

EXHIBIT “D”

This is Exhibit D referred to in the
 affidavit of Kerny Adler
 sworn before me, this 12th
 day of August, 2009.

SkyPower Corp.

CONSOLIDATED BALANCE SHEET

A COMMISSIONER FOR TAKING AFFIDAVITS

As at June 30, 2009 and December 31, 2008

	Jun 2009 (unaudited)	Dec 2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	2,865,728	16,365,731
Restricted cash [note 3]	1,254,727	3,665,476
Other receivables [note 16[e]]	822,913	2,301,213
Due from related party [note 16[b]]	—	—
Other assets [note 5]	4,820,262	2,670,262
Prepaid expenses	1,052,175	745,418
Assets held for sale [note 7]	—	21,537,514
Total current assets	10,815,805	47,285,614
Property, plant and equipment [note 6]	296,331,142	292,937,136
Other assets [note 5]	—	—
Turbine deposits [note 7]	16,939,734	15,661,862
Project development costs [note 8]	8,727,406	6,593,025
Investments [note 9]	7,132,454	5,615,103
	339,946,541	368,092,740
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities [note 16[e]]	9,005,568	14,384,625
Current portion of loans payable [note 10]	249,671,325	262,070,742
Total current liabilities	258,676,893	276,455,367
Loans payable [note 10]	36,211,817	28,697,241
Other payables [note 10[b]]	1,583,444	5,408,657
Asset retirement obligation [note 11]	705,680	684,164
Future income tax liability [note 15]	—	—
Total liabilities	297,177,834	311,245,429
Non-controlling interest [note 4[a]]	98,000	98,000
Shareholders' equity		
Share capital [note 12]	321,564,293	321,564,293
Contributed surplus [note 13]	1,171,417	1,099,490
Accumulated other comprehensive income	(1,748,531)	(1,813,980)
Retained earnings (Deficit)	(278,316,472)	(264,100,492)
Total shareholders' equity	42,670,707	56,749,311
	339,946,541	368,092,740

See accompanying notes

SkyPower Corp.

**CONSOLIDATED STATEMENT OF LOSS
AND RETAINED EARNINGS (DEFICIT)**

Period ended June 30
(unaudited)

	Three Months		Six Months	
	Jun 2009	Jun 2008	Jun 2009	Jun 2008
	\$	\$	\$	\$
REVENUE				
Electricity sales	537,789	—	537,789	—
Installation revenue	19,387	—	63,400	—
Interest income	6,647	28,425	27,612	56,072
	<u>563,823</u>	<u>28,425</u>	<u>628,801</u>	<u>56,072</u>
EXPENSES				
Operating Expenses	204,794	—	237,737	—
Compensation and consulting fees	1,140,766	565,284	2,326,636	1,174,390
Stock-based compensation <i>[note 12[d]]</i>	25,982	109,374	53,945	233,634
Professional fees	1,856,575	306,088	2,211,559	1,209,371
General and administrative	292,787	270,396	627,734	582,053
Travel and accommodation	57,766	134,935	188,013	376,822
Capital tax	175,459	210,000	350,919	367,684
Project development costs	437,170	—	895,687	—
Turbine storage and maintenance costs	939,590	—	1,916,006	—
Foreign exchange (gain) loss	(424,505)	(35,248)	1,507,892	(42,175)
Interest expense and financing fees	4,095,493	3,346,028	8,990,246	7,778,545
Amortization of property, plant and equipment	241,988	63,438	480,478	123,730
Amortization of debt financing fees	—	449,106	943,619	449,106
Equity accounted loss from investment <i>[note 9[b]]</i>	(1,692,745)	—	(1,187,575)	—
Unrealized loss on derivative financial instruments	(3,392,155)	2,774,865	(4,433,788)	172,270
Realized gain on investment <i>[note 9[a]]</i>	—	(1,296,235)	—	(1,296,235)
Unrealized loss (gain) on investments <i>[note 9[a]]</i>	578,944	9,825,200	(264,327)	11,197,458
	<u>4,537,909</u>	<u>16,723,231</u>	<u>14,844,781</u>	<u>22,326,653</u>
Loss before income taxes	(3,974,086)	(16,694,806)	(14,215,980)	(22,270,581)
Recovery of income taxes <i>[note 15]</i>	—	2,537,903	—	4,275,491
Net loss for the period	<u>(3,974,086)</u>	<u>(14,156,903)</u>	<u>(14,215,980)</u>	<u>(17,995,090)</u>
Retained earnings (Deficit), beginning of period	(274,342,386)	(3,175,555)	(264,100,492)	662,632
Retained earnings (Deficit), end of period	<u>(278,316,472)</u>	<u>(17,332,458)</u>	<u>(278,316,472)</u>	<u>(17,332,458)</u>
Accumulated other comprehensive income, beginning of period	(1,666,720)	9,056,538	(1,813,980)	10,156,659
Other comprehensive loss for the period	(81,811)	(8,726,750)	65,449	(9,826,871)
Accumulated other comprehensive income, end of period	<u>(1,748,531)</u>	<u>329,788</u>	<u>(1,748,531)</u>	<u>329,788</u>

See accompanying notes

SkyPower Corp.

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (LOSS)**

Period ended June 30
(unaudited)

	Three Months		Six Months	
	Jun 2009	Jun 2008	Jun 2009	Jun 2008
	\$	\$	\$	\$
Net loss for the period	(3,974,086)	(14,156,903)	(14,215,980)	(17,995,090)
Other comprehensive income				
Unrealized gain (loss) on investment, net of tax [note 9[a]]	(81,811)	(8,726,750)	65,449	(9,826,871)
Comprehensive income (loss)	(4,055,897)	(22,883,653)	(14,150,531)	(27,821,961)

See accompanying notes

SkyPower Corp.

CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended June 30
(unaudited)

	Three Months		Six Months	
	Jun 2009	Jun 2008	Jun 2009	Jun 2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(3,974,086)	(14,156,903)	(14,215,980)	(17,995,090)
Add (deduct) items not involving cash				
Amortization of property, plant and equipment	241,988	63,439	480,478	123,731
Amortization of debt financing costs	—	449,106	943,619	449,106
Write-off of project development costs	437,170	—	895,687	—
Stock-based compensation expense <i>[note 12[d]]</i>	34,644	109,374	62,606	233,634
Unrealized loss on derivative financial instrument	(3,392,155)	2,774,865	(4,433,788)	172,270
Unrealized loss (gain) on investment <i>[note 9[a]]</i>	578,944	(1,296,235)	(264,327)	(1,296,235)
Equity accounted loss from investment <i>[note 9[b]]</i>	(1,692,745)	9,825,200	(1,187,575)	11,197,458
Future income taxes <i>[note 15]</i>	—	(2,537,903)	—	(4,275,491)
	(7,766,240)	(4,769,057)	(17,719,280)	(11,390,617)
Changes in non-cash working capital balances related to operations				
Other receivables	(678,446)	(71,740)	1,478,300	(333,393)
Other assets	—	—	—	—
Prepaid expenses	119,093	85,587	(306,757)	121,896
Due from/to related parties	—	(2,792)	—	(2,792)
Accounts payable and accrued liabilities	(640,793)	1,538,150	(109,022)	(5,299,163)
Income taxes recoverable/payable	—	—	—	—
Due to/from shareholder	—	—	—	—
Cash used in operating activities	(8,966,386)	(3,219,852)	(16,656,759)	(16,904,069)
INVESTING ACTIVITIES				
Project development costs	(1,615,246)	(7,578,800)	(3,020,747)	(11,170,591)
Property, plant and equipment	(1,682,566)	(313,869)	(8,514,428)	(800,658)
Investment in First Light <i>[note 9[b]]</i>	—	—	—	—
Deposits on turbines <i>[note 7]</i>	(206,512)	(38,424,171)	(1,277,872)	(57,835,671)
Other assets <i>[note 5]</i>	(300,000)	—	(2,150,000)	—
Proceeds on disposition of investments <i>[note 9[a]]</i>	—	4,673,734	—	4,673,735
Proceeds on sale of Turbine Supply Agreement	—	—	21,537,514	(1,013,668)
Restricted cash <i>[note 3]</i>	1,311,987	(1,013,668)	2,410,749	—
Cash used in investing activities	(2,492,337)	(42,656,774)	8,985,216	(66,146,853)
FINANCING ACTIVITIES				
Shares and warrants issued for cash	—	60,121,823	—	92,773,090
Loans payable, net <i>[note 10]</i>	6,490,996	—	(5,682,074)	793,508
Debt financing costs	(62,622)	(1,681,015)	(146,386)	(2,509,176)
Exercise of options <i>[note 12[d]]</i>	—	—	—	—
Cash provided by financing activities	6,428,374	58,440,808	(5,828,460)	91,057,422
Net increase (decrease) in cash during the period	(5,030,349)	12,564,182	(13,500,003)	8,006,500
Cash and cash equivalents, beginning of period	7,896,077	4,496,639	16,365,731	9,054,321
Cash and cash equivalents, end of period	2,865,728	17,060,821	2,865,728	17,060,821
Supplemental cash flow information				
Operating activities				
Cash interest received	27,612	28,425	27,612	56,072
Income taxes paid	98,492	123,297	258,492	798,297
Cash interest paid	2,802,718	3,203,511	2,802,718	7,966,599
Investing activities				
Project development costs included in accounts payable and accrued liabilities	139,988	2,797,175	—	2,797,175
Deposits on turbines included in accounts payable and accrued liabilities	—	15,609,556	—	15,609,556
Property, plant and equipment included in accounts payable and accrued liabilities	2,889,647	—	—	—

SkyPower Corp.

CONSOLIDATED BALANCE SHEET

As at March 31, 2009 and December 31, 2008

	Mar 2009 (unaudited)	Dec 2008
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	7,896,077	16,365,731
Restricted cash [note 3]	2,566,714	3,665,476
Other receivables [note 16[e]]	144,467	2,301,213
Due from related party [note 16[b]]	—	—
Other assets [note 5]	4,520,262	2,670,262
Prepaid expenses	1,171,268	745,418
Assets held for sale [note 7]	—	21,537,514
Total current assets	16,298,788	47,285,614
Property, plant and equipment [note 6]	294,879,806	292,937,136
Other assets [note 5]	—	—
Turbine deposits [note 7]	16,733,222	15,661,862
Project development costs [note 8]	7,549,330	6,593,025
Investments [note 9]	6,100,464	5,615,103
	341,561,610	368,092,740
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities [note 16[e]]	9,646,361	14,384,625
Current portion of loans payable [note 10]	243,043,930	262,070,742
Total current liabilities	252,690,291	276,455,367
Loans payable [note 10]	36,410,838	28,697,241
Other payables [note 10[b]]	4,975,599	5,408,657
Asset retirement obligation [note 11]	694,922	684,164
Future income tax liability [note 15]	—	—
Total liabilities	294,771,650	311,245,429
Non-controlling interest [note 4[a]]	98,000	98,000
Shareholders' equity		
Share capital [note 12]	321,564,293	321,564,293
Contributed surplus [note 13]	1,136,773	1,099,490
Accumulated other comprehensive income	(1,666,720)	(1,813,980)
Retained earnings (Deficit)	(274,342,386)	(264,100,492)
Total shareholders' equity	46,691,960	56,749,311
	341,561,610	368,092,740

See accompanying notes

SkyPower Corp.

**CONSOLIDATED STATEMENT OF LOSS
AND RETAINED EARNINGS (DEFICIT)**

Period ended March 31
(unaudited)

	Mar 2009	Mar 2008
	\$	\$
REVENUE		
Installation revenue	44,013	—
Interest income	20,965	27,647
	<u>64,978</u>	<u>27,647</u>
EXPENSES		
Operating Expenses	32,943	—
Compensation and consulting fees	1,185,870	609,106
Stock-based compensation [note 12[d]]	27,963	124,260
Professional fees	354,984	903,283
General and administrative	334,947	311,657
Travel and accommodation	130,247	241,887
Capital tax	175,460	157,684
Project development costs	458,517	—
Turbine storage and maintenance costs	976,416	—
Foreign exchange (gain) loss	1,932,397	(6,927)
Interest expense and financing fees	4,894,753	4,432,517
Amortization of property, plant and equipment	238,490	60,292
Amortization of debt financing fees	943,619	—
Equity accounted loss from investment [note 9[b]]	505,170	—
Unrealized loss on derivative financial instruments	(1,041,633)	(2,602,595)
Realized gain on investment [note 9[a]]	—	—
Unrealized loss (gain) on investments [note 9[a]]	(843,271)	1,372,258
	<u>10,306,872</u>	<u>5,603,422</u>
Loss before income taxes	(10,241,894)	(5,575,775)
Recovery of income taxes [note 15]	—	1,737,588
Net loss for the year	<u>(10,241,894)</u>	<u>(3,838,187)</u>
Retained earnings (Deficit), beginning of year	(264,100,492)	662,632
Retained earnings (Deficit), end of period	<u>(274,342,386)</u>	<u>(3,175,555)</u>
Accumulated other comprehensive income,		
beginning of year	(1,813,980)	10,156,659
Other comprehensive loss for the year	147,260	(1,100,121)
Accumulated other comprehensive income, end of period	<u>(1,666,720)</u>	<u>9,056,538</u>

See accompanying notes

SkyPower Corp.

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (LOSS)**

Period ended March 31
(unaudited)

	Mar 2009	Mar 2008
	\$	\$
Net loss for the period	(10,241,894)	(3,838,187)
Other comprehensive income		
Unrealized gain (loss) on investment, net of tax <i>[note 9[a]]</i>	<u>147,260</u>	<u>(1,100,121)</u>
Comprehensive income (loss)	<u>(10,094,634)</u>	<u>(4,938,308)</u>

See accompanying notes

SkyPower Corp.

CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended March 31
(unaudited)

	Mar 2009	Mar 2008
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(10,241,894)	(3,838,187)
Add (deduct) items not involving cash		
Amortization of property, plant and equipment	238,490	60,292
Amortization of debt financing costs	943,619	—
Write-off of project development costs	458,517	—
Stock-based compensation expense [note 12[d]]	27,962	124,260
Unrealized loss on derivative financial instrument	(1,041,633)	(2,602,595)
Unrealized loss (gain) on investment [note 9[a]]	(843,271)	1,372,258
Equity accounted loss from investment [note 9[b]]	505,170	—
Future income taxes [note 15]	—	(1,737,588)
	<u>(9,953,040)</u>	<u>(6,621,560)</u>
Changes in non-cash working capital balances related to operations		
Other receivables	2,156,746	(261,653)
Prepaid expenses	(425,850)	36,309
Due from/to related parties	—	—
Accounts payable and accrued liabilities	531,771	(6,837,313)
Cash used in operating activities	<u>(7,690,373)</u>	<u>(13,684,217)</u>
INVESTING ACTIVITIES		
Project development costs	(1,405,501)	(3,591,791)
Property, plant and equipment	(6,831,862)	(486,789)
Deposits on turbines [note 7]	(1,071,360)	(19,411,500)
Other assets [note 5]	(1,850,000)	—
Proceeds on disposition of investments [note 9[a]]	—	1
Proceeds on sale of Turbine Supply Agreement	21,537,514	—
Restricted cash [note 3]	1,098,762	—
Cash used in investing activities	<u>11,477,553</u>	<u>(23,490,079)</u>
FINANCING ACTIVITIES		
Loans payable, net [note 10]	(12,173,070)	793,508
Debt financing costs	(83,764)	(828,161)
Exercise of options [note 12[d]]	—	—
Cash provided by financing activities	<u>(12,256,834)</u>	<u>(34,653)</u>
Net increase (decrease) in cash during the period	<u>(8,469,654)</u>	<u>(37,208,949)</u>
Cash and cash equivalents, beginning of year	<u>16,365,731</u>	<u>9,054,321</u>
Cash and cash equivalents, end of period	<u>7,896,077</u>	<u>(28,154,628)</u>
Supplemental cash flow information		
Operating activities		
Cash interest received	20,965	24,647
Income taxes paid	160,000	675,000
Cash interest paid	2,802,718	—
Investing activities		
Project development costs included in accounts payable and accrued liabilities	139,988	2,841,373
Property, plant and equipment included in accounts payable and accrued liabilities	2,889,647	—

See accompanying notes

EXHIBIT “E”

SKYPOWER CORP.

Weekly Cash Flow Projections (in CDN\$)

For the 16 Week Period Ending November 29, 2009

	Week 1 16-Aug-09	Week 2 23-Aug-09	Week 3 30-Aug-09	Week 4 6-Sep-09
Receipts	125,000	675,000	-	-
Disbursements				
Salaries, wages, and benefits	(15,901)	-	(486,444)	-
Corporate Expenses (G&A, Rent, Travel)	(63,997)	(34,000)	(46,904)	(72,167)
GE_XLE Turbine Storage & Maintenance Costs	(5,870)	(220,410)	(54,117)	-
Professional Fees	(415,000)	(415,000)	(115,000)	(145,000)
DIP Financing Interest & Fees	(100,000)	(100,000)	(5,000)	(5,000)
Development Expenses	(474,370)	(52,845)	(64,134)	(3,872,779)
Total Disbursements	(1,075,138)	(822,255)	(771,599)	(4,094,946)
Net Cash Flow	(950,138)	(147,255)	(771,599)	(4,094,946)
Rollforward of Cash Position				
Opening balance	534,561	1,509,423	1,362,167	3,505,568
Total net cash flow	(950,138)	(147,255)	(771,599)	(4,094,946)
DIP Funding	1,925,000	-	2,915,000	3,300,000
Closing Balance	1,509,423	1,362,167	3,505,568	2,710,623
Availability Under DIP Facility				
Opening balance - DIP Facility	-	1,925,000	1,925,000	4,840,000
DIP Funding	1,925,000	-	2,915,000	3,300,000
Closing Balance - DIP Facility	1,925,000	1,925,000	4,840,000	8,140,000
Total DIP Facility Allowable	16,500,000	16,500,000	16,500,000	16,500,000
Total Available DIP Facility Balance	14,575,000	14,575,000	11,660,000	8,360,000

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 Kern Adler
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 Approved
 FINANCIAL CONTROLLER

SKYPOWER CORP.

Weekly Cash Flow Projections (in CDN\$)

For the 16 Week Period Ending November 29, 2009

	Week 5 13-Sep-09	Week 6 20-Sep-09	Week 7 27-Sep-09	Week 8 4-Oct-09
Receipts	82,068	-	-	-
Disbursements				
Salaries, wages, and benefits	(44,000)	(37,366)	(482,635)	(76,167)
Corporate Expenses (G&A, Rent, Travel)	(192,517)	-	(52,904)	(122,500)
GE_XLE Turbine Storage & Maintenance Costs	(115,000)	(100,000)	(46,617)	(130,000)
Professional Fees	(5,000)	(5,000)	(100,000)	(5,000)
DIP Financing Interest & Fees	(507,808)	(316,054)	(58,285)	(541,788)
Development Expenses	(864,325)	(458,420)	(745,441)	(875,455)
Total Disbursements	(782,257)	(458,420)	(745,441)	(875,455)
Net Cash Flow	(700,189)	(458,420)	(745,441)	(875,455)
Rollforward of Cash Position				
Opening balance	2,710,623	1,928,366	3,119,945	2,374,505
Total net cash flow	(782,257)	(458,420)	(745,441)	(875,455)
DIP Funding	-	1,650,000	-	1,650,000
Closing Balance	1,928,366	3,119,945	2,374,505	3,149,050
Availability Under DIP Facility				
Opening balance - DIP Facility	8,140,000	8,140,000	9,790,000	9,790,000
DIP Funding	-	1,650,000	-	1,650,000
Closing Balance - DIP Facility	8,140,000	9,790,000	9,790,000	11,440,000
Total DIP Facility Allowable	16,500,000	16,500,000	16,500,000	16,500,000
Total Available DIP Facility Balance	8,360,000	6,710,000	6,710,000	5,060,000

SKYPOWER CORP.

Weekly Cash Flow Projections (in CDN\$)

For the 16 Week Period Ending November 29, 2009

	Week 9 11-Oct-09	Week 10 18-Oct-09	Week 11 25-Oct-09	Week 12 1-Nov-09
Receipts	-	-	-	-
Disbursements				
Salaries, wages, and benefits	(44,000)	(37,366)	(46,904)	(485,972)
Corporate Expenses (G&A, Rent, Travel)	(192,517)	-	(46,617)	(154,167)
GE_XLE Turbine Storage & Maintenance Costs	(100,000)	(100,000)	(100,000)	(7,500)
Professional Fees	(5,000)	(5,000)	(5,000)	(130,000)
DIP Financing Interest & Fees	(472,035)	(611,668)	150,699	(5,000)
Development Expenses				(485,135)
Total Disbursements	(813,552)	(754,034)	(47,823)	(1,267,774)
Net Cash Flow	(813,552)	(754,034)	(47,823)	(1,267,774)
Rollforward of Cash Position				
Opening balance	3,149,050	2,335,498	2,681,464	2,633,641
Total net cash flow	(813,552)	(754,034)	(47,823)	(1,267,774)
DIP Funding	-	1,100,000	-	2,530,000
Closing Balance	2,335,498	2,681,464	2,633,641	3,895,867
Availability Under DIP Facility				
Opening balance - DIP Facility	11,440,000	11,440,000	12,540,000	12,540,000
DIP Funding	-	1,100,000	-	2,530,000
Closing Balance - DIP Facility	11,440,000	12,540,000	12,540,000	15,070,000
Total DIP Facility Allowable	16,500,000	16,500,000	16,500,000	16,500,000
Total Available DIP Facility Balance	5,060,000	3,960,000	3,960,000	1,430,000

SKYPOWER CORP.

Weekly Cash Flow Projections (in CDN\$)

For the 16 Week Period Ending November 29, 2009

	Week 13 8-Nov-09	Week 14 15-Nov-09	Week 15 22-Nov-09	Week 16 29-Nov-09	Total Weeks 1-16
Receipts	-	-	-	-	382,068
Disbursements					
Salaries, wages, and benefits	(29,000)	(47,366)	-	(430,395)	(1,901,347)
Corporate Expenses (G&A, Rent, Travel)	(192,517)	-	(34,000)	(52,904)	(873,210)
GE_XLE Turbine Storage & Maintenance Costs	(100,000)	(100,000)	(100,000)	(46,617)	(1,127,800)
Professional Fees	(5,000)	(5,000)	(5,000)	(100,000)	(2,365,000)
DIP Financing Interest & Fees	(643,081)	(528,000)	-	(1,383,934)	(1,648,934)
Development Expenses	(969,598)	(680,366)	(139,000)	(5,850)	(8,483,135)
Total Disbursements	(969,598)	(680,366)	(139,000)	(2,019,701)	(16,399,426)
Net Cash Flow	(969,598)	(680,366)	(139,000)	(2,019,701)	(16,517,358)
Rollforward of Cash Position					
Opening balance	3,895,867	2,926,269	2,245,903	2,106,903	534,561
Total net cash flow	(969,598)	(680,366)	(139,000)	(2,019,701)	(15,517,358)
DIP Funding	-	-	-	1,430,000	16,500,000
Closing Balance	2,926,269	2,245,903	2,106,903	1,517,202	1,517,202
Availability Under DIP Facility					
Opening balance - DIP Facility	15,070,000	15,070,000	15,070,000	15,070,000	-
DIP Funding	-	-	-	1,430,000	16,500,000
Closing Balance - DIP Facility	15,070,000	15,070,000	15,070,000	16,500,000	16,500,000
Total DIP Facility Allowable	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total Available DIP Facility Balance	1,430,000	1,430,000	1,430,000	-	-

EXHIBIT “F”

CIM

August 12, 2009

SkyPower Corporation
250 Yonge Street, 16th Floor
Toronto, Ontario, Canada
M5B 2L7

This is Exhibit F referred to in the
affidavit of Kerry Adler
sworn before me this 12th
day of August 2009
[Signature]
A COMMISSIONER FOR TAKING AFFIDAVITS

Attn: Kerry Adler, Chief Executive Officer

Re: Loan Commitment for DIP financing

As requested, we are pleased to offer our commitment to lend US\$15 million to SkyPower Corporation subject to the conditions and on the terms set out in the attached term sheet.

This offer is open for acceptance until 5:00 p.m. Eastern Standard Time on Wednesday, August 12, 2009.

Sincerely,

CIM/SP Funding, LLC

By: CIM Infrastructure Fund, LP, its sole member

By: CIM Infrastructure GP, LLC, its general partner

By: [Signature]
Nicholas V. Morosoff, Secretary

Accepted:

SkyPower Corporation

By: [Signature]
Name: Kerry Adler
Title:

(Attachment)

Indicative Terms: August 12, 2009

Skypower Corp.
US\$15,000,000 Senior Secured, Super-Priority Debtor-In-Possession (DIP) Credit Facility
Summary of Terms and Conditions

The proposed terms and conditions summarized herein are provided for discussion purposes only and do not constitute an offer, agreement or commitment to lend. The actual terms and conditions on which CIM might extend credit to the Borrower is subject to satisfactory review and subsequent credit approval of all relevant information, including but not limited to operational, financial and environmental information, and any other such matters as determined by CIM. This term sheet is to be held confidential and its terms may not be shared with outside parties. All dollar amounts are in U.S. dollars unless expressly stated otherwise.

- Borrower:** Skypower ("Skypower" or the "Borrower").
- Lender:** CIM or an affiliate or assignee (as to US\$15,000,000 of Commitment).
- Purpose:** This DIP Credit Facility is being provided to support Skypower's restructuring efforts, which, with certain of its affiliates and subsidiaries, intends to apply for relief from its creditors under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") (the "Insolvency Proceedings").
- DIP Credit Facility:** Senior secured, super-priority debtor-in-possession revolving line of credit (the "DIP Credit Facility") in the amount of US\$15,000,000 or the C\$ equivalent.
- Advances under the DIP Credit Facility will be made available in C\$ by way of Canadian Dollar Loans ("C\$ Loans") and in US\$ by way of US Dollar Loans ("US Loans"), in either US Dollars or Canadian Dollars.
- Maturity Date:** The earliest of (i) the effective date of any Plan of Arrangement sanctioned by the CCAA Court, (ii) at the election of CIM, on the occurrence of any Event of Default, and (iii) November 30, 2009.
- Closing Date:** Upon commencement of the Insolvency Proceedings.
- Availability:** Subject to satisfaction of the Conditions Precedent to Availability, the DIP Credit Facility may be borrowed, repaid and re-borrowed on and after the Closing Date until the Maturity Date.
- Use of Proceeds:** The DIP Credit Facility shall only be used to:
- (i) provide for working capital, maintenance capital expenditures and other ordinary course expenditures, all in accordance with the Cash Flow Statement (as herein defined) approved by the CCAA Court in the Insolvency Proceedings and by CIM;
 - (ii) pay interest, fees and expenses associated with the DIP Credit Facility;
 - (iii) pay costs and expenses in connection with the Insolvency Proceedings.
- Repayment:** 100% bullet on the Maturity Date.
- Voluntary Prepayment / Cancellations:** Permitted at any time without premium or penalty, subject to notice periods and/or customary breakage costs.
- Documentation:** This Summary sets out the material terms of the DIP Credit Facility. At the election of CIM, additional terms, conditions, covenants, representations, warranties, events of

default and other provisions may be contained in additional documentation (including, without limitation, credit agreements, inter-creditor agreement, related security documentation, guarantees, mortgages, and other perfection documents) entered into in connection with the DIP Credit Facility (collectively, the "DIP Credit Facility Documentation"), all to be in form and substance satisfactory to CIM and CIM's counsel. The DIP Credit Facility Documentation, if required by CIM, will contain, without limitation, such additional representations and warranties; conditions precedent; affirmative, negative and financial covenants; indemnities; and events of default and remedies as required by CIM. Such documents must be acceptable to CIM and CIM's counsel. All orders of the CCAA Court filing, (including without limitation, the Initial CCAA Order and any orders recognizing orders made in the CCAA filing in countries other than Canada), and all motions relating thereto, will be in form and substance acceptable to CIM and CIM's counsel. Any availability by CIM will, if required by CIM, be subject to the negotiation, execution and delivery of definitive DIP Credit Facility Documentation, in each case prepared by counsel to CIM.

Security:

To secure all obligations of the Borrower under or in connection with the DIP Credit Facility, CIM shall be granted and will receive, pursuant to the Initial CCAA Order and the DIP Credit Facility, a fully perfected first (except as otherwise contemplated herein) priority charge in, and first ranking court ordered charge on (or applicable equivalents thereto, such charge being the "DIP Charge") all of the existing and after acquired real and personal, tangible and intangible, assets of the Borrower (collectively, the "Collateral"). As soon as reasonably practical, the orders made in the CCAA Court filing shall be recognized in the United States under and pursuant to Chapter 15 of the *United States Bankruptcy Code* (the "US Bankruptcy Code").

**Permitted
Encumbrances and
Priority:**

All Collateral will be free and clear of other liens, encumbrances and claims, except for (a) charges created under the Initial CCAA Order, the amount secured by, and the priority of, each of which shall be acceptable to CIM in its sole discretion, (b) existing validly perfected liens granted by the Borrower prior to the date hereof including liens in respect of purchase-money equipment loans, financing leases and real property mortgages, a listing of which shall be set forth in Schedule A hereto and which shall collectively not exceed \$277,295,000.00, and (c) such other liens as are acceptable to CIM (collectively, the "Permitted Encumbrances").

- (a) Permitted Encumbrances referred to herein shall be subordinate to the DIP Charge except as set forth in the Initial CCAA Order, which shall be in form and substance satisfactory to CIM in its sole discretion or as otherwise agreed to in writing by CIM in its sole discretion.

**Conditions Precedent
to Availability:**

No amount shall be available to be drawn until each of the following conditions has been met to the satisfaction of CIM and Lender's counsel:

- (i) the Initial CCAA Order shall have been entered by the CCAA Court (the "Initial CCAA Order") approving and authorizing the DIP Credit Facility in form and substance satisfactory to CIM and its counsel, and the Initial CCAA Order shall not have been reversed, modified, amended or stayed;
- (ii) payment of all fees and expenses associated with the DIP Credit Facility;
- (iii) receipt of any DIP Credit Facility Documentation required by CIM to be delivered on or before closing, duly executed by the Borrower;
- (iv) confirmation of 30 month business plan previously provided to CIM (the "Business Plan");

- (v) receipt of the rolling 15-week forecasted cash flow statement of Skypower, prepared on a consolidated basis, that shows, inter alia, and delivered on a weekly updated basis by Skypower to CIM pursuant to clause 1(a) under Reporting Covenants below, with the initial one dated as of the Closing Date and being acceptable to CIM and filed with the CCAA Court, and being attached hereto as Schedule D (herein the "Cash Flow Statement");
- (vi) customary closing certificates, legal opinions and other documents; and
- (vii) such other matters as CIM may reasonably require.

\$1,600,000 shall be available to be drawn on Closing. \$4,400,000 shall be available to be drawn on the day following the Closing. \$5,250,000 (or such other amount as may be agreed) shall be available to be drawn ten (10) business days following Closing. Availability will increase to the full \$15,000,000 on the later of ten (10) business days following Closing and the Initial CCAA Order having been recognized in the United States by an order of the US Bankruptcy Court of competent jurisdiction under Chapter 15 of the US Bankruptcy Code as part of a main proceeding (the "US Bankruptcy Order"). Draws can be made bi-weekly on the basis of amounts required to fund disbursements in accordance with the Cash Flow Statement.

**Representations &
Warranties:**

The Borrower represents and warrants to CIM that as of the date of the initial drawdown on the Closing Date and as of the date of any subsequent drawdown after the Closing Date:

- (a) the execution, delivery and performance of the DIP Credit Facility Documentation has been duly authorized by all actions, if any, required on its part and by its shareholders and directors (or where applicable partners, members or managers), and each of such documents has been duly executed and delivered and constitutes a valid and legally binding obligation of the Borrower enforceable against it in accordance with its terms subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles;
- (b) it has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required as of the date hereof in connection with the execution and delivery by it of this Agreement to which it is a party and the consummation of the transactions contemplated in this Agreement;
- (c) the financial statements and other information of the Borrower furnished and to be furnished to CIM pursuant to this Agreement have been or will be prepared (as and to the extent applicable) in accordance with GAAP consistently applied, and present fairly the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended;
- (d) the Cash Flow Statement delivered as a condition to or as required by this Agreement, when delivered to CIM, represents or will represent its then current best estimate as at the date thereof of the likely consolidated results of operations of the Borrower during the periods set forth in such cash flow and availability projection and, to the best

of its knowledge, is achievable as provided therein;

- (e) as of the Closing Date, there are no arrears for any statutory remittances, withholding taxes or other amounts that, if unpaid, would have the benefit of an Encumbrance or deemed trust in priority to the Security, including goods and services tax under the *Excise Tax Act* (Canada) and any source deduction remittances to Canada Revenue Agency, except those accruing in the normal course and not yet due;
- (f) as of the Closing Date, all employee wages and other amounts owing to employees are up-to-date and there are no amounts owing in respect of wages, salary, union dues, termination pay, severance pay, vacation pay, pension benefit contributions or other benefits except those accruing in the normal course and not yet due in accordance with the established practices and arrangements of the Borrower;
- (g) in order to conserve cash, no cash payments (interest or otherwise) shall be made on any indebtedness incurred prior to the granting of the CCAA Order except as may be expressly set out in the Cash Flow Statement;
- (h) as of the Closing Date, the Borrower and Subsidiaries of the Borrower only maintain deposit and investment accounts with TD Bank and not with any other financial institution or company.

Financial Covenant:

Borrower covenants and agrees with CIM that, for so long as any amount is outstanding under the DIP Credit Facility, at no time will the expenses incurred during any period of two consecutive calendar weeks exceed 125% of the aggregate of cash expenses listed in the Cash Flow Statement for such period (the "Anticipated Expenses"), unless CIM consents in writing. The testing of compliance with this covenant shall occur each two calendar weeks and, as applicable, be part of the reporting required in clause (1)(a) below under Reporting Covenants.

Subject to the foregoing, unless CIM consents in writing, the Borrower will only incur liabilities and make disbursements in accordance with the Cash Flow Statement.

Positive Covenants:

The Borrower covenants and agrees with CIM that:

- (a) it will perform and observe all of the terms and conditions contained in this Agreement and each document forming part of the DIP Credit Facility Documentation to which it is a party;
- (b) at all times, all appropriate efforts will be undertaken by it for the purposes of managing the property and undertaking of the Borrower and its subsidiaries in a commercially reasonable manner and maintaining the assets of the Borrower and its subsidiaries in accordance with usual and accepted proper practice for the Borrower or its subsidiary's industry, as applicable, so as to maintain the value and utility of such assets;
- (c) it will pay or remit when due, all statutory remittances, withholding taxes, wages and other amounts that, if unpaid, would or may have the benefit of an Encumbrance or deemed trust ranking in priority to the Security;
- (d) it will deliver to CIM all information concerning its assets, business

and affairs as may be requested by CIM from time to time;

- (e) it will deliver to CIM, immediately upon becoming aware of the occurrence of an Event of Default, written notice thereof specifying the details of such Event of Default;
- (f) It will prepare the financial statements and other information of the Borrower and its subsidiaries to be furnished to CIM pursuant to this Agreement in accordance with GAAP consistently applied (to the extent applicable), and it will ensure such financial statements and other information present fairly the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended;
- (g) the Borrower shall forthwith perform a comprehensive review of all Non-Core Assets (as defined below) of the Borrower to determine the monthly costs and expenditures associated with each such Non-Core Asset over the course of the past three years and deliver a written report with such information and with recommendations to CIM by no later than August 15, 2009 as to how and in what amounts such costs and expenditures can be reduced or eliminated. For the purposes hereof, "Non-Core Assets" means all assets of the Borrower or its subsidiaries that are not required in connection with the business of the development of wind or solar projects in Canada (the "Core Business") and includes, but is not limited to, the foreign exchange claims of the Borrower against Lehman Brothers Special Finance Inc. and the shares of AAER; and
- (h) in accordance with the cash disbursement protocol contained in Schedule C hereto, CIM shall be provided by the Borrower with, on a weekly basis, a true and correct copy of all proposed disbursements (with sufficient details so as to allow the use of proceeds to be determined) from the bank accounts of the Borrower (or other investment accounts of the Borrower) one full week prior to any disbursements thereof being made.

Negative Covenants:

The Borrower covenants and agrees with CIM that it will not, without the prior written consent of CIM:

- (a) grant, or permit to be outstanding, any Encumbrance of any kind whatsoever other than Permitted Encumbrances existing on the date hereof and Liens arising solely by operation of law in the ordinary course of business of the Borrower;
- (b) create, incur assume or suffer to exist, directly, contingently or otherwise, any Debt other than:
 - (i) Debt existing on the date hereof provided same was permitted under the terms of the Credit Agreement at the time it was incurred;
 - (ii) Debt incurred from the Lenders by way of rollover or conversion of outstanding Drawdowns under the Credit Agreement; or
 - (iii) unsecured current liabilities (which are not the result of

borrowing) incurred and payable in the ordinary course of business of the Borrower and not represented by any note, bond or debenture;

- (c) incur any liabilities that it will be unable to satisfy;
- (d) make any amendment or modification to any indenture, note or other agreement evidencing or governing any Debt, or directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire any such other Debt in advance of Debt outstanding under the Credit Agreement or any other Loan Document;
- (e) enter into any transactions outside the ordinary course of its business, other than those specifically identified in the Cash Flow Statement;
- (f) make any expenditures or commitments to do so except those identified in the Cash Flow Statement and permitted under the CCAA Order;
- (g) declare any dividends or distributions or pay any amount to any shareholder or any Person affiliated or associated with any shareholder whether by way of dividend or otherwise;
- (h) guarantee, endorse or otherwise become surety for or upon any obligations of others;
- (i) pay any amount to its employees, officers or directors in their capacities as such by way of salary, bonus, commission, directors fees or otherwise in excess of the amounts currently being paid or at a rate in excess of the current rate thereof;
- (j) lend or invest, whether by way of loan, acquisition of shares, acquisition of debt obligations or in any other way whatsoever;
- (k) make any cash payment (interest or otherwise) to the lenders under the First Lien Credit Agreement or the Second Lien Credit Agreement at any time;
- (l) open or maintain deposit or investment accounts with any company other than those maintained with TD Bank as of the date hereof; or

Reporting Covenants:

- (1) Skypower will prepare and deliver to CIM:
 - (a) on Friday of each week (or the next Business Day if Friday is not a Business Day), an updated Cash Flow Statement for each such week, such Cash Flow Statement to be in form and substance the same as the initial one attached as Schedule F, and to be satisfactory to CIM, and to include a variance report thereon, all of which shall be reviewed by the CIM;
 - (b) as available and in any event within 25 days after the end of each month (i) the unaudited consolidated balance sheet of Skypower as of the end of such month, and (ii) the related consolidated statements of earnings, retained earnings and changes in financial position of Skypower for such month; all certified as to fairness in accordance with Canadian

GAAP and as to consistency (or exceptions therefrom) by the Chief Financial Officer of Skypower; and

(c) contemporaneously with the delivery of the monthly financial statements of Skypower a compliance certificate setting forth a detailed calculation of the financial covenant set forth above under Financial Covenant, in form and content satisfactory to CIM.

(2) The TD Bank shall agree, in its capacity as deposit bank for the Borrower, to provide CIM will all information pertaining to the deposit accounts maintained by the Borrower with them on a weekly basis. The Borrower hereby consents to the disclosure by TD Bank of such information to CIM, and to the disclosure, in turn, of such information to CIM.

Events of Default:

In addition to any other rights or remedies of CIM pursuant hereto and pursuant to other DIP Credit Facility Documentation, if any one or more of the following events has occurred, CIM may declare by written notice to the Borrower that an Event of Default shall have occurred effective as of the time specified in such notice:

- (a) any of the Borrower defaults in the payment of any amount due and payable to CIM pursuant to this Agreement or any other document forming part of the DIP Credit Facility Documentation;
- (b) any of the representations or warranties made by an Obligor in this Agreement proves to be incorrect as of the date given;
- (c) the Borrower, after the date hereof, fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in this Agreement, any other document forming part of the DIP Credit Facility Documentation, or any future agreement between the CIM and such Person;
- (d) an "Event of Default" occurs under this Agreement, and any other document forming part of the DIP Credit Facility Documentation, or any future agreement between CIM and the Borrower; or
- (e) if any order of the CCAA Court is not acceptable to CIM.

Interest Rate: US Prime Rate (with a floor of 3.50%) plus a Margin of 8.75% per annum

Upfront Fee: 375 bps of Lender Commitment payable to the CIM on closing.

Maturity Fee: 200 bps of the Lender Commitment payable to CIM on the Maturity Date.

Default Rate: 2.00% per annum in excess of the Interest Rate.

Availability Fee for Unfunded Commitment: 0.50% per annum on the unfunded amount of the Lender Commitment.

Payment of Interest and Fees: Payment of Interest and Fees may be in cash or in kind, but Payment in cash at Maturity.

- Remedies:** Upon the occurrence of an Event of Default, whether or not there is availability under the DIP Credit Facility, without any notice or demand whatsoever, the right of the Borrower to receive any advance or other accommodation of credit may be terminated by CIM with any advances made thereafter being in the sole discretion of CIM and all indebtedness of the Borrower to CIM shall immediately become due and payable. Subject to the terms of any orders of the CCAA Court and/or the U.S. Bankruptcy Court, CIM shall be entitled to enforce security and realize on all Collateral, in each case without the necessity of obtaining further relief or order from any Court and including by notifying of and directing account debtors of the Borrower and the Guarantors to pay accounts receivable directly to CIM.
- Expenses:** The Borrower shall pay all fees and expenses (including but not limited to all due diligence, legal and documentation fees) incurred by CIM in connection with the DIP Credit Facility. The Borrower shall also pay the expenses of CIM in connection with the ongoing monitoring of the DIP Credit Facility and the enforcement of any of the definitive DIP Credit Facility Documentation.
- Indemnity:** The Borrower will indemnify and hold harmless CIM and its affiliates and its officers, directors, employees, agents and advisors (each, an "Indemnified Person") from and against any and all suits, actions, proceedings, orders, claims, damages, losses, liabilities and expenses (including reasonable legal fees and disbursements and other costs of investigation or defence, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as a result of or in connection with credit having been extended, suspended or terminated under the DIP Credit Facility, the definitive DIP Credit Facility Documentation or the use of the proceeds thereof, and the administration of such credit, and in connection with or arising out of the transactions contemplated hereunder or there under and any actions or failures to act in connection therewith including the taking of any enforcement actions by CIM, including any and all environmental liabilities and legal costs and expenses arising out of or incurred in connection with disputes between or among any parties hereto or to any of the definitive DIP Credit Facility Documentation.
- Voting:** Any changes to the DIP Credit Facility Documentation shall be subject to the approval of CIM.
- Governing Law:** This DIP Credit Facility will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any security agreements (if necessary) with respect to Collateral located in the US shall be governed by (i) in the case of all property other than real property, the laws of the State of New York and, (ii) in the case of real property, the laws of the State in which the real property is located.
- Right of CIM to Credit Bid:** Nothing in this Term Sheet or any DIP Credit Facility Documentation shall prevent CIM from offering to purchase some or all of the Collateral in consideration of the satisfaction, in whole or in part, of any obligations of the Borrower under the DIP Credit Facility (a "Credit Bid") and, subject to the Initial Order made in the Insolvency Proceedings, the Borrower may accept a Credit Bid.
- Definitions:** The defined terms set out in Schedule B shall, when used herein, have the meanings set out in Schedule B.

Schedule A

Permitted Liens and Encumbrances

I. ONTARIO

I. PERSONAL PROPERTY SECURITY ACT (Ontario)

(a) Skypower Corp.

<u>Secured Party(ies)</u>	<u>Debtor(s)</u>	<u>Reference File No. & Registration Number (Registration Period)</u>	<u>Collateral Classification</u>	<u>General Collateral Description</u>	<u>Amendments/Assignments Discharges/Renewals Transfers/Subordinations</u>
<u>Lehman Brothers Holdings, Inc.</u>	Skypower Corp.	650793249 - 20081231 1115 1590 0209 (2 years)	Equipment, Accounts, Other	A security interest is granted over the contract for the sale of power generation equipment and related services between General Electric Company, General Electric Canada and Skypower Corp. dated July 11, 2007 and in all equipment, accounts and documents of title created or arising thereunder, and in all proceeds therefrom	
<u>Lehman Brothers Holdings, Inc.</u>	Skypower Corp.	650177784 - 20081126 1650 1590 9065 (2 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles		
<u>Norddeutsche Landesbank Girozentrale, New York Branch, as Administrative Agent</u> <u>Wells Fargo Bank, N.A., as Collateral Agent</u>	Skypower Corp.	649840266 - 20081110 1520 1590 8321 (20 years)	Accounts, Other		

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<u>WestLB AG, Toronto Branch, as Collateral Agent</u>	Skypower Corp.	648198108 – 20080903 1154 1862 8377 (20 years)	Accounts, Other	All of the debtor's right, title and interest in and to (1) the property, assets and collateral referred to and described in the Share Pledge Agreement dated as of September 3, 2008, between the debtor and the secured party (as same may be amended, supplemented, restated or modified from time to time), including all substitutions, dividends, distributions, replacements and additions thereto or in respect thereof, and all proceeds of the foregoing, and (2) the debts and liabilities, present and future, direct or indirect, actual or contingent or otherwise at any time due or owing by Fermeuse Wind Power Corp. to the debtor and a subrogation and postponement in favour of the secured party in respect thereto.	
<u>Fermeuse Wind Power Corp.</u>	Skypower Corp.	648198135 – 20080903 1154 1862 8378 (2 years)	Accounts, Other	All of the debtor's right, title and interest in and to the accounts of the debtor transferred pursuant to the Asset Contribution Agreement dated as of September 3, 2008 (as the same may be amended, modified, supplemented or restated from time to time), including all substitutions and replacements thereof and all proceeds in respect of all of the foregoing.	
<u>CBSC Capital</u>	Skypower Corp.	643044942 – 20080229 1953 1531 3515 (6 years)	Equipment, Other	Photocopier	
<u>Transportation Lease Systems Inc</u>	Skypower Corp.	642170178 – 20080121 1951 1531 1292 (5 years)	Equipment, Motor Vehicles	Any vehicles specified and any other vehicles of whatever year, make or model including after acquired vehicles and including any trailers and/or equipment, and including proceeds thereof, provided to the debtor pursuant to a Motor Vehicle Lease Agreement made between the parties. No other assets included.	
<u>HSB Nordbank AG, New York Branch, as Agent</u>	Skypower Corp.	641622915 – 20071227 1055 1590 5824 (3 years)	Inventory, Equipment, Accounts, Other, Motor Vehicles	(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other turbine equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions	Amended by 20080214 1031 1590 7559 Amended to replace the general collateral description Amended by 20080214 1104 1590 7562 Amended to reflect the correct debtor name

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
				<p>and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, that in each case comprise or are part of the debtor's projects, including any Equity Interests held by the debtor or any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any project that has been financed (whether by debt or equity) and which does not utilize the Wind Turbines and (Y) any project that has been financed (whether by debt or equity) and which utilizes both (1) wind turbines and (2) additional turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing), but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to businesses of the Borrower not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have</p>	

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
				<p>the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p>	

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<p><u>Nissan Canada Inc.</u> Skypower Corp 637927776 - 20070807 1052 1529 4726 (4 years) Equipment, Other, Motor Vehicles Amount Secured: \$42,174 Date of Maturity: 01AUG2011 2007 Nissan Altima, VIN listed</p>	<p>Skypower Corp.</p>	<p>630511227 - 20061110 1048 1529 9424 (4 years)</p>	<p>Equipment, Other, Motor Vehicles Amount Secured: \$52,956 Date of Maturity: 27OCT2010 2006 Nissan Titan, VIN listed</p>		
<p><u>Nissan Canada Inc.</u> Skypower Corp. 632716965 - 20070209 1044 1529 8247 (4 years) Equipment, Other, Motor Vehicles Amount Secured: \$54,373 Date of Maturity: 26JAN2011 2007 Nissan Titan, VIN listed</p>					
<p><u>Nissan Canada Inc.</u> Skypower Corp 630675576 - 20061117 1043 1529 5348 (4 years) Equipment, Other, Motor Vehicles Amount Secured: \$54,115 Date of Maturity: 27OCT2010 2006 Nissan Titan, VIN listed</p>					
<p><u>Nissan Canada Inc.</u> Skypower Corp. 630603657 - 20061115 1053 1529 3474 (4 years) Consumer Goods, Equipment, Motor Vehicles Amount Secured: \$52,957 2006 Nissan Titan 4x4 Crew, VIN listed</p>					
<p><u>Xerox Canada Ltd</u> Skypower Corp 630585792 - 20061114</p>					

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<p><u>HSN Nordbank AG, New York Branch, as Agent</u></p>	<p>Skypower Corp.</p>	<p>627098958 - 20060717 1042 1590 9347 (10 years)</p>	<p>Inventory, Equipment, Accounts, Other, Motor Vehicles</p>	<p>(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other turbine equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any project that has been financed (whether by debt or equity) and which does not utilize the wind turbines and (Y) any project that has been financed (whether by debt or equity) and which utilizes both (1) wind turbines and (2) additional turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing), but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to businesses of</p>	<p>Amended by <u>20060726 1012 1590 9806</u> Amendment to reflect the correct address of the debtor. Transferred by <u>20071227 1106 1590 5826</u> Transferor: Terrawinds Resources Corp. Transferee: Skypower Corp. Amended by <u>20071227 1117 1590 5828</u> Amendment to include a general collateral description Amended by <u>20071227 1208 1590 5831</u> "Amendment to clarify that all English/French versions of the name included on the original registration, being "Terrawinds Resources Corp./Les Ressources Terravents Inc." have transferred their interests to the new debtor, being "Skypower Corp." (which transfer was filed as registration number 20071227 1106 1590 5826)" Amended by <u>20080214 1053 1590 7561</u> Amended to replace the general collateral description Amended by <u>20080214 1104 1590 7564</u> Amended to reflect the correct debtor name</p>

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<p><u>HSB Nordbank AG, New York Branch, as Agent</u></p>	<p>Skypower Corp.</p>	<p>62701172 - 20060713 0826 1590 9184 (10 years)</p>	<p>Inventory, Equipment, Accounts, Other, Motor Vehicles</p>	<p>the Borrower not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p> <p>(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other turbine equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, that in each case comprise or are part of the debtor's projects, including any Equity Interests held by the debtor of any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any project that has been financed (whether by debt or equity) and which does not utilize the Wind Turbines and (Y) any project that has been financed</p>	<p>Transferred by <u>20071227 1106</u> <u>1590 5825</u> Transferor: Terrawinds Resources Corp. Transferee: Skypower Corp. Amended by <u>20071227 1106</u> <u>1590 5827</u> Amendment to include a general collateral description Amended by <u>20080214 1042</u> <u>1590 7560</u> Amended to replace the general collateral description Amended by <u>20080214 1104</u> <u>1590 7563</u> Amended to reflect the correct debtor name</p>

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number (Registration Period)	Collateral Classification	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
				<p>(whether by debt or equity) and which utilizes both (1) wind turbines and (2) additional turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing), but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to businesses of the Borrower not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p>	

II. BRITISH COLUMBIA

I. PERSONAL PROPERTY SECURITY ACT (British Columbia)

(a) Skypower Corp.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<p>HSB Nordbank AG, New York Branch</p>	<p>Skypower Corp</p>	<p>Reg. No: 106896E Reg Date: December 27, 2007 Exp Date: December 27, 2010</p>	<p>(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other turbine equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, that in each case comprise or are part of the debtor's projects, including any Equity Interests held by the debtor of any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any project that has been financed (whether by debt or equity) and which does not utilize the Wind Turbines and (Y) any project that has been financed (whether by debt or equity) and which utilizes both (1) wind turbines and (2) additional turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing); but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to businesses of the Borrower</p>	<p>Amended by 190751E on February 14, 2008 Amended to replace the general collateral description</p>

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
			<p>not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p>	

III. ALBERTA

I. PERSONAL PROPERTY SECURITY ACT (Alberta) (Please note that Alberta PPSA searches would disclose any Executions filed against the debtor)

(a) Skypower Corp.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<p>SHS Nordbank AG, New York Branch</p>	<p>Skypower Corp.</p>	<p>Reg. No: 07122708756 Reg Date: December 27, 2007 Exp Date: December 27, 2010</p>	<p>(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other Turbine Equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, that in each case comprise or are part of the debtor's Projects, including any Equity Interests held by the debtor of any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any Project that has been financed (whether by Debt or equity) and which does not utilize the Wind Turbines and (Y) any Project that has been financed (whether by Debt or equity) and which utilizes both (1) Wind Turbines and (2) Additional Turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing); but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to</p>	<p>Amended on February 14, 2008 by 08021402127 Amended to replace the general collateral description</p>

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
			<p>businesses of the Borrower not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p>	

IV. SASKATCHEWAN

I. PERSONAL PROPERTY SECURITY ACT (Saskatchewan)

(a) Skypower Corp.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
HSH Nordbank AG	Skypower Corp.	Reg. No: 300261362 Reg Date: December 27, 2007 Exp Date: December 21, 2010	<p>(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other Turbine Equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, that in each case comprise or are part of the debtor's Projects, including any Equity Interests held by the debtor of any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any project that has been financed (whether by Debt or equity) and which does not utilize the Wind Turbines and (Y) any project that has been financed (whether by Debt or equity) and which utilizes both (1) Wind Turbines and (2) Additional Turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing), but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to businesses of the Borrower not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been</p>	<p>Amended on February 14, 2008 Amended to replace the general collateral description</p>

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
			<p>Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p> <p>Proceeds: All proceeds of every item or kind including but not limited to goods, chattel paper, investment property, securities, documents of title, instruments, money, intangibles, insurance payments, and any property or obligations received or derived directly or indirectly when such collateral or proceeds thereof are sold, collected, dealt with, exchanged or otherwise disposed of or that indemnifies or compensates for such property or proceeds destroyed or damaged, and proceeds of proceeds.</p>	

V. MANITOBA

I. PERSONAL PROPERTY SECURITY ACT (Manitoba)

(a) Skypower Corp.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<p><u>HSH Nordbank AG</u></p>	<p>Skypower Corp.</p>	<p>Reg. No: 200723951606 Reg Date: December 27, 2007 Exp Date: December 27, 2010</p>	<p>(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other Turbine Equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or</p>	<p>Amended on February 14, 2008 by 200802852010 Sections Changed: General Collateral Description</p>

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
			<p>hereafter acquired, that in each case comprise or are part of the debtor's Projects, including any Equity Interests held by the debtor of any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any Project that has been financed (whether by Debt or equity) and which does not utilize the Wind Turbines and (Y) any Project that has been financed (whether by Debt or equity) and which utilizes both (1) Wind Turbines and (2) Additional Turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing); but excluding in the case of the assets and property described in (B) above, (i) any turbine supply agreements, wind turbines and associated equipment that the debtor may finance other than pursuant to the Advances under the Credit Agreement, together with all Proceeds (not including amounts described in (C) above) thereof, (ii) any assets related to businesses such as the solar business, pump storage, or any non-wind business, or any assets related to businesses of the Borrower not located in Canada, (iii) general corporate assets and other assets that do not relate solely to the Projects or (iv) any assets that may have been Project Collateral but that have been released in accordance with the terms of the amended and restated general security agreement described in the next sentence. All terms used in this collateral description and not defined shall have the meanings ascribed to them in the amended and restated general security agreement, dated on or around February 15, 2008, between the debtor and the secured party, as collateral agent, as such agreement may be amended, supplemented or modified from time to time.</p>	

VI. NOVA SCOTIA

I. PERSONAL PROPERTY SECURITY ACT (Nova Scotia)

(a) Skypower Corp.

Secured Party(ies)	Debtor(s)	Registration Number (Registration Period)	General Collateral Description	Amendments/Assignments Discharges/Renewals Transfers/Subordinations
<u>HSH Nordbank AG</u> , <u>New York</u> <u>Branch</u>	Skypower Corp.	Reg. No: 13343470 Reg Date: December 27, 2007 Exp Date: December 27, 2010	(A) All of the debtor's right, title and interest in, to and under each TSA, the Equity Contribution Agreement, the Wind Turbines, the other Equipment (as defined in the GE TSA) purchased under the GE TSA and the other Turbine Equipment (as defined in the Vestas TSA) purchased under the Vestas TSA, and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, (B) all wind lease options, leases and other rights to real property, wind data, Chattel Paper, Contracts, Documents of Title, Equipment, Intangibles, Instruments, Inventory, Permits and other personal property and all Proceeds thereof and/or Accounts Receivable due thereunder, together with all increases, additions and accessions to any of them, in each case now owned or hereafter acquired, that in each case comprise or are part of the debtor's Projects, including any Equity Interests held by the debtor of any entity formed or established to hold or own any such property, and (C) all dividends and distributions received by the debtor, whether in cash or property, and all Proceeds thereof, from the operating revenues of (X) any Project that has been financed (whether by Debt or equity) and which does not utilize the Wind Turbines and (Y) any Project that has been financed (whether by Debt or equity) and which utilizes both (1) Wind Turbines and (2) Additional Turbines (provided that the foregoing shall not include funds used for the reimbursement of costs and payment of reasonable fees from the proceeds of financing); but excluding in the case of the assets and property described in (B) above, (i) any turbine supply	Amended on February 14, 2008 by 13511092 Amended to replace the general collateral description

