

This ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT (the "Agreement") dated as of the 16th day of ~~April~~^{MAY}, 2013 between THE CORPORATION OF THE TOWNSHIP OF BILLINGS (the "Landlord"), KAGAWONG POWER INCORPORATED (the "Vendor"), and OAKVILLE HYDRO ENERGY SERVICES INC. (the "Purchaser").

WHEREAS, pursuant to an asset purchase agreement made as of the 14 day of November, 2012 (the "Purchase Agreement") between the Vendor, as vendor, and the Purchaser, as purchaser, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Purchase Assets;

AND WHEREAS, in connection with the purchase and sale of the Purchase Assets, the Vendor agreed to transfer and assign in favour of the Purchaser, all of the Vendor's right and interest in and to the Lease Agreement dated December 1st, 1987 between the Landlord, as lessor, and the Vendor, as tenant, as amended pursuant to an Amendment To Lease Agreement dated August 2010 (collectively, the "Lease");

AND WHEREAS, capitalized terms used in this Agreement but not defined in this Agreement shall have the meanings given to them in the Purchase Agreement;

NOW THEREFORE, in consideration of the completion of the purchase of the Purchase Assets by the Purchaser and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties covenant and agree as follows:

1. Assignment of Lease

Save and except for the adjustments between the Purchaser and Vendor pursuant to the Purchase Agreement, effective from and after the date of this Agreement, the Vendor hereby assigns, transfers and sets over unto the Purchaser, for its sole use and benefit, all of the Vendor's respective undivided right, title and interest in and to the Lease.

2. Assumption by Purchaser

Save and except for items to be adjusted or readjusted between the Purchaser and Vendor in accordance with Section 2.4 of the Purchase Agreement, effective from and after the date of this Agreement, the Purchaser hereby assumes all of the obligations, duties and liabilities of the Vendor as tenant arising from and after and relating only to the period from and after the date of this Agreement under the Lease and covenants and agrees with the Vendor to make payment or otherwise perform such obligations, duties and liabilities of the Vendor as landlord in accordance with the provisions of the Lease.

3. **Consent of Landlord**

Pursuant to Section 4(k) of the Lease, the Landlord consents to the transfer and assignment of the Lease by the Vendor to the Purchaser.

~~4. **Landlord Confirmation and Indemnity**~~

Instrument No. T30798 (a copy of which is attached hereto as Schedule "A") contains the following covenant:

"The Grantee its successors and assigns hereby covenant with the Grantor its successors and assigns that the lands herein conveyed will not be sold until after the 20th day of December, 1988 and will be used for public recreational purposes, only."

The Landlord covenants to the Purchaser that such covenant is of no further force or effect, that the party for whose benefit such covenant was granted is no longer in existence, or that a release in respect of the use of the demised premises pursuant to the Lease was obtained by the Landlord and such release is in full force and effect. The Landlord shall indemnify and save the Purchaser harmless from and against, and shall reimburse the Purchaser for any and all claims, demands, actions, causes of action, damages, losses, costs, liabilities or expenses including reasonable professional fees and all costs incurred in investigating or pursuing any proceeding relating to any of the foregoing arising pursuant to or in connection with the Lease.

5. **Indemnities**

The Vendor shall indemnify and save the Purchaser harmless from and against, and shall reimburse the Purchaser for any and all claims, demands, actions, causes of action, damages, losses, costs, liabilities or expenses including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing arising pursuant to or in connection with the Lease with respect to any matter that has occurred prior to and which relates only to the period prior to the date of this Agreement. The Purchaser shall indemnify and save the Vendor harmless from and against, and shall reimburse the Vendor for, any and all claims, demands, actions, causes of action, damages, losses, costs, liabilities or expenses including reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing arising pursuant to or in connection with the Lease with respect to any matter which occurs on or after and which relates only to the period from and after the date of this Agreement.

6. **Successors and Assigns**

This Agreement shall enture to the benefit of and shall be binding upon the parties and their respective successors and assigns.

7. Further Assurances

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

8. Severability

If any provision contained in this Agreement or its application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

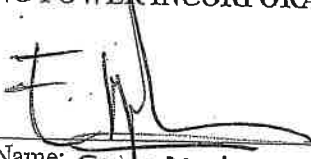
9. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or telecopied form and the parties to this Agreement adopt any signatures received by receiving telecopier machine as original signatures of the parties.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

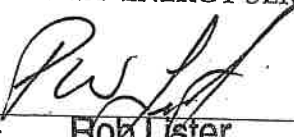
KAGAWONG POWER INCORPORATED.


By: 
Name: Emile Masbou
Title: President

By: _____
Name: _____
Title: _____


We have the authority to bind the corporation.

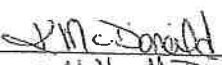
OAKVILLE HYDRO ENERGY SERVICES INC.

By: 
Name: Rob Lister
Title: President and CEO

By: 
Name: _____
Title: Scott Mudie, P. Eng.
Vice President, OHESI

THE CORPORATION OF THE TOWNSHIP OF BILLINGS

By: 
Name: Austin Hunt
Title: Mayor

By: 
Name: Kathy McDonald
Title: Clerk Treasurer

We have the authority to bind The Corporation Of The Township Of Billings.

ESTOPPEL CERTIFICATE

TO: Oakville Hydro Energy Services Inc. (the "Purchaser")

RE: Lease Agreement dated December 1st, 1987 between The Corporation Of the Township Of Billings (the "Landlord"), as lessor, and Kagawong Power Incorporated (the "Tenant"), as lessee, as amended by Amendment To Lease Agreement dated August 2012 between the Landlord and Tenant (collectively the "Lease") of the premises legally described as Part of the lands and premises legally described as Billings Concessions 15 and 16, Lots 27 and 28, and more particularly described as a site on the west bank of the Kagawong River on or near the juncture of Concessions 15 and 16 on the western edge of Lot 27 consisting of a structure and works designated as the "main dam" across the Kagawong River (the "Premises").

The undersigned, the Landlord under the Lease, hereby certifies, confirms and acknowledges as follows:

1. The Landlord is the lessor as described in the Lease.
2. The Lease has been validly executed and delivered by the Landlord, as lessor, and constitutes the only and entire agreement between the Landlord and the Tenant respecting the Premises.
3. The effective date of the Lease was April 30, 1988.
4. The expiry date of the Lease is December 31st, 2029.
5. The Lease may be extended by the Tenant for a further extended term of one (1) year provided the Tenant delivers one (1) year prior notice to the Landlord.
6. The Lease is unmodified, in good standing, in full force and effect and represents a binding and enforceable agreement with respect to the Premises between the Landlord and the Tenant.
7. There is no unpaid payment payable or unfulfilled obligation outstanding by the Tenant to the Landlord pursuant to the Lease.
8. There are no disputes or defaults relating to the Lease as of the date hereof on the part of the Landlord or the Tenant. There is no default in respect of the Lease by the Landlord and the Landlord is not claiming any rent due and payable under the Lease nor any additional costs or expenses to be paid by the Tenant pursuant

to the Tenant's obligations under the Lease. There is no existing default in the Lease on the part of the Tenant.

9. There is no litigation or governmental or municipal proceedings commenced or pending or threatened against the Landlord with respect to the Premises.
10. The Landlord has not assigned the Lease nor to the knowledge of the Landlord, has the Tenant sublet any portion of the Premises. The Landlord has received no notice of any assignment of the Lease or the rents thereunder by the Tenant.

Dated the 22nd day of April, 2013.

THE CORPORATION OF THE TOWNSHIP OF BILLINGS

By: *Austin Hunt*
Name: Austin Hunt
Title: Mayor

By: *K McDonald*
Name: Kathy McDonald
Title: Clerk Treasurer

We have the authority to bind The Corporation Of The Township Of Billings.

THIS AMENDING AGREEMENT made on the day of August, 2010

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF BILLINGS
(hereinafter referred to as the "Lessor")

- and -

KAGAWONG POWER INCORPORATED
(hereinafter referred to as the "Lessee")

AMENDMENT TO LEASE AGREEMENT

WHEREAS by Lease dated the 1st day of December, 1987 (the original Lease) attached hereto as Schedule "B" the Lessor granted to the Lessee a lease over the premises described in Schedule "A" attached hereto.

AND WHEREAS the said Lease had an effective date of April 30th, 1988.

AND WHEREAS pursuant to paragraph 5(e) of the Lease, the Lessee was granted the right to renew the Lease for an additional period of ten (10) years.

AND WHEREAS by letter dated September 12th, 2007, the Lessee provided notice to the Lessor that it wished to exercise the option for renewal pursuant to paragraphs 2(b) and 5(e) of the Lease.

AND WHEREAS the parties have subsequently agreed that the Lease would be extended.

AND WHEREAS the parties have further agreed to increase the Lease payments provided for in the Lease pursuant to paragraph 3 thereof.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of \$10.00 now paid by each party to the other, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Paragraph 3 of the Lease is deleted and the following is substituted therefor:

"3. YIELDING AND PAYING THEREFOR unto the Lessor during the said term hereby granted, a sum of lawful money of Canada calculated as being 23.5% of the gross revenue of the Lessee actually received, said sums to be payable by consecutive monthly instalment of 23.5% of the gross revenue of the Lessee received in that month. Each instalment shall be paid within 2 weeks after the end of each month during the said term. All payments to be made hereunder shall be made to the Lessor through Post Office Box 34, in the Village of Kagawong or at such other place as the Lessor may advise the Lessee by notice in writing from time to time. The Lessee shall provide access to the

records of the Lessor at such times during the normal business hours of the Lessee as to allow the Lessee to verify the gross income of the Lessee from time to time. The rent payable hereunder shall be deemed to include all municipal taxes, rates and local improvement charges."

2. The amended payments prescribed pursuant to paragraph 3 of the Lease (as amended) shall commence on the 1st day of June, 2010.

3. Notwithstanding the notice provided to the Lessor by the Lessee dated September 12th, 2007 to extend the Lease to April 30th, 2018, the parties hereto agree that the Lease shall be and is hereby extended to December 31st, 2029.

4. The Lessee and the Lessor hereby covenant that they shall perform and observe all of the covenants, provisos and stipulations in the original Lease (except 5(e) of the original Lease which shall be amended *mutatis mutandis* to change the renewal period from ten (10) years to one (1) year and the notice period from three (3) months to one (1) year) as fully as if such covenants, provisos and stipulations had been repeated in full with such modifications only as are necessary to make them applicable to this Amending Agreement.

5. It is understood and agreed that the Lessee may register the Lease against the title to the Leased Premises and the Lessor agrees to execute any document required for such registration.

6. All of the other terms of the Lease shall continue in effect as modified by the terms of this Renewal and Amending Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this agreement under seal as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
In the presence of

) The Corporation of the Township
) of Billings
)
)
) Per: _____
)
) Per: _____
)
) Per: _____
)
) Per: _____
) (We have authority to bind the Corporation)

) Kagawong Power Incorporated
)
)
) Per: _____
)
) Per: _____
) (We have authority to bind the Corporation)

original signed
Sept. 7, 2010

SCHEDULE "A"**Description:**

Part of the lands and premises legally described as Billings Concessions 15 and 16, Lots 27 and 28, and more particularly described as a site on the west bank of the Kagawong River on or near the juncture of Concessions 15 and 16 on the western edge of Lot 27 consisting of a structure and works designated as the "main dam" across the Kagawong River.