever that any current or future right, title or interest of any kind whatsoever included within the definition of Environmental Attributes, other than the ERs and ERRs, is included with that trade, use, application or other dealing with the ERs and ERRs; or (ii) otherwise adversely affects the ability of BC Hydro to trade, use, apply or otherwise deal with the Environmental Attributes other than the ERs and ERRs.

Definitions of "Emission Reductions" ("ERs"), "Emission Reductions Rights" ("ERRs") and "Project" from the Project and Transfer Agreement are attached to this letter as Schedule C and those terms in this agreement have the meaning set out in Schedule C.

If you are in agreement with the foregoing please sign in the spaces indicated below and return a signed copy of this letter to us as soon as possible.

Yours truly,

Maureen Pearce
 Maureen Pearce
 Senior Manager, Corporate Administration
 REGIONAL DISTRICT OF NANAIMO

J. Stanhope
 J. Stanhope
 Chair
 REGIONAL DISTRICT OF NANAIMO

The undersigned agree to the above terms and conditions.

CEDAR ROAD LFG INC.
 BY *[Signature]*
 Title *Managing Director*
 Date *May 12, 2009*

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

By: _____
 Title _____
 Date _____

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SCHEDULE C

"Emission Reductions" or "ERs" means Real, Verifiable, Quantifiable, Surplus and Unique (as such terms are defined in the GMC MVP) decreases in emissions of GHGs relative to Baseline Emissions at the Project that result directly from the Project, as such reductions occur, and are measured, monitored, reported and Verified in accordance with the GMC MVP, and quantified in metric tonnes of CO₂ Equivalent per year;

"Emission Reductions Rights" or "ERRs" means all current and future rights, title and interest in, and benefits and accrued causes of action associated with and arising from, any ERs and includes, without limitation:

- (i) all world-wide rights, title and interests in, and benefits and accrued causes of action associated with, any current domestic emissions trading or offset system or future government allocation of rights to discharge GHGs to the atmosphere;
- (ii) any current or future government allocation, award, or approval of emission credits, units, permits, offsets, allowances, amounts and similar measures that could be applied by any title holder to a domestic compliance obligation in any country;
- (iii) the cash value of any reductions in carbon, GHG emissions or energy taxes payable that derives from having made the ERs or any associated tax deduction or rebate;
- (iv) the value of any rights and benefits that accrue from having made ERs prior to such reductions being mandated or regulated by any Government Authority;

"Project" means the project for capturing and flaring Landfill Gas including all equipment, buildings and tangible assets at the Site and all associated procedures and systems for measurement, monitoring and reporting GHG ERs as described in Schedule A to this Agreement;

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ABB

IN THE SUPREME COURT OF BRITISH
COLUMBIA

No. _____
Vancouver Registry

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

CEDAR ROAD BIOENERGY INC.
SUNCURRENT INDUSTRIES INC.
PAUL LIDDY

AFFIDAVIT

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Alan A. Frydenlund, Q.C.
File No. 22868-0143