

RESOURCE DEVELOPMENT AGREEMENT

THIS AGREEMENT dated for reference June 5, 2012 is made

BETWEEN

SLIAMMON FIRST NATION, an Indian Band established pursuant to the *Indian Act* (Canada), and on behalf of its members

(hereinafter referred to as "Sliammon")

AND

ALTERRA POWER CORP., a company incorporated under the laws of British Columbia and having its head office in Vancouver, British Columbia

(hereinafter referred to as "Alterra")

WHEREAS:

- A. A subsidiary of Alterra, Plutonic Power Corporation, and Sliammon, together with Toba Montrose General Partnership, previously entered into the ETM Impact Benefit Agreement with respect to the ETM Project, which has part of its associated infrastructure located in Sliammon Territory.
- B. Alterra is now developing the Bute Project, which will have part of its associated transmission facilities located in Sliammon Territory.
- C. Sliammon maintains and asserts Aboriginal rights within and Aboriginal title to Sliammon Territory.
- D. All members of Sliammon are represented in this Agreement by the Sliammon First Nation and its Chief and Council.
- E. Alterra wishes to advance the Bute Project in a manner that respects the rights, title and interests of Sliammon and provides economic opportunities to Sliammon, while maintaining a return for Alterra and its shareholders.
- H. The Parties have deemed it in their mutual interests to address certain matters relating to the Bute Project and to establish a relationship based on cooperation, mutual respect, trust, long-term commitment and certainty.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 In this Agreement:

- (a) “Aboriginal Rights” means Sliammon’s Aboriginal rights, including Aboriginal title.
- (b) “Access Routes” means the route of the Transmission Line as set out in Schedule B attached hereto and all legally authorized access routes leading to and from the Transmission Line, or any portion thereof.
- (c) **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the definition of an add on project.**
- (d) **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the definition of an additional project.**
- (e) “Affiliate” means an issuer affiliated with Alterra or Sliammon, as the case may be, as defined in the *Securities Act*, R.S.B.C. 1996, c. 418, or any other partially related partnership, trust or other entity in which Alterra or Sliammon, as the case may be, holds a minimum 25 percent equity interest.
- (f) “Agreement” means this Resource Development Agreement and all schedules attached hereto, in each case, as they may be replaced, supplemented or amended from time to time.
- (g) “Alterra” means Alterra Power Corp. or its Affiliates.
- (h) “Applicable Laws” means any and all applicable federal, provincial, regional, municipal and local laws, rules (including without limitation, administrative rules), regulations, agreements, treaties, statutes, judgements, decrees, court orders, by-laws, codes, directives and standards having the force of law, as they may be replaced, supplemented or amended from time to time while this Agreement is in force.
- (i) “Authorized Representative” means any director, officer, agent, employee, mandatory, financial, legal or other advisor or representative of a Party or any of its Affiliates, or any consultant, contractor or subcontractor thereof, in each case where the duties and obligations of such person require them to process or review or otherwise be informed of Confidential Information.
- (j) “BC Hydro” means British Columbia Hydro and Power Authority, including its successors and permitted assigns.

- (k) “Business Day” means a day that is not a Saturday, Sunday or any other day on which the principal chartered banks located in Vancouver are not open for business during normal banking hours.
- (l) **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the definition of business opportunity contract.**
- (m) “Bute Project” means the Bute Hydroelectric Project, which currently consists of 17 hydroelectric facilities to be constructed and operated on a number of creeks and rivers located in the area of Bute Inlet as set out in Schedule A, and includes such other hydroelectric facilities in the area of Bute Inlet as Alterra may add or delete in the future. Although the generating facilities of the Bute Project will not be located in Sliammon Territory, part of the transmission facilities for the Bute Project will be located in Sliammon Territory.
- (n) “COD” means the date when Operations at the Bute Project have commenced in accordance with the EPA.
- (o) “Commercial” means any sale of electricity from the Bute Project or an Add On Project, as the case may be.
- (p) “Construction” means the period between commencement of work involving earth moving at the portion of the Bute Project site which is located in Sliammon Territory in order to construct the Bute Project, and the earlier of completion of construction the portion of the Bute Project site which is located in Sliammon Territory and the initiation of Operations.
- (q) “Decommissioning Costs” means all costs, fees and expenses, net of any recoveries, related to the termination of Operations and the permanent dismantling and closure of the Bute Project.
- (r) “CPI” means the consumer price index as expected to be defined in an EPA and “CPI Adjustment” means the same rate of adjustment for CPI as would be determined under the EPA for the identical period of time.
- (s) “EPA” means an agreement for the purchase of electricity generated by the Bute Project, either between Alterra and BC Hydro or between Alterra and another purchaser of electricity.
- (t) “ETM Impact Benefit Agreement” means the Impact Benefit Agreement dated for reference April 16, 2007 between Sliammon, Toba Montrose General Partnership and Alterra Power Corporation with respect to the ETM Project.
- (u) “ETM Project” means the East Toba River and Montrose Creek Hydroelectric Project, as defined as the “Project” in the ETM Impact Benefit Agreement.

- (v) “Feasibility Study” means a study prepared by a recognized engineering firm showing the feasibility of building the Joint Project and generating electricity at a commercially acceptable rate of return on capital, and of a standard reasonably required by a financial institution in connection with its consideration of financing the Joint Project.
- (w) “Force Majeure” means circumstances beyond the reasonable control of a Party, including without limitation, fires, floods, earthquakes, forest closures, strikes, lockouts, acts of God, laws, rules and regulations of governmental bodies or agencies thereof, unavoidable accidents, unavoidable delays in transportation, inability to obtain or delay in obtaining permits or other authorizations, inability to obtain materials, facilities and equipment in the open market, delays relating to claims made by aboriginal groups other than Sliammon, and delays caused by environmental claims or inquiries.
- (x) “Future EPA” means any future agreement regarding the purchase and sale of electricity generated by the Bute Project that Alterra enters into during or after the Term.
- (y) **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the definition of future project.**
- (z) “General Contractor” means the general construction contractor (s) engaged by Alterra to construct the portion of the Bute Project located in Sliammon Territory.
- (aa) **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the definition of joint project.**
- (bb) “Old Growth Management Areas” means the areas show in colour on the map attached hereto as Schedule “D”.
- (cc) “Operations” means start up and on going Commercial operations of the Bute Project and/or an Add On Project.
- (dd) “Party” means either Sliammon or Alterra, and “Parties” means Sliammon and Alterra collectively.
- (ee) “Project Area” means the geographical area within Sliammon Territory in which part of the transmission facilities for the Bute Project will be located, as shown on the map attached hereto as Schedule B.
- (ff) “Project Life” means the period of time in which Operations are underway.

- (gg) **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the definition of project opportunities.**
- (hh) “Sliammon” means Sliammon First Nation, and its present and future members.
- (ii) “Sliammon Knowledge” means the knowledge, practices and customs acquired, developed and adapted over time by Sliammon on various matters which may be required for the purpose of this Agreement, including land use, hunting, fishing, trapping and environmental management.
- (jj) “Sliammon Territory” means the geographical area shown on the map attached hereto as Schedule C.
- (kk) “Term” means the longer of the term of an EPA as defined therein and the term of any electricity purchase agreement or other equivalent agreement for an Add On Project.
- (ll) “Transmission Line” means the transmission line for the Bute Project, expected to be rated to a maximum 500 kv and to be constructed at the approximate location shown on the map attached hereto as Schedule B.
- (mm) “Transmission Line Corridor” means the right-of-way for the Transmission Line, which will be in the approximate location shown on the map attached hereto as Schedule B.

ARTICLE 2- PRINCIPLES

2.1 The Parties are committed to:

- (a) Creating an agreement to establish and maintain a close and co-operative working relationship in which Sliammon and Alterra communicate openly, regularly and respectfully.
- (b) The development, Construction, and Operations of the Bute Project.
- (c) Subject to the review and approval of Sliammon, the development, construction, start-up and on-going commercial operations of Additional Projects, if any.
- (d) The reasonable protection, mitigation and enhancement of the environment in accordance with Applicable Laws.
- (e) The provision of opportunities for the education, training, employment and advancement for Sliammon, as related to that portion of the Bute Project located within Sliammon Territory.

ARTICLE 3- PURPOSE

3.1 The purpose of this Agreement is to:

- (a) Provide mechanisms for effective communication and cooperation between Sliammon and Alterra.
- (b) Provide specified Project Opportunities to Sliammon.
- (c) Provide Sliammon support for the Bute Project.
- (d) Provide financial understandings for possible Add On Projects, Additional Projects and Future Projects.
- (e) Provide an effective ongoing working relationship that respects the goals and aspirations of each Party.
- (f) Provide a means by which Alterra can conduct Construction in a timely fashion.
- (g) Provide Alterra with certainty of access to the Project Area for Construction and Operations.
- (h) Provide clarification and incentives for Alterra to propose Additional Projects to Sliammon.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

- 4.1 Each Party represents and warrants to the other that it has the power, authority and capacity to execute and deliver this Agreement and to perform its obligations hereunder and that it has taken all necessary actions to authorize its execution, delivery and the performance of such obligations.
- 4.2 Sliammon represents, warrants and covenants that:
 - (a) It has full legal power, capacity and authority to enter into this Agreement for itself and on behalf of all Sliammon members and carry out the obligations hereunder.
 - (b) This Agreement has been duly authorized, executed and delivered by Sliammon and is a legal, valid and binding obligation of Sliammon enforceable in accordance with its terms.
 - (c) No further consent, approval or authorization of, or declaration, filing or registration with, any person or entity is required to be obtained or made by Sliammon in connection with the execution, delivery and performance of this Agreement.
- 4.3 Alterra represents, warrants and covenants that:
 - (a) It is a duly incorporated and organized corporation validly existing under the laws of British Columbia with the power and authority to do business in British Columbia.

- (b) It has full legal power, capacity and authority to enter into this Agreement and carry out its obligations hereunder.
- (c) Except as previously disclosed in writing to Sliammon, as of the date hereof there is no action, litigation or other legal proceedings in progress or pending against Alterra with respect to the Bute Project.
- (d) This Agreement has been duly authorized, executed and delivered by Alterra and is a legal, valid and binding obligation of Alterra enforceable in accordance with its terms.
- (e) No consent, approval or authorization of, or declaration, filing or registration with, any person or entity is required to be obtained or made by Alterra in connection with the execution, delivery and performance of this Agreement.
- (f) Alterra's undertakings or guarantees provided for herein will terminate upon termination of this Agreement, it being understood that Alterra will be entirely discharged and released, for all legal intents and purposes, without any further notice of any nature whatsoever, from any obligations or guarantees towards Sliammon provided for in this Agreement, other than the amounts payable upon termination and the covenants relating to Confidential information set out in Article 17.

ARTICLE 5 – DOCUMENTATION AND INFORMATION

- 5.1 Upon request being made by Sliammon, Alterra agrees to provide Sliammon with the following documentation and information, if and when it becomes available, for Sliammon review:
 - (a) Construction Environmental Monitoring Plan.
 - (b) Operational Environmental Monitoring Plan.
 - (c) Annual Environmental Monitoring Reports.
 - (d) Other information or documents mutually agreed upon by the Parties from time to time.
- 5.2 On or before November 30 of each year, Alterra will provide Sliammon with a list setting out the following:
 - (a) All applications to be made for material approvals, permits and authorizations required in Sliammon Territory for the Bute Project pursuant to Applicable Laws.
 - (b) All material approvals, permits and authorizations, or any modifications thereto, issued with respect to the Bute Project in Sliammon Territory pursuant to Applicable Laws.

- 5.3 Alterra will promptly give notice verbally or in writing to Sliammon of the following:
- (a) Any notice of infraction or non-compliance or any order issued to Alterra under Applicable Laws with respect to environmental matters for the Bute Project in Sliammon Territory.
 - (b) Any significant environmental incidents at the Bute Project within Sliammon Territory.
- 5.4 Alterra will include in any notice given pursuant to section 5.3 sufficient information to enable Sliammon to understand the nature and scope of the matter or incident.
- 5.5 During Construction Alterra agrees to fund, to a maximum of \$25,000, a Sliammon community member to monitor and, working with Alterra, ensure the protection of archaeological, cultural and traditional use values, and to report back to Sliammon Chief and Council on the same. Copies of written reports provided to Sliammon Chief and Council will be provided to Alterra.

ARTICLE 6 – PROJECT AND TRAINING OPPORTUNITIES

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted are details of how employment opportunities will be made available to Sliammon.

ARTICLE 7– SIGNING BONUS

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted the amount of bonus to be paid to Sliammon.

ARTICLE 8 – CONSTRUCTION ACCESS FEE

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted are the details of the construction access fee to be paid to Sliammon.

ARTICLE 9– REVENUE SHARING

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is with regard to revenue sharing with Sliammon.

ARTICLE 10– LEGAL FEES

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the amount of Sliammon’s legal fees to be paid by Alterra.

ARTICLE 11– ACCESS

- 11.1 Sliammon consents to Alterra’s use of the Access Routes during the course of Construction, Operations and any upgrades to the Transmission Line required in relation to any Additional Project.

ARTICLE 12– PROJECT FINANCING

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is with regard to project financing.

ARTICLE 13- CONSULTATION AND ABORIGINAL INTERESTS

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is with regard to consultation and aboriginal interests.

ARTICLE 14– OLD GROWTH MANAGEMENT AREAS AND DEFOLIANTS

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is with regard to old growth management areas and defoliant.

ARTICLE 15- ADDITIONAL PROJECTS, ADD ON PROJECTS, FUTURE PROJECTS AND JOINT PROJECTS

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is with regard to additional projects, add-on projects, future projects and joint projects.

ARTICLE 16- CESSATION OF OPERATIONS AND DECOMMISSIONING

- 16.1 If during the Project Life Alterra permanently ceases Operations, the Parties will make reasonable efforts to reach an agreement on the process and steps necessary to decommission those parts of the Bute Project that are in Sliammon Territory.
- 16.2 Unless otherwise agreed to by the Parties in writing, upon permanent cessation of Operations, those parts of the Bute Project that are in Sliammon Territory will be fully decommissioned, with all improvements removed from the land and the surface of the land restored as nearly as may be reasonably possible to the same condition it was in prior to Construction.
- 16.3 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is with regard to cessation and decommissioning costs.**

ARTICLE 17- CONFIDENTIALITY

Confidentiality

- 17.1 Each Party will treat as confidential and will not cause or permit publication, release or disclosure of all or part of this Agreement, except to the extent that publication, release or disclosure is:
- (a) Necessary to fulfill the Parties' obligations under this Agreement;
 - (b) In respect of information that has entered into the public domain other than through actions of the Parties;
 - (c) To Sliammon members or to the Parties' agents, representatives, professional advisors, financiers and potential financiers; or
 - (d) Required by law or by government or other regulatory agency.
- 17.2 Any and all of the following proprietary information, in whatever form and however communicated, and whether specified to be confidential or not, that may be released, filed, delivered, communicated or otherwise disclosed, directly or indirectly, by one Party to the other (such disclosing Party or Parties, the "Disclosing Party", and such Party or Parties receiving such information, the "Receiving Party"), will be deemed to be "Confidential Information":
- (a) Any financial information regarding a Disclosing Party's business operations and assets and future business plans including any financial projections, plans, budgets, assessments, assumptions, evaluations, calculations, computations or statements provided or made available to a Receiving Party.

- (b) Any information regarding relations between Sliammon and the Government of British Columbia or the Government of Canada.
 - (c) Any planned or proposed changes in management or senior operating personnel of a Party.
 - (d) All proceedings and discussions intended to resolve a dispute, including arbitration, and without limiting the generality of the foregoing, all information that is disclosed, including all statements made and all documents submitted as part of the dispute resolution process, pursuant to section 18.15 and 18.16.
 - (e) Any Sliammon Knowledge, which may be shared by Sliammon with Alterra for the purpose of this Agreement and which is identified to Alterra as confidential by Sliammon.
 - (f) Any technical, geological and scientific data related to the Bute Project or Alterra's operations generally.
 - (g) Any other information received from a Disclosing Party that has been identified as confidential.
 - (h) Any notes, files, tapes, analyses, compilations, studies, drafts, data, drawings or other tangible pieces of information (whether in written, electronic or other form) generated by a Receiving Party that contains, reflects or is derived from Confidential Information provided or made available by a Disclosing Party pursuant to or in relation to this Agreement.
- 17.3 Confidential Information will be used, released, filed, delivered, communicated or otherwise disclosed, directly or indirectly, between the Parties, exclusively in connection with and for the sole purpose of implementing, applying, interpreting and managing this Agreement.
- 17.4 Each Receiving Party agrees to use and process Confidential Information only as necessary for the purpose of performing its obligations pursuant to this Agreement, and for no other purposes, and will hold Confidential Information in strict confidence and not disclose same to any Person during or after the Term, except with the prior consent of the Disclosing Party (such consent not to be unreasonably withheld) or as otherwise provided for in this Agreement.
- 17.5 The restrictions on the use of Confidential Information provided for in this Article 17 will not apply to Confidential Information that:
- (a) Is disclosed by the Receiving Party to its Authorized Representatives, provided that the Authorized Representatives are held to the same obligations with respect to confidentiality and provided that the Receiving Party remains responsible and fully liable for a breach of such obligations by its Authorized Representatives;

- (b) Is in the public domain at the time of disclosure to the Receiving Party, or later enters the public domain other than by breach of this Agreement;
- (c) Was in the Receiving Party's lawful possession prior to disclosure by the Disclosing Party, as confirmed by the Receiving Party's written records, and was not subject to any obligation of confidentiality binding such Receiving Party;
- (d) Is lawfully acquired by the Receiving Party from a Person who is under no obligation of confidentiality to the Disclosing Party, but only to the extent permitted by that Person; or
- (e) Is required to be disclosed by the Receiving Party under Applicable Laws, in which case the provisions of section 17.7 will apply.

Notice of Unauthorized Use or Disclosure

- 17.6 The Receiving Party will promptly give notice to the Disclosing Party upon discovery of any unauthorized use or disclosure of Confidential Information.

Protective Orders

- 17.7 If a Receiving Party or its Authorized Representatives is required by Applicable Laws to disclose any of the Confidential Information, the Receiving Party will give the Disclosing Party prompt notice so that the Disclosing Party may seek a protective order or other appropriate remedy at law or in equity (and the Receiving Party will fully cooperate with the Disclosing Party in that regard) and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained by the Disclosing Party or is otherwise unavailable, the Receiving Party will only disclose or, as applicable, ensure that its Authorized Representatives will only disclose, that portion of the Confidential Information which it is legally required to disclose and will exercise its commercially reasonable efforts to obtain a protective order or other reliable assurance that such Confidential Information will be afforded confidential treatment.

Return of Confidential Information

- 17.8 Upon termination of this Agreement or following a request of a Disclosing Party, the Receiving Party will return to the Disclosing Party, or destroy or delete, the Confidential Information of the Disclosing Party in its possession or control or the possession or control of any of its Authorized Representatives and all copies thereof, excluding any confidential information integrated into any documents required for the implementation of this Agreement or for compliance with Applicable Laws. At the request of the Disclosing Party, the Receiving Party will confirm such return, destruction or deletion to the Disclosing Party by providing a certificate of one of its senior officers or directors certifying the return, destruction or deletion of all such Confidential Information. Notwithstanding the return, destruction or deletion of such Confidential Information, the Receiving Party will continue to be bound by its obligations of confidentiality.

Remedies

- 17.9 The Parties acknowledge that Confidential Information is proprietary and confidential and that the Disclosing Party may be irreparably harmed if any of the provisions contained in this Agreement with respect to Confidential Information are breached or not performed by the Receiving Party or its Authorized Representatives in accordance with the provisions of this Agreement. Notwithstanding any other provision of this Agreement, including the dispute resolution process set out herein, the Parties agree that the Disclosing Party will have the right to an immediate injunction and any remedy it deems necessary before a court of competent jurisdiction enjoining any breach or threatened breach of this Article 17 and to specifically enforce the provisions of this Article 17, in addition to (where applicable) a right to monetary damages or any other remedy available to the Disclosing Party under Applicable Laws or this Agreement.

ARTICLE 18– GENERAL PROVISIONS

Interpretation

- 18.1 In this Agreement, unless the context otherwise requires, words importing gender will include all genders, words importing the singular import the plural and vice versa, 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 and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and government authorities.
- 18.2 Unless otherwise expressly stated in this Agreement, the words “year” and “month” refer to a calendar year and a calendar month.
- 18.3 The division of this Agreement into articles, sections and subsections and the insertion of headings are for convenience of reference only and do not affect the interpretation of this Agreement.
- 18.4 Unless otherwise indicated, when an Applicable Law is specifically identified in this Agreement, the reference thereto will be to such law as it exists as of the date hereof and as it may be replaced, supplemented, modified or amended from time to time.
- 18.5 References to dollars means Canadian dollars, unless otherwise stated.

Term

- 18.6 This Agreement will be in full force and effect upon execution.
- 18.7 This Agreement will terminate:
- (a) With respect to the Bute Project or an Add On Project, upon the expiry of the Project Life; or

(b) Upon mutual agreement of the Parties.

18.8 Notwithstanding the foregoing, the following will survive termination of this Agreement:

- (a) Any dispute resolution process initiated prior to termination of this Agreement.
- (b) All covenants relating to confidentiality, as set out in Article 17.
- (c) Any payment obligations due or owing to a Party in accordance with this Agreement prior to termination of this Agreement.

Assignment

18.9 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to assignment of interests.**

18.10 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to assignment of interests..**

18.11 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to assignment of interests..**

18.12 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to assignment of interests..**

Notices

18.13 Any notices or requests any Party may wish or be required to give to any other Party with regard to this Agreement must be in writing and addressed to the other Party at the addresses stated below. The notices or requests may be delivered during normal business hours by hand or courier service or sent by fax, in which case printed confirmation of the transmission will indicate that the transmission occurred.

Sliammon First Nation

RR #2 Sliammon Road
Powell River, British Columbia, V8A 4Z3
Fax No.: 604.483.9769

Alterra Power Corp.

Suite 600 – 888 Dunsmuir Street
Vancouver, British Columbia V6C 3K4
Fax No.: 604.682.3727

Development of Bute Project and Additional Projects

- 18.14 Nothing herein obligates Alterra to develop the Bute Project or any Add On Project or Additional Project, to apply for governmental authorizations for the Bute Project or any Add On Project or Additional Project, to accept the terms and conditions on which governmental authorizations may be offered, to build the Transmission Line or to make a decision to proceed with construction or commercial operations of the Bute Project or any Add On Project or Additional Project under the governmental authorizations that may be issued.

Dispute Resolution

- 18.15 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to dispute resolution.**
- 18.16 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to dispute resolution.**

Force Majeure and Termination

- 18.17 If either Party fails to perform, or comply with any of the terms, covenants, agreements, conditions or provisions of this Agreement and such failure is due to Force Majeure, then such Party will not be deemed to be in default of this Agreement for the duration of the Force Majeure causing such failure.
- 18.18 A Party will notify the other Party of an event of force majeure within seven days of the occurrence of the event.
- 18.19 In the event the Bute Project is destroyed by Force Majeure and the Bute Project is not rebuilt, or in the event that in the sole discretion of Alterra it is no longer feasible to operate the Bute Project and it permanently ceases Operations, Alterra will be released from all covenants and obligations under this Agreement relating to the Bute Project, except those set out in Article 16 herein. For greater certainty, all covenants and obligations under this Agreement relating to any Add On Project, Additional Project or Future Project would remain in full force and effect.
- 18.20 In the event any Add On Project is destroyed by Force Majeure and the Add On Project is not rebuilt, or in the event that in the sole discretion of Alterra it is no longer feasible to operate any Add On Project and it permanently ceases Operations of that Add On Project, Alterra will be released from all covenants and obligations under this Agreement relating to that Add On Project, except those set out in Article 16 herein. For greater certainty, all covenants and obligations under this Agreement relating to the Bute Project would remain in full force and effect.
- 18.21 Alterra may curtail, suspend or interrupt Operations as it sees fit and during such period of curtailment, suspension or interruption, Alterra will be relieved of its obligations under this Agreement to the extent reasonable in the circumstances.

- 18.22 The performance of the obligations interrupted by an event of force majeure will be reinstated upon termination of the event of force majeure.

Schedules

- 18.23 The following schedules are attached to this Agreement and form part of this Agreement:

Schedule A	Bute Project Description
Schedule B	Project Area
Schedule C	Map of Sliammon Territory
Schedule D	Old Growth Management Areas
Schedule E	List of Project Opportunities
Schedule F	Draft form of Lenders' Consent Agreement
Schedule G	Acknowledgement Letter to BC Hydro
Schedule H	Sliammon Indian Band Council Minute of Decision

No Waiver

- 18.24 Failure by a Party to insist on the performance of any provision of this Agreement or to exercise any right or privilege or the waiver of any breach by a Party will not thereafter waive any other terms, conditions or privileges, whether of the same or similar type. All rights and remedies afforded under this Agreement or at law will be taken and construed as cumulative, that is, in addition to every other right or remedy provided under this Agreement or by law. Waiver of any right or remedy provided under this Agreement will be effective only if:

- (a) It is in writing and signed by the Party providing such waiver; and
- (b) Notice of same has been given to the other Party.

No Agency, Partnership

- 18.25 Nothing in this Agreement will be construed to create a relationship of agency, partnership, fiduciary or similar relationship between the Parties.

Enuring Clause

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

Applicable Laws

- 18.27 This Agreement is made under, and will be interpreted in accordance with, the laws of the Province of British Columbia.

Facsimile and Counterparts

- 18.28 This Agreement may be executed and delivered by facsimile transmission and, when so delivered, this Agreement will be deemed to be an original executed and delivered Agreement and binding upon the Parties for all purposes as if originally executed and delivered. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which will constitute one and the same document.

Amendments

- 18.29 This Agreement may not be modified or amended except by an instrument in writing, signed by the Parties hereto or by their successors and assigns.

Severability

- 18.30 Any provision of this Agreement which is illegal or unenforceable will be ineffective to the extent of the illegality or unenforceability without invalidating the remaining provisions of this Agreement.

Further Assurances

- 18.31 Each of the Parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to carry out and give effect to the intent of this Agreement.

Payments

- 18.32 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to payment matters.**
- 18.33 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to payment matters.**
- 18.34 **Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted refers to payment matters.**

Expenses

- 18.35 Except as otherwise expressly provided for in this Agreement, each Party will bear its own expenses in connection with the preparation, execution and performance of this Agreement.

Entire Agreement

18.36 This Agreement constitutes the entire agreement of the Parties with respect to the Bute Project and any Add On Projects, and for greater certainty, the Parties agree that this Agreement supercedes all other prior agreements between the Parties with respect to the Bute Project and any Add On Projects.

IN WITNESS WHEREOF each Party, by its duly authorized representative(s), has signed this Agreement as of the date of this Agreement.

FOR SLIAMMON FIRST NATION

Authorized Representative

Print Name and Office

Date

FOR ALTERRA POWER CORP.

Authorized Representative

Print Name and Office

Date

SCHEDULE A

DESCRIPTION OF BUTE PROJECT

The Bute Project currently consists of the following 17 Facilities:

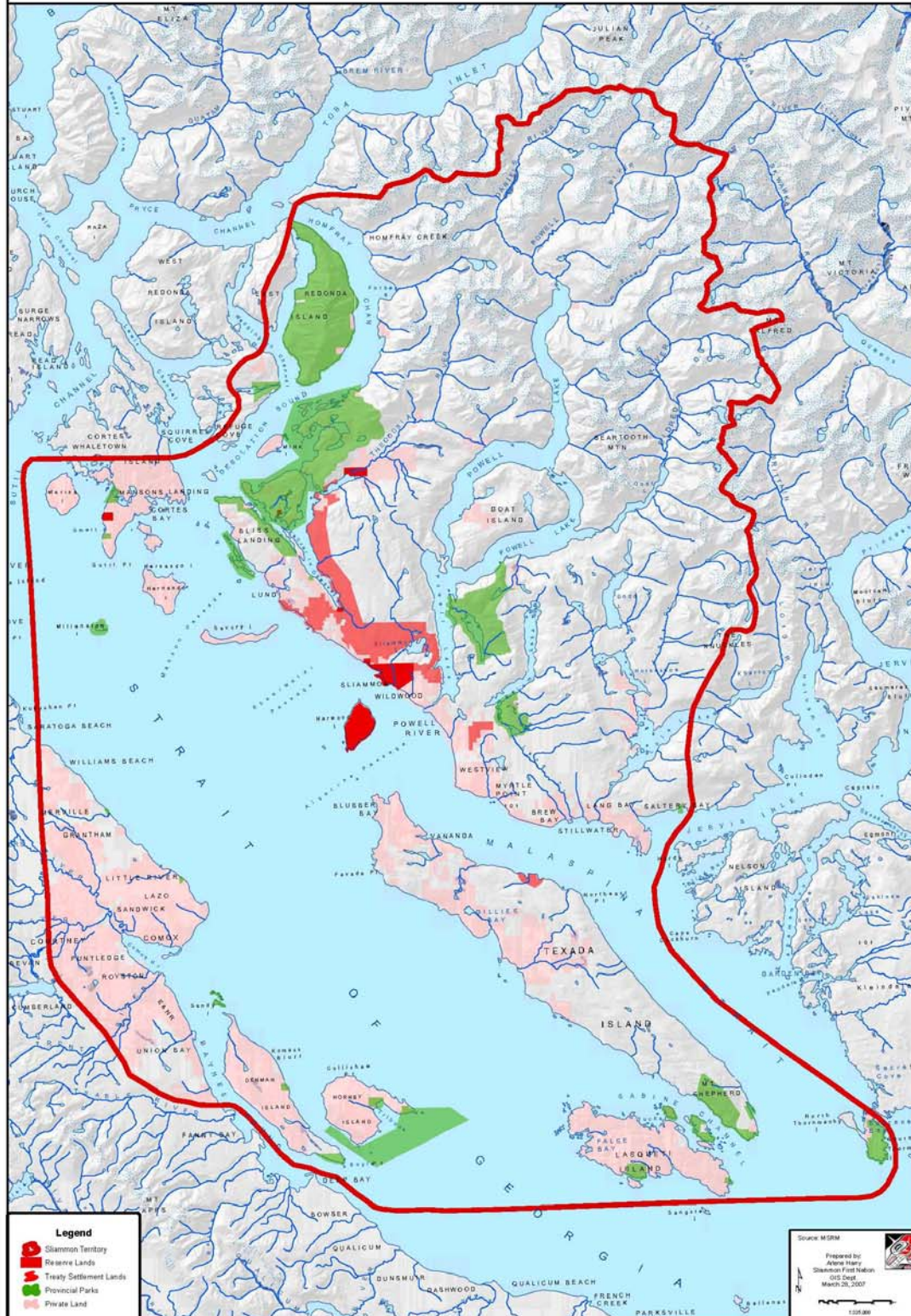
Facility	Estimated Generation Capacity (MW)	River Drainage Basin Location
Algard Creek	29	Orford River
Allaire Creek	67	Southgate River
Bear River	49	Bear River
Brew Creek	103	Homathko River
Coola Creek	23	Homathko River
East Orford River	35	Orford River
Elliot Creek	70	Southgate River
Gargoyle Creek	40	Teaquahan River
Heakamie River	52	Homathko River
Icewall Creek	71	Southgate River
Jewakwa River	79	Homathko River
North Orford River	18	Orford River
Raleigh Creek	51	Southgate River
Scar Creek	88	Homathko River
Southgate River 1	143	Southgate River
Southgate River 2	28	Southgate River
Whitemantle Creek	83	Homathko River
Total	1,029	

SCHEDULE B - PROJECT AREA

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is a map of the project area.

SCHEDULE C - MAP OF SLIAMMON TERRITORY

Sliammon First Nation Traditional Territory



SCHEDULE D OLD GROWTH MANAGEMENT AREAS

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is a map of the old growth management areas.

SCHEDULE E

PROJECT OPPORTUNITIES

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted are the details of project opportunities.

SCHEDULE F

LENDERS' CONSENT AGREEMENT

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the form of lenders' consent agreement.

SCHEDULE G – ACKNOWLEDGEMENT LETTER

Certain information has been omitted because it would be seriously prejudicial to the interests of Alterra or would violate confidentiality provisions. The information which has been omitted is the form of acknowledgement letter to be provided to BC Hydro.