

AGENCY AGREEMENT

June 6, 2012

CleanEnergy Developments Corp.

4000-4th Street S.E., Unit 215

Calgary, Alberta T2G OC5

Attention: Mr. Daniel R. Hay, President

Bellair Ventures Inc.

10 Bellair Street, Suite 509

Toronto, Ontario M5R 3T8

Attention: Mr. Emlyn David, Chief Executive Officer

Re: Issue and Sale of Subscription Receipts by CleanEnergy Developments Corp.

Portfolio Strategies Securities Inc. ("**PSSI**" or the "**Agent**") understands that CleanEnergy Developments Corp. (the "**Corporation**") proposes to issue and sell, by way of brokered private placement up to 4,788,000 subscription receipts of the Corporation (the "**Subscription Receipts**") at a price of \$0.50 per Subscription Receipt, subject to the terms and conditions as set out below (the "**Offering**").

The Agent understands that Alter NRG Corp. ("**Alter**"), the parent company of the Corporation has entered into a definitive agreement with Bellair Ventures Inc. ("**Bellair**") dated January 5, 2012, as amended (the "**Qualifying Transaction Agreement**") which contemplates a business combination between Bellair and the Corporation (the "**Qualifying Transaction**"), which transaction will comprise the Qualifying Transaction of Bellair pursuant to Policy 2.4 of the TSXV Manual (as hereinafter defined). The term, "**Resulting Issuer**" when used herein, refers to Bellair after completion of the Qualifying Transaction.

Each Subscription Receipt represents the right to automatically receive, upon the satisfaction of the Escrow Release Conditions (as defined herein) and without payment of additional consideration or any further action on the part of the holder thereof, one unit (an "**Underlying Unit**"), each Underlying Unit consisting of one common share in the capital of the Corporation (an "**Underlying Share**") and one common share purchase warrant (each whole warrant being an "**Underlying Warrant**"). Each Underlying Warrant will entitle the holder thereof to purchase one common share in the capital of the Corporation (a "**Warrant Share**") at a price of \$0.75 per Warrant Share for a period of 24 months following the Effective Date (as defined herein). Each Subscription Receipt will automatically be exchanged into one Underlying Unit immediately prior to the Effective Time (as defined herein) upon delivery to the Subscription Receipt Agent (as defined herein) of a notice (the "**Escrow Release Notice**") signed and delivered by the Corporation and acknowledged by the Agent: (i) confirming that the Escrow Release Conditions have been satisfied; and (ii) instructing the Subscription Receipt Agent to issue the Underlying Units issuable upon exchange of the Subscription Receipts. At the Effective Time, each Underlying Unit will be exchanged for one unit of the Resulting Issuer (a "**Resulting Issuer Unit**"), each of which will consist of one common share in the capital of the Resulting Issuer (a "**Resulting Issuer Share**") and one common share purchase warrant of the Resulting Issuer (each whole warrant being a "**Resulting Issuer Warrant**"). Each Resulting Issuer Warrant will entitle the holder thereof to purchase one Resulting Issuer Share at a price of \$0.75 per Resulting Issuer Share for a period of 24

months following the Effective Date. Each Resulting Issuer Warrant shall be issued pursuant to and subject to the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into between the Corporation, Bellair and Equity Financial Trust Company.

The Escrow Funds (as defined herein) will be held by Equity Financial Trust Company, as trustee and subscription receipt agent (the "**Subscription Receipt Agent**") and invested in short-term obligations of, or guaranteed by, the Government of Canada or invested on deposit in an interest bearing trust account of the Subscription Receipt Agent (and other approved investments) pending satisfaction (or waiver acceptable to the Agent) of the Escrow Release Conditions. Provided that the Escrow Release Notice is delivered to the Subscription Receipt Agent prior to the Escrow Release Deadline (as defined herein), the Subscription Receipt Agent shall release to the Resulting Issuer, the Escrow Funds, together with accrued interest thereon. The Agent's fees, commissions and expenses, as set forth in Section 10 and Section 11 herein, will be paid directly to the Agent by Bellair, together with accrued interest thereon and released to the Agent once the Escrow Release Conditions are satisfied or waived by the Agent in writing. If: (i) the Subscription Receipt Agent has not received the Escrow Release Notice on or before the Escrow Release Deadline; (ii) the Qualifying Transaction Agreement is terminated in accordance with its terms; or (iii) the Corporation or Bellair advises the Agent or announces to the public that it does not intend to proceed with the Qualifying Transaction (the earliest of such events being referred to as the "**Termination Date**"), each Subscription Receipt shall be cancelled (and be void and of no further force or effect) and, the Subscription Receipt Agent will forthwith return to holders of Subscription Receipts within three business days following the Termination Date, an amount equal to \$0.50 per Subscription Receipt and each holder's *pro rata* portion of the interest that has accrued on the Escrow Funds as provided for and in accordance with the Subscription Receipt Agreement (as defined herein). To the extent that the Escrowed Funds (plus accrued interest) are not sufficient to purchase all of the Subscription Receipts at the purchase price, Bellair shall contribute such amounts as are necessary to satisfy any shortfall. The Agent understands that Alter as the parent company to the Corporation has entered into the Qualifying Transaction Agreement with the intent to complete the Qualifying Transaction.

Subject to the terms and conditions hereof, the Agent agrees to act as, and the Corporation appoints the Agent as, the sole and exclusive agent of the Corporation to effect the sale of the Subscription Receipts in the Selling Jurisdictions (as defined herein) on a commercially reasonable best efforts agency basis at a price of \$0.50 per Subscription Receipt and to use its commercially reasonable best efforts to secure subscriptions therefor. The Subscription Receipts will be issued and sold pursuant to exemptions under Applicable Securities Laws (as defined herein) in the Selling Jurisdictions, in accordance with the provisions hereof.

In connection with the offer and sale of the Subscription Receipts, the Agent shall be entitled to retain as sub-agents other registered securities dealers and may receive for delivery to the Corporation at the Closing Time (as defined herein), subscriptions for Subscription Receipts from other registered securities dealers. The fee payable to such sub-agents shall be for the account of the Agent and shall not exceed the fee payable to the Agent hereunder. Payment of such fees to such sub-agents shall be the sole responsibility, and at the sole expense, of the Agent. The Agent shall, however, be under no obligation to engage any sub-agent.

In consideration for its services hereunder and advising on the terms, conditions and structuring of the Offering, the Agent shall be entitled to the fee provided for in Section 10, which fee shall be payable as described therein. For greater certainty, the services provided by the Agent pursuant to this Agreement will not be subject to the Harmonized Services Tax ("**HST**") provided for in the *Excise Tax Act* (Canada) and taxable supplies will be incidental to the exempt financial services provided.

The following are the further terms and conditions of this Agreement:

Section 1 Definitions

As used in this Agreement, including the paragraphs prior to this definitional section and any amendments hereto, unless the context otherwise requires:

- (a) "**Agent's counsel**" means Heenan Blaikie LLP;
- (b) "**Agreement**" means this agreement and not any particular Article or Section or other portion except as may be specified, and words such as "**hereto**", "**herein**" and "**hereby**" refer to this Agreement as the context requires and includes all schedules attached hereto;
- (c) "**Applicable Securities Laws**" includes, without limitation, all applicable securities, corporate and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, published statements, circulars, published procedures and policies in the Selling Jurisdictions including, without limitation, the policies and by-laws of the Exchange;
- (d) "**Bellair's Counsel**" means Wildeboer Dellelce LLP;
- (e) "**Bellair Financial Statements**" means, collectively: (i) the unaudited pro-forma consolidated statement of financial position as at February 29, 2012; (ii) the unaudited consolidated interim financial statements of Bellair as at and for the six months ended February 29, 2012 and 2011; and (iii) the audited consolidated financial statements of Bellair as at and for the year ended August 31, 2011 together with the report of Bellair's auditors thereon and the notes thereto including, in each instance, management's discussion and analysis of Bellair's financial condition and results of operations related thereto;
- (f) "**Bellair Shares**" means the common shares in the capital of Bellair;
- (g) "**Business Day**" means a day which is not Saturday, Sunday or a legal holiday in Toronto, Ontario;
- (h) "**Broker Warrants**" shall mean, collectively, the purchase warrants entitling the Agent to purchase Units at a price of \$0.50 per Unit for a period of 24 months from the earlier of: (a) the completion of the Qualifying Transaction; and (b) the date that the Common Shares become listed and posted for trading on a recognized stock exchange, which Broker Warrants are to be issued to the Agent pursuant to Section 10(b) hereof;
- (i) "**Broker Warrant Certificate**" means a certificate of Bellair representing Broker Warrants;
- (j) "**Closing Date**" means the closing date of the Offering, being June 6, 2012, or such additional and earlier or later date or dates as the Agent and the Corporation may agree in writing;
- (k) "**Closing Due Diligence Session**" shall have the meaning ascribed thereto in Section 4(g) hereof;
- (l) "**Closing Time**" means 10:00 a.m. (Calgary time), or such other time on the Closing Date as the Agent and the Corporation may agree;
- (m) "**Common Shares**" means common shares in the capital of the Corporation and includes, where the context requires, the Underlying Shares;
- (n) "**Corporation's counsel**" means Blake, Cassels & Graydon LLP;

- (o) **"Corporation's Financial Statements"** means the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2011 and December 31, 2010, together with the report of the Corporation's auditors thereon and the notes thereto;
- (p) **"Due Diligence Documentation"** means the due diligence documentation provided by the Corporation and the Corporation's counsel, including but not limited to all agreements, financial statements, correspondences and instruments regarding the business of the Corporation;
- (q) **"Due Diligence Sessions"** shall have the meaning ascribed thereto in Section 4(1) hereof;
- (r) **"Due Diligence Session Responses"** means the written and verbal responses provided by the Corporation and Bellair, as applicable, as given by any director or senior officer of the Corporation, or Bellair, as applicable, at a Due Diligence Session;
- (s) **"Effective Date Due Diligence Session"** shall have the meaning ascribed thereto in Section 4(g) hereof;
- (t) **"Effective Date"** means the date upon which the Qualifying Transaction is completed;
- (u) **"Effective Time"** means the effective time the Qualifying Transaction is completed;
- (v) **"Environmental Laws"** means applicable federal, provincial, state, municipal, local or foreign laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters;
- (w) **"Escrow Release Conditions"** means the following conditions:
 - (i) the completion or satisfaction of all conditions precedent to the Qualifying Transaction to the satisfaction of the Agent including but not limited to the forgiveness of the Inter-Company Loan;
 - (ii) the receipt of all required shareholder and regulatory approvals (including, without limitation, the conditional approval of the Exchange for the Qualifying Transaction and the listing of the Resulting Issuer Shares that shall be issued or issuable in accordance with the Qualifying Transaction Agreement in exchange for the Underlying Shares and in lieu of the Warrant Shares);
 - (iii) the receipt of any third party consents necessary to consummate the Qualifying Transaction;
 - (iv) there shall have been no material adverse change in the financial condition, business or operations of the Corporation, Bellair or any of their subsidiaries or affiliates, taken as a whole from the date of the Qualifying Transaction Agreement to the Escrow Release Date (as defined in the Subscription Receipt Agreement);
 - (v) neither the Corporation nor Bellair shall be in breach or material default of any of its covenants or obligations under this Agreement, the Qualifying Transaction Agreement or the Subscription Agreements, except those breaches or defaults that have been waived by the Agent; and

- (vi) the Corporation and the Agent, acting reasonably, having delivered the Escrow Release Notice to the Subscription Receipt Agent.
- (x) "**Escrow Release Deadline**" means the date that is 90 days from the Closing Date;
- (y) "**Escrow Funds**" shall have the meaning ascribed thereto in the Subscription Receipt Agreement;
- (z) "**Exchange**" means the TSX Venture Exchange Inc. or any successor thereto;
- (aa) "**Filing Statement**" means the draft filing statement of Bellair with respect to the Qualifying Transaction dated May 8, 2012;
- (bb) "**Forward-Looking Statements**" means those statements which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise);
- (cc) "**Intellectual Property**" means intellectual property rights, including: (i) all patents and inventions; (ii) trademarks, service marks, trade dress, trade names, corporate names, logos, slogans and Internet domain names, together with all goodwill associated with each of the foregoing, including but not limited to the trade marks listed herein in Schedule "E"; (iii) copyrights and copyrightable works in whatever form or medium; (iv) registrations, applications and renewals for any of the foregoing; (v) proprietary computer software (including but not limited to data, data bases and documentation); and (vi) trade secrets, confidential information and know-how;
- (dd) "**Inter-Company Loan**" means the \$15,600,000 debt owing by the Corporation to Alter;
- (ee) "**Material Adverse Effect**" means any chance, effect, event, occurrence or chance in a state of facts that is, or would reasonably be expected to be, individually or in the aggregate, material and adverse to the business, operations, financial condition, results, assets, properties, rights, liabilities or prospects of the Corporation or any of its respective subsidiaries, taken as a whole;
- (ff) "**Material Contract**" means the material contracts of the Corporation as set forth in Schedule "D" hereto;
- (gg) "**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*;
- (hh) "**OBCA**" means the *Business Corporations Act* (Ontario);
- (ii) "**Public Record**" means all information filed by or on behalf of Bellair, including the Filing Statement with the Securities Commissions and accessible on the System for Electronic Document Analysis and Retrieval at www.sedar.com, and any other information filed with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws;
- (jj) "**Qualifying Transaction**" means the business combination between the Corporation and Bellair that will comprise the Qualifying Transaction of Bellair pursuant to Policy 2.4 of the TSXV Manual;

- (kk) "**Qualifying Transaction Agreement**" means the definitive agreement entered into by Alter and Bellair dated January 5, 2012, as amended;
- (ll) "**Securities Commissions**" means, collectively, the securities commissions or similar regulatory authorities in each of the Selling Jurisdictions in Canada and "**Securities Commission**" means any of them;
- (mm) "**Selling Dealer Group**" means the dealers and brokers, other than the Agent who participate in the offer and sale of the Subscription Receipts pursuant to this Agreement;
- (nn) "**Selling Jurisdictions**" means the provinces of Canada and such jurisdictions as may be agreed by the Agent and the Corporation prior to the Closing Date as evidenced by the Corporation's acceptance of a Subscription Agreement with respect thereto;
- (oo) "**Subscribers**" means the persons who, as purchasers, acquire Subscription Receipts by duly completing, executing and delivering Subscription Agreements that are accepted by the Corporation and any other required documentation, in form and substance satisfactory to the Corporation and the Agent, acting reasonably;
- (pp) "**Subscription Agreements**" means the subscription agreements for sales in the Selling Jurisdictions that are accepted by the Corporation and pursuant to which Subscribers agree to subscribe for and purchase the Subscription Receipts from the Corporation as herein contemplated and shall include, for greater certainty, all schedules, appendices and exhibits thereto;
- (qq) "**Subscription Receipt Agreement**" means the agreement governing the Subscription Receipts to be entered into by the Corporation, the Agent, Bellair and the Subscription Receipt Agent on or before the Closing Date;
- (rr) "**Subscription Receipts**" means the subscription receipts offered for sale by the Corporation under the terms of this Agreement, and having the terms, conditions, rights and attributes as set forth in the Subscription Receipt Agreement;
- (ss) "**Subsidiary**" means a subsidiary in respect of the Corporation within the meaning of the OBCA;
- (tt) "**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);
- (uu) "**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time;
- (vv) "**Transaction Agreements**" means this Agreement, the Subscription Receipt Agreement, the Warrant Certificates, the Warrant Indenture, Subscription Agreements, Broker Warrant Certificates and the Qualifying Transaction Agreement;

- (ww) "**TSXV Manual**" means the Corporate Finance Manual of the Exchange;
- (xx) "**Underlying Securities**" means collectively, the Underlying Shares and Underlying Warrants;
- (yy) "**Unit**" means one Common Share of the Corporation and one Warrant;
- (zz) "**Warrant Agent**" means Equity Financial Trust Company;
- (aaa) "**Warrant Certificate**" means a certificate of the Corporation representing Underlying Warrants; and
- (bbb) "**Warrant Indenture**" means the common share purchase warrant indenture to be entered into on the Closing Date between Bellair, the Corporation and the Warrant Agent, providing for the creation and issuance of the Warrants.

"**misrepresentation**", "**material change**" and "**material fact**" shall have the meanings ascribed thereto under the Applicable Securities Laws of the Selling Jurisdictions; "**distribution**" means "distribution" or "distribution to the public", as the case may be, as defined under the Applicable Securities Laws of the Selling Jurisdictions; and "**distribute**" has a corresponding meaning. In this Agreement, words importing the singular include the plural and words importing gender include all genders.

Section 2 Corporation's Covenants as to Issuance

The Corporation covenants and agrees that:

- (a) upon receipt by the Subscription Receipt Agent of the aggregate purchase price for the Subscription Receipts, and the satisfaction of the conditions to the completion of the Offering as set out in this Agreement and the Subscription Receipt Agreement, the Subscription Receipts will be duly and validly created and issued pursuant to the terms of the Subscription Receipt Agreement and each Subscription Receipt shall represent the right of the holder thereof to acquire, for no additional consideration and without any further action by the holder thereof, one Underlying Share and one Underlying Warrant, subject to adjustment in certain events as set forth in the Subscription Receipt Agreement, during the period commencing on the Closing Date and ending at the earlier of: (i) the Effective Time; and (ii) the Termination Date. If the Escrow Release Notice is delivered to the Subscription Receipt Agent prior to the Escrow Release Deadline, the Subscription Receipts shall be deemed to have been exchanged into the Underlying Securities (which will be subject to a four-month and one day hold period from the Closing Date) without any further action on the part of the holder; and
- (b) the Subscription Receipt Agreement shall contain adjustment provisions acceptable to the Agent, acting reasonably.

Section 3 Covenants as to Changes

(A) Corporation Covenants

The Corporation covenants and agrees that:

- (a) during the period commencing with the date hereof until the earlier of: (i) the completion of the distribution of the Underlying Securities upon the exercise or deemed exercise of the Subscription Receipts; and (ii) the Termination Date, the Agent will be promptly informed by the Corporation of the full particulars of:
- (i) any material change (actual, anticipated or threatened) in the assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, capital or condition (financial or otherwise) of the Corporation;
 - (ii) any change in any material fact contained or referred to in the Due Diligence Documentation;
 - (iii) the occurrence of a material fact or event which, in any such case, is, or may be, of such a nature as to: (A) render any part of the Due Diligence Documentation untrue, false or misleading in a material respect; (B) result in a material misrepresentation in any part of the Due Diligence Documentation; or (C) result in any part of the Due Diligence Documentation not complying with Applicable Securities Laws; or
 - (iv) the discovery by the Corporation of any misrepresentation in any information regarding the Qualifying Transaction previously provided to the Agent by the Corporation, any material change in the terms of the Qualifying Transaction Agreement, the Filing Statement or any event or occurrence that arises that the Corporation reasonably believes is or may be of such a nature as to give rise to a right of the Corporation or Bellair to terminate their respective obligations with respect to the Qualifying Transaction or that may result in the Qualifying Transaction not being completed pursuant to and in accordance with the terms and conditions of this Agreement and the Qualifying Transaction Agreement,

provided that if there may be any reasonable doubt as to whether a material change, change in material fact, occurrence or event of the nature referred to in this subsection has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature; and

- (b) during the period commencing with the date hereof until the earlier of: (i) the completion of the distribution of the Underlying Securities upon the exercise or deemed exercise of the Subscription Receipts; and (ii) the Termination Date, the Corporation will promptly inform the Agent of the full particulars of:
- (i) any request of any Securities Commission or other securities commission or similar regulatory authority, including the Exchange or for any additional information which may be material to the distribution of the Subscription Receipts, the Underlying Securities or the Warrant Shares; or
 - (ii) the receipt by the Corporation of any communication from any Securities Commission or other securities commission or similar regulatory authority, the Exchange or any other competent authority relating to the distribution of the Subscription Receipts, the Underlying Securities or the Warrant Shares.

(B) Bellair Covenants

Bellair covenants and agrees that:

- (a) during the period commencing with the date hereof until the earlier of: (i) the completion of the distribution of the Underlying Securities upon the exercise or deemed exercise of the Subscription Receipts; and (ii) the Termination Date, the Agent will be promptly informed by Bellair of the full particulars of:
 - (i) any material change (actual, anticipated or threatened) in the assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, capital or condition (financial or otherwise) of Bellair;
 - (ii) any change in any material fact contained or referred to in the Public Record (other than a change in any material fact that has been disclosed in the Public Record);
 - (iii) the occurrence of a material fact or event which, in any such case, is, or may be, of such a nature as to: (A) render any part of the Public Record untrue, false or misleading in a material respect; (B) result in a material misrepresentation in any part of the Public Record; or (C) result in any part of the Public Record not complying with Applicable Securities Laws; or
 - (iv) the discovery by Bellair of any misrepresentation in any information regarding the Qualifying Transaction previously provided to the Agent by Bellair, any material change in the terms of the Qualifying Transaction Agreement, or any event or occurrence that arises that Bellair reasonably believes is or may be of such a nature as to give rise to a right of the Corporation or Bellair to terminate their respective obligations with respect to the Qualifying Transaction or that may result in the Qualifying Transaction not being completed pursuant to and in accordance with the terms and conditions of the Qualifying Transaction Agreement,provided that if there may be any reasonable doubt as to whether a material change, change in material fact, occurrence or event of the nature referred to in this subsection has occurred, Bellair shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature;
- (b) during the period commencing with the date hereof until the earlier of: (i) the completion of the distribution of the Underlying Securities upon the exercise or deemed exercise of the Subscription Receipts; and (ii) the Termination Date, Bellair will promptly inform the Agent of the full particulars of:
 - (i) any request of any Securities Commission or other securities commission or similar regulatory authority, including the Exchange, for any amendment to the Public Record; or
 - (ii) the receipt by Bellair of any communication from any Securities Commission or other securities commission or similar regulatory authority, the Exchange or any other competent authority relating to the Public Record.
- (c) during the period commencing on the date hereof until the earlier of: (i) the completion of the distribution of the Underlying Securities upon the exercise or deemed exercise of the Subscription Receipts; and (ii) the Termination Date, Bellair will (subject to Bellair's

obligations under Applicable Securities Laws to make timely disclosure of material information and subject to the Agent keeping such information confidential until it is disseminated into the marketplace) promptly provide to the Agent, for review by the Agent and the Agent's counsel, prior to the publication, filing or issuance thereof:

- (i) any proposed document, including without limitation, any annual information form, material change report, business acquisition report, Filing Statement, offering document or information circular, which is or may be deemed to be part of the Public Record; or
 - (ii) any press release; and
- (d) Bellair shall promptly comply, to the reasonable satisfaction of the Agent and the Agent's counsel, with all applicable filing and other requirements under Applicable Securities Laws of the Selling Jurisdictions with respect to any material change, change, occurrence or event of the nature referred to or contemplated in Section 3(a) or Section 3(b).

Section 4 Other Covenants of the Corporation and Bellair

(A) *Other Covenants of the Corporation*

The Corporation further covenants and agrees that:

- (a) the Corporation shall not take any action that would prevent the Corporation and the Agent from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;
- (b) the Corporation will participate fully and allow the Agent and the Agent's counsel to participate fully in the preparation of the Transaction Agreements;
- (c) the Corporation will comply with all covenants and agreements of the Corporation set forth in the Transaction Agreements and will duly, punctually and faithfully perform all the obligations to be performed by it under the Transaction Agreements;
- (d) as soon as reasonably possible, and in any event by the Closing Date, the Corporation will take all such steps as may reasonably be necessary to enable the Subscription Receipts to be offered for sale and sold on a private placement basis in the Selling Jurisdictions through the Agent or any other investment dealers or brokers registered in the applicable Selling Jurisdictions by way of the exemptions under Applicable Securities Laws of the Selling Jurisdictions as contemplated hereby and to comply with the provisions of NI 45-102;
- (e) the Corporation will take all commercially reasonable steps to satisfy or cause the satisfaction of those conditions to complete the Qualifying Transaction the satisfaction of which are within its control, including, but not limited to obtaining the forgiveness of the Inter-Company Loan from Alter, and to give effect to the transactions contemplated by the Qualifying Transaction Agreement as applicable, as soon as practicable in order to enable the Corporation to deliver the Escrow Release Notice prior to the Termination Date;
- (f) the Corporation will make available senior management persons to meet with potential investors if so requested by the Agent;

- (g) during the period from the effective date hereof until completion of the Qualifying Transaction, the Agent shall be allowed the opportunity to conduct all required due diligence and in particular, the Corporation shall allow the Agent and the Agent's counsel to conduct all due diligence that the Agent may reasonably require in order to: (i) confirm that the information provided with respect to the business of the Corporation is accurate, current and complete in all material respects; and (ii) fulfill the Agent's obligations as agent, and the Corporation will provide to the Agent and its counsel and consultants reasonable access to the Corporation's properties, senior management personnel (including those of any, as applicable) and corporate, financial and other records for the purposes of conducting such due diligence reviews. Without limiting the generality of the foregoing, the Corporation shall make available its respective senior management and shall use reasonable commercial efforts to cause its auditors (including any predecessor entity or business) and, if applicable, other professionals or experts at the request of the Agent or Agent's counsel, to answer any questions that the Agent may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Closing Due Diligence Session**") and in one due diligence session to be held prior to the Effective Time (the "**Effective Date Due Diligence Session**" and together with the Closing Due Diligence Session, the "**Due Diligence Sessions**"). The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Sessions and the Corporation shall provide written responses to such questions and shall use its reasonable commercial efforts to have its auditors and any other professionals required by the Agent to provide written responses to such questions in advance of the Due Diligence Sessions;
- (h) the Due Diligence Session Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given. Where the Due Diligence Responses reflect the opinion or view of the Corporation or its directors or officers (including Due Diligence Responses, or portions of such Due Diligence Responses, which are Forward-Looking Statements), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-Looking Statements;
- (i) the Corporation will use its reasonable commercial efforts to obtain all necessary approvals of the Exchange for the listing of the Resulting Issuer Shares issuable in exchange for the Underlying Shares for trading on the Exchange, subject only to the completion of the Offering and Qualifying Transaction and the filing of required documents;
- (j) the Corporation will carry on its business in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of accounts in accordance with applicable law; and
- (k) the Corporation shall, on or prior to the Effective Date, deliver or cause to be delivered to the Agent and Agent's counsel:
 - (i) evidence that all necessary approvals in connection with the Qualifying Transaction, including evidence of all necessary approvals of third parties, including without

limitation, a certificate of amalgamation (if applicable) and the approval of the Exchange in respect of the Qualifying Transaction; and

- (ii) any other documents requested by the Agent, acting reasonably.

(B) *Other Covenants of Bellair*

Bellair further covenants and agrees that:

- (a) Bellair shall not take any action that would prevent Bellair and the Agent from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;
- (b) Bellair will participate fully and allow the Agent and the Agent's counsel to participate fully in the preparation of the Transaction Agreements;
- (c) Bellair will comply with all covenants and agreements of Bellair set forth in the Transaction Agreements and will duly, punctually and faithfully perform all the obligations to be performed by it under the Transaction Agreements;
- (d) Bellair will take all commercially reasonable steps to satisfy or cause the satisfaction of those conditions to complete the Qualifying Transaction the satisfaction of which are within its control and to give effect to the transactions contemplated by the Qualifying Transaction Agreement as applicable, as soon as practicable in order to enable the Corporation to deliver the Escrow Release Notice prior to the Termination Date;
- (e) Bellair will make available senior management persons to meet with potential investors if so requested by the Agent;
- (f) Upon the satisfaction of the conditions set forth in this Agreement and in the Warrant Indenture, the Resulting Issuer Warrants will be duly and validly created and issued pursuant to the terms of the Warrant Indenture and each Resulting Issuer Warrant shall represent the right of the holder thereof to acquire one Resulting Issuer Share at a price of \$0.75 for a period of 24 months;
- (g) the Warrant Indenture shall contain adjustment provisions acceptable to the Agent, acting reasonably;
- (h) during the period from the date hereof until completion of the distribution of the Underlying Securities, the Agent shall be allowed the opportunity to conduct all required due diligence and in particular, Bellair shall allow the Agent and the Agent's counsel to conduct all due diligence that the Agent may reasonably require in order to: (i) confirm that the Public Record with respect to the business of Bellair is accurate, current and complete in all material respects; and (ii) fulfill the Agent's obligations as agent, and Bellair will provide to the Agent and its counsel and consultants reasonable access to Bellair's senior management personnel and corporate, financial and other records for the purposes of conducting such due diligence reviews. Without limiting the generality of the foregoing, Bellair shall make available its senior management and shall use reasonable commercial efforts to cause its auditors (including any predecessor entity or business) to answer any questions that the Agent may have and to participate in one or more Closing Due Diligence Session and in one Effective Date Due Diligence Session. The Agent shall distribute a list of written questions

to be answered in advance of such Due Diligence Sessions and Bellair shall provide written responses to such questions and shall use its reasonable commercial efforts to have its auditors and any other professionals provide written responses to such questions in advance of the Due Diligence Sessions;

- (i) Bellair will use its reasonable commercial efforts to obtain all necessary approvals of the Exchange for the listing of the Resulting Issuer Shares issuable in exchange for the Underlying Shares for trading on the Exchange, subject only to the completion of the Offering and Qualifying Transaction and the filing of required documents and, subject to the duties of directors to act in the best interests of Bellair, for a period of two years following the Effective Time, use reasonable commercial efforts to maintain the listing of the Resulting Issuer Shares on any one of the Exchange, the Toronto Stock Exchange or an equivalent exchange, provided that the foregoing shall not restrict or prevent the Resulting Issuer from completing any business combination or similar transaction where the outstanding securities of the Resulting Issuer are acquired by any person;
- (j) Bellair shall use its reasonable commercial efforts to maintain its (or any successors', including the Resulting Issuer's) status as a reporting issuer not in default of any Applicable Securities Laws until two years after the Effective Date in the Selling Jurisdictions in which it is or in which it becomes a reporting issuer provided that the foregoing shall not restrict or prevent the Resulting Issuer from completing any business combination or similar transaction where the outstanding securities of the Resulting Issuer are acquired by any person;
- (k) Bellair will carry on its business in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of accounts in accordance with applicable law in all material respects; and
- (l) Bellair shall, on or prior to the Effective Date, deliver or cause to be delivered to the Agent and Agent's counsel:
 - (i) evidence that all necessary approvals in connection with the Qualifying Transaction, including evidence of all necessary approvals of third parties, and the approval of the Exchange in respect of the Qualifying Transaction; and
 - (ii) any other documents in respect of the Qualifying Transaction requested by the Agent, acting reasonably.

Section 5 Agent's Representations, Warranties and Covenants

The Agent hereby represents, warrants and covenants and agrees with the Corporation and Bellair that:

- (a) it will conduct its activities in connection with the proposed offer and sale of the Subscription Receipts in compliance with this Agreement and all Applicable Securities Laws in the Selling Jurisdictions and cause a similar covenant to be contained in any agreement entered into with each member of any Selling Dealer Group established in connection with the distribution of the Subscription Receipts;
- (b) it will not solicit subscriptions for Subscription Receipts, trade in the Subscription Receipts or otherwise do any act in furtherance of a trade of the Subscription Receipts outside of the

Selling Jurisdictions except in any other jurisdiction in compliance with the applicable laws thereof and provided that the Agent (as applicable) may so solicit, trade or act within such jurisdiction only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not: (i) obligate the Corporation, Bellair or the Resulting Issuer to take any action to qualify or register any of its securities or any trade of any of its securities (including the distribution of the Subscription Receipts, the Underlying Securities or the Warrant Shares) or to file any prospectus or similar document in respect thereof; (ii) obligate the Corporation, Bellair or the Resulting Issuer to establish or maintain any office or director or officer in such jurisdiction; or (iii) subject the Corporation, Bellair or the Resulting Issuer to any reporting or other requirement in such jurisdiction;

- (c) it will obtain from each Subscriber an executed Subscription Agreement and all applicable undertakings, questionnaires and other forms required under Applicable Securities Laws of the Selling Jurisdictions or requirements of the Exchange and supplied to the Agent by the Corporation for completion in connection with the distribution of the Subscription Receipts;
- (d) the Agent is validly existing and has all requisite power, authority and capacity to enter into this Agreement and holds all necessary permits, licenses and authorizations necessary or required to carry on its business as now conducted and, to the knowledge of the Agent, no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing the dissolution or winding-up of the Agent;
- (e) the Agent has all requisite power, authority and capacity to enter into this Agreement and the Subscription Receipt Agreement and to perform the transactions contemplated hereunder and thereunder;
- (f) the Agent and its Selling Dealer Group members (if any) and their respective representatives have not engaged in or authorized, and will not engage in or authorize, activity that would constitute any form of general solicitation or general advertising in connection with or in respect of the Subscription Receipts in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or by means of the Internet or otherwise or conducted any seminar or meeting concerning the offer of the Subscription Receipts whose attendees have been invited by any general solicitation or general advertising; and
- (g) the Agent is, and, to the best of their knowledge, after due inquiry as is customary for a transaction of the nature of this Offering, each member of any Selling Dealer Group formed by the Agent is, qualified to act in the Selling Jurisdiction in which such member solicits or procures subscriptions for the Subscription Receipts.

Section 6 Representations and Warranties of the Corporation

The Corporation represents and warrants to the Agent and the Subscribers, and acknowledges that the Agent and the Subscribers are relying upon such representations and warranties in connection with the purchase and sale of the Subscription Receipts, as follows:

- (a) the Corporation is duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation and has all requisite corporate capacity, power and authority to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own its properties and assets;

- (b) the Corporation is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business;
- (c) the Corporation has conducted and is conducting and will conduct its business in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on a material portion of its business and holds all licences, registrations and qualifications in all jurisdictions in which it carries on a material portion of its business which are necessary or desirable to carry on the business of the Corporation as now conducted and as presently proposed to be conducted, all such licences, registrations or qualifications are valid and existing and in good standing and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the business of the Corporation as now conducted or as proposed to be conducted, and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates that the Corporation will be unable to comply with without materially adversely affecting the Corporation, as applicable;
- (d) with the exception of the Qualifying Transaction approved by Alter, the Corporation has not approved, is not contemplating, has not entered into any agreement in respect of, or does not have any knowledge of: (A) the purchase of any property material to the Corporation or assets or any interest therein, or, other than the Qualifying Transaction, the sale, transfer or other disposition of any property material to the Corporation or assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer or sale of shares or otherwise; or (B) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets) of the Corporation;
- (e) the Corporation does not have any Subsidiaries except for CleanEnergy Investments Corp., which is not considered to be a material subsidiary of the Corporation;
- (f) the minute books for the Corporation contain full, true and correct copies of the constating documents of the Corporation, and contain copies of all minutes of all meetings and all consent resolutions of the directors, committees of directors and shareholders of the Corporation, as applicable and all such meetings were duly called and properly held and all consent resolutions were properly adopted;
- (g) the Corporation is not a party to a shareholders agreement or similar agreement or bound by or affected by any commitment, agreement or document containing any covenant that expressly limits the freedom of the Corporation to conduct its business or to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Corporation;
- (h) all continuous and timely disclosure documents, reports, forms, filings and fees required to be made and paid by the Corporation pursuant to the Applicable Securities Laws have been made and paid in accordance with the Applicable Securities Laws;
- (i) all information, documentation and statements provided to the Agent were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information or statements;

- (j) the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 14,827,082 Common Shares are issued and outstanding as fully paid and non-assessable shares of the Corporation and prior to the completion of the Qualifying Transaction, Alter is the sole shareholder of the Corporation;
- (k) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or any other acquisition of any unissued securities of the Corporation;
- (l) with the exception of the Qualifying Transaction, none of the directors, officers or employees of the Corporation, any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation;
- (m) the Corporation's Financial Statements fairly present, in all material respects and in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition, the results of the operations, cash flows and other information purported to be shown therein of the Corporation as at the dates thereof and for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof required to be disclosed in accordance with generally accepted accounting principles in Canada, and include all adjustments necessary for a fair presentation;
- (n) there has not been any "reportable event" (within the meaning of Section 4.11 of National Instrument 51-102 of the Canadian Securities Administrators) with the auditors of the Corporation;
- (o) there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation from the position set forth in the Corporation's Financial Statements and there has not been any adverse material change in the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation since March 31, 2012; and since that date there have been no material facts, transactions, events or occurrences which could materially adversely affect the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;
- (p) other than as disclosed in Schedule "F", there are no actions, suits, proceedings or inquiries in existence or, to the knowledge of the Corporation, pending or threatened against or affecting the Corporation at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency that in any way materially adversely affects, or in any way may materially adversely affect, the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation or its Projects (as hereinafter defined), properties or assets or which affects or may affect the distribution of Subscription Receipts, the Underlying Securities or Warrant Shares or that would impair the ability of the Corporation to consummate the transactions contemplated

hereby or to duly observe and perform any of its covenants or obligations contained in any of the Transaction Agreements and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;

- (q) the Corporation owns or has the right to use under license, sub-license or otherwise all material Intellectual Property used by the Corporation in its business as now conducted and as presently proposed to be conducted, without any known infringement of the rights by any other person;
- (r) the Corporation owns or has the valid rights to use (in each case, free and clear of any encumbrances) all of the Intellectual Property that is material to the conduct of the business of the Corporation (as applicable) as currently conducted or as currently proposed (and had all rights necessary to carry out its former activities at such time such activities were being conducted) and except for off-the shelf licenses, the Corporation does not use any third-party Intellectual Property in the business of the Corporation;
- (s) all of the licenses and sublicenses and consent, royalty or other agreements concerning Intellectual Property that are material to the conduct of the business of the Corporation as currently conducted or as currently proposed to be conducted to which the Corporation is a party are valid and binding obligations of the Corporation, enforceable in accordance with their respective terms and there exists no event or condition that will result in a material violation or breach of or constitute a default by the Corporation under any such license agreement;
- (t) any and all of the agreements and other documents and instruments pursuant to which the Corporation holds its properties and assets (including any interest in, or right to earn an interest in, any property) and all current Projects and each of the Material Contracts are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof and contain full and true disclosure with respect to the nature, monetary value and scope of such agreements, documents and instruments pertaining to the Projects and the Material Contracts;
- (u) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of, any of the Transaction Agreements by the Corporation or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would result in a breach of or constitute a default under: (i) any term or provision of the articles, by laws or resolutions of the directors (or any committee thereof) or shareholders of the Corporation; (ii) any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or (iii) any judgment, decree, order, statute, rule or regulation applicable to the Corporation or its properties or assets, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or would impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in any of the Transaction Agreements;

- (v) the Corporation is not a party to any written contracts of employment that may not be terminated on one month's notice or that provide for payments occurring on a change of control of the Corporation;
- (w) the Corporation is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect on the Corporation, and the Corporation has not and is not engaged in any unfair labour practices;
- (x) there has not been in the last two years and there is not currently any labour disruption or conflict which could reasonably be expected to have a Material Adverse Effect on the Corporation;
- (y) the assets of the Corporation and its business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Corporation has not failed to promptly give any notice of any material claim thereunder;
- (z) the Corporation is currently not a party to any Swaps;
- (aa) there is not in the constating documents or by-laws of the Corporation, or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration of dividends by the directors of the Corporation or payment of dividends by the Corporation to the holders of the Common Shares;
- (bb) the Corporation has full corporate capacity, power and authority to enter into the Transaction Agreements and to perform its obligations set out herein and therein (including, without limitation, to create, issue and sell the Subscription Receipts, to issue the Underlying Securities and Warrant Shares and to issue the Broker Warrants), and this Agreement and the Qualifying Transaction Agreement have been, and the Subscription Agreements, Subscription Receipt Agreement and Warrant Indenture will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement and the Qualifying Transaction Agreement are, and the Subscription Agreements, Subscription Receipt Agreement and Warrant Indenture will be, on the Closing Date, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law;
- (cc) the Corporation has duly and timely filed, in proper form, returns in respect of taxes under the Tax Act, the income tax legislation of any province of Canada or any foreign country having jurisdiction over affairs of the Corporation, as applicable, for all periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing have been paid or accrued on the books of the Corporation and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, provincial or other income tax return for any period, and all payments by the Corporation to any non-resident of Canada have been made in accordance with applicable legislation in respect of withholding tax; there are no assessments or reassessments respecting the Corporation pursuant to which there are amounts owing or discussions in

respect thereof with any taxing authority, the Corporation has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation, and the Corporation has not entered into any transactions or off-balance sheet arrangements with Alter, which would result in the Corporation paying tax liabilities and/or penalties;

- (dd) to the knowledge, information and belief of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it, other than as set out herein;
- (ee) in respect of the assets, properties and businesses of the Corporation that are operated by them, the Corporation, as applicable, holds all valid licences, permits and similar rights and privileges that are required and necessary under applicable law to operate the assets and businesses of the Corporation as presently operated;
- (ff) other than the Transaction Agreements and the Material Contracts set forth in Schedule “D” hereto, there are no Material Contracts or agreements to which the Corporation is a party, or by which it is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which the Corporation or a Subsidiary will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than \$50,000 in either case in the next 12 months, or is out of the ordinary course of business of the Corporation, shall be considered to be material;
- (gg) the Corporation's ongoing projects as of the date hereof are accurately described in Schedule “C” hereto (the “**Projects**”);
- (hh) other than with respect to the Transaction Agreements and the Material Contracts, the Corporation does not have any other properties, claims, obligations or liabilities and none have entered into any Material Contracts or other arrangements or agreements of any sort whatsoever with any party;
- (ii) no person other than the Corporation has a right to complete the Projects and the Corporation has full and exclusive rights to complete the Projects and to distribute geexchange equipment to a network of dealers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, the Yukon Territory and the Northwest Territories on behalf of Waterfurnace Renewable Energy, Inc.
- (jj) with respect to each premises of the Corporation which is material to the Corporation on a consolidated basis and which the Corporation occupies as tenant, including the Corporation's leases at 2150 Dunwin Drive, Units 4&5, Mississauga, Ontario L5L 5M8 and 4000 - 4th Street SE, Suite 215, Calgary Alberta, T2G OC5 (collectively, the “**Leased Premises**”), the Corporation occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation occupies the Leased Premises is in good standing and in full force and effect;
- (kk) as of the date hereof, there was no contract, option or any other right of another person binding upon, or which at any time may become binding upon, the Corporation to transfer or grant or create an encumbrance upon, or which may create an encumbrance upon any portion of the Corporation's business;

- (ll) there has been no known material spill, discharge, deposit, leak, emission or other material release of any contaminant, pollutant, dangerous or toxic substance, hazardous waste or material substance on, into, under or affecting the business of the Corporation or the Leased Premises and no such contaminant, pollutant, dangerous or toxic substance, hazardous waste or material substance was stored in any type of container on, in or under the Leased Premises, areas where the Corporation conducts its business which are in breach of applicable law and to the best of the Corporation's knowledge and belief, no reclamation, rehabilitation, restoration or abandonment obligations exist with respect to any portion of the Corporation's business;
- (mm) the Corporation is not a party to or bound by any agreement in respect of any of the issued shares of the Corporation which affects or could affect ownership of or interests in the Properties other than as set out herein;
- (nn) to the best knowledge, information and belief of the Corporation, having made reasonable and due inquiry, except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on the business, financial condition, assets, properties, liabilities or operations of the Corporation, as applicable:
 - (i) the Corporation is not in violation of any Environmental Laws;
 - (ii) the Corporation has operated its business at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation that have not been remedied;
 - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation;
 - (v) the Corporation has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event that is required to be so reported by any Environmental Law;
 - (vi) the Corporation holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, and, except for (A) notifications and conditions of general application to assets of the type owned by the Corporation, and (B) notifications relating to reclamation obligations under applicable Environmental Laws the Corporation has not has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and

- (vii) the Corporation (including, if applicable, any predecessor companies thereof) has not received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and the Corporation (including, if applicable, any predecessor companies) has not settled any allegation of material non-compliance short of prosecution;
- (oo) any and all operations of the Corporation, including but not limited to operations on the Projects, on or in respect of the assets and properties of the Corporation have been conducted in accordance with good industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities;
- (pp) the Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the Corporation and applicable laws, indemnification agreements or covenants that are entered into arising in the ordinary course of business, including operating and similar agreements, indemnification and contribution provisions in agency and underwriting agreements, credit agreements with the Corporation's banks, in subscription receipt agreements and transfer agency agreements) or any other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person (other than the Corporation);
- (qq) the Corporation does not have any loans or other indebtedness outstanding that have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that are currently outstanding other than the Inter-Company Loan and the full amount of the Inter-Company Loan will be forgiven by the Corporation prior to the Qualifying Transaction and structured to prevent any tax liabilities on the part of the Corporation;
- (rr) the representations and warranties made by the Corporation in the Subscription Receipt Agreement and Warrant Certificate will be true and correct as of the date at which they are made and as at the Effective Date, as if made on such date;
- (ss) the draft Filing Statement submitted to the TSXV dated May 8, 2012 does not contain any untrue statement of a material fact or to the best knowledge of the Corporation;
- (tt) other than as provided for in this Agreement or otherwise disclosed to the Agent in writing and in the Qualifying Transaction Agreement, the Corporation has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, underwriter's or agent's commission or other similar forms of compensation with respect to the transactions contemplated hereby;
- (uu) no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the sale and delivery of the Subscription Receipts, Broker Warrants or the Underlying Securities (including the Warrant Shares), except as contemplated hereby, or in the Qualifying Transaction Agreement;
- (vv) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
- (ww) all filings made by the Corporation under which either the Corporation has received or are entitled to government incentives, have been made in accordance, in all material respects,

with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact that could cause any amount previously paid to the Corporation or previously accrued on the accounts thereof to be recovered or disallowed;

- (xx) at the Closing Date, the Subscription Receipts, the Broker Warrants and the Underlying Securities (including the Warrant Shares) will be duly and validly created, authorized, allotted and reserved for issuance and, in the case of the Subscription Receipts, upon issuance in accordance with the terms of the Subscription Receipt Agreement and, in the case of the Underlying Securities, upon issuance upon exercise or deemed exercise of the Subscription Receipts or Broker Warrants, as applicable, and, in the case of the Warrant Shares, upon exercise of the Underlying Warrants in accordance with the terms of the Warrant Certificate, respectively, will be issued as fully paid and non-assessable Subscription Receipts, Common Shares and Warrants in the capital of the Corporation, respectively;
- (yy) the definitive form of the certificates for the Subscription Receipts to be issued on the Closing Date will be, and the definitive form of certificates for the Underlying Shares and the Underlying Warrants to be issued on at the Effective Time will be duly approved and adopted by the Corporation and comply with all legal requirements relating thereto (including any legends required by NI 45-102 or the Exchange, as applicable);
- (zz) the Corporation has taken or will take prior to the Closing Date all such steps as may be necessary to comply with such requirements of Applicable Securities Laws such that the Subscription Receipts may, in accordance with Applicable Securities Laws, be offered for sale and sold on a private placement basis to the public in the Selling Jurisdictions through the Agent or any other investment dealers or brokers registered in the applicable Selling Jurisdictions by way of the exemptions to the prospectus requirements, and such that the Broker Warrants may, in accordance with Applicable Securities Laws, be offered and issued to the Agent hereunder by way of the exemptions to the prospectus requirements;
- (aaa) the Corporation does not have in place a shareholder rights protection plan;
- (bbb) the Corporation is not a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;
- (ccc) none of its directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (ddd) no event has occurred or condition exists that is reasonably likely to prevent the Qualifying Transaction from being completed prior to the Escrow Release Deadline;
- (eee) the representations and warranties of the Corporation in the Subscription Agreements are true and correct and will be true and correct on the Closing Date and the Corporation shall comply with all of the covenants and agreements made by it in the Subscription Agreements;
- (fff) the Corporation has provided the Agent with all information reasonably requested by the Agent in connection with the Offering. There is no material fact known to the Corporation that has not been disclosed herein, or to the Agent on behalf of the Subscribers in connection

with the transactions contemplated hereby and which would result in a Material Adverse Effect on the Corporation. The Corporation has not withheld from the Agent any material fact relating to the Corporation or to the Offering; and

- (ggg) there are no material judgments against the Corporation that are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation is subject.

It is further agreed by the Corporation that all representations, warranties and covenants in this Section 6 made by the Corporation to the Agent shall also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto (it being agreed that the Agent is acting for and on behalf of the Subscribers for this purpose).

Section 7 Representations and Warranties of Bellair

Bellair represents and warrants to the Agent and the Subscribers, and acknowledges that the Agent and the Subscribers are relying upon such representations and warranties in connection with the purchase and sale of the Subscription Receipts, as follows:

- (a) Bellair has been duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation and has all requisite corporate capacity, power and authority to carry on its business, as now conducted and as presently proposed to be conducted by it, and to own its properties and assets;
- (b) Bellair is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business;
- (c) Bellair has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which it carries on a material portion of its business. Bellair is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which Bellair anticipates Bellair will be unable to comply with without materially adversely affecting Bellair;
- (d) Bellair does not have any Subsidiaries; Bellair is not "affiliated" with, nor is it a "holding corporation" of, any other body corporate (within the meaning of those terms in the OBCA);
- (e) the minute books for Bellair contain full, true and correct copies of the constituting documents of Bellair, and contain copies of all material minutes of all meetings and all consent resolutions of the directors, committees of directors and shareholders of Bellair and all such meetings were duly called and properly held and all consent resolutions were properly adopted;
- (f) Bellair is not a party to or bound by or affected by any commitment, agreement or document containing any covenant that expressly limits the freedom of Bellair to compete in any line of business, transfer or move any of its assets or operations or that materially or adversely affects the business practices, operations or condition of Bellair;
- (g) all continuous and timely disclosure documents, reports, forms, filings and fees required to be made and paid by Bellair pursuant to the Applicable Securities Laws have been made and paid in all material respects in accordance with the Applicable Securities Laws;

- (h) the information and statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information or statements and were prepared in accordance with and complied with Applicable Securities Laws and Bellair has not filed any confidential material change reports still maintained on a confidential basis;
- (i) the authorized capital of Bellair consists of an unlimited number of common shares, of which 1,956,600 common shares are issued and outstanding as fully paid and non-assessable shares of Bellair;
- (j) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of Bellair or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or any other acquisition of any unissued securities of Bellair except: (i) as disclosed in the Public Record; and (ii) for greater certainty 255,600 Bellair Shares subject to options granted by Bellair pursuant to its stock option plan;
- (k) none of the directors, officers or employees of Bellair, any person who owns, directly or indirectly, more than 10% of any class of securities of Bellair, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with Bellair which, as the case may be, materially affects, is material to or will materially affect Bellair;
- (l) the Bellair Financial Statements present fairly, in all material respects, the financial position of Bellair as at the dates thereof, and its financial performance and its cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles;
- (m) there has not been any reportable event (within the meaning of Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the auditors of Bellair;
- (n) there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Bellair from the position set forth in the most recent Bellair Financial Statements and there has not been any adverse material change in the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of Bellair since August 31, 2011; and since that date, there have been no material facts, transactions, events or occurrences that would reasonably be expected to materially adversely affect the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of Bellair;
- (o) there are no actions, suits, proceedings or inquiries in existence or pending or threatened against Bellair at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency that in any way materially adversely affects, or in any way would reasonably be expected to materially adversely affect, the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of Bellair or its properties or assets or that would impair the ability of Bellair to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained in any of the Transaction Agreements and Bellair is not aware of any existing

ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;

- (p) Bellair is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement and the Qualifying Transaction Agreement by Bellair or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would result in a breach of or constitute a default under: (i) any term or provision of the articles, by laws or resolutions of the directors (or any committee thereof) or shareholders of Bellair; (ii) any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which Bellair is a party or by which it is bound; or (iii) any judgment, decree, order, statute, rule or regulation applicable to Bellair or its properties or assets, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of Bellair or would impair the ability of Bellair to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in any of the Transaction Agreements;
- (q) other than as disclosed in the Public Record, neither Bellair is a party to any written contracts of employment that may not be terminated on one month's notice or that provide for payments occurring on a change of control of Bellair;
- (r) other than the Transaction Agreements, there are no Material Contracts or agreements to which Bellair is a party, or by which it is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which Bellair will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than \$50,000 in either case in the next 12 months, or is out of the ordinary course of business of Bellair, shall be considered to be material;
- (s) there is not in the constating documents or by-laws of Bellair, or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Bellair is a party, any restriction upon or impediment to the declaration of dividends by the directors of Bellair or payment of dividends by Bellair to the holders of Bellair Shares;
- (t) Bellair has full corporate capacity, power and authority to enter into this Agreement, the Qualifying Transaction Agreement, the Warrant Indenture and to perform its obligations set out herein and therein and this Agreement, the Warrant Indenture and the Qualifying Transaction Agreement are duly authorized, executed and delivered by Bellair and this Agreement, the Warrant Indenture and the Qualifying Transaction Agreement are legal, valid and binding obligations of Bellair enforceable against Bellair in accordance with their respective terms, subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law;
- (u) Bellair has duly and timely filed, in proper form, returns in respect of taxes under the Tax Act, the income tax legislation of any province of Canada or any foreign country having jurisdiction over the affairs of Bellair for all periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing have been paid or accrued on the books of Bellair and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, provincial or other income tax return for any period, and all payments by Bellair to any non-resident of Canada have been made in accordance with applicable legislation in respect of withholding tax; there

are no assessments or reassessments respecting Bellair pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority, and Bellair has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation;

- (v) the issued and outstanding Bellair Shares are listed and posted for trading on the Exchange and Bellair is in material compliance with the TSXV Manual and the by-laws, rules and regulations of the Exchange;
- (w) Bellair is a "reporting issuer" in each of the Provinces of British Columbia, Alberta and Ontario within the meaning of the Applicable Securities Laws in such provinces and is not in default of any material requirement of Applicable Securities Laws;
- (x) Equity Financial Trust Company at its principal offices in the City of Toronto is the duly appointed registrar and transfer agent of Bellair with respect to the Bellair Shares;
- (y) to the knowledge, information and belief of Bellair, no insider of Bellair has a present intention to sell any securities of Bellair held by it, with the exception of a sale of common shares of Bellair at \$0.50 per common share to Michael Galloro for gross proceeds of \$5,000;
- (z) in respect of the assets, properties and businesses of Bellair that are operated by it, Bellair holds all valid licences, permits and similar rights and privileges that are required and necessary under applicable law to operate the assets, properties and businesses of Bellair as presently operated;
- (aa) any and all operations of Bellair have been conducted in accordance with good industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities having jurisdiction over Bellair or its operations;
- (bb) Bellair is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of Bellair and applicable laws, indemnification agreements or covenants that are entered into arising in the ordinary course of business, including operating and similar agreements, indemnification and contribution provisions in agency and underwriting agreements, credit agreements with Bellair's banks, in subscription receipt agreements and transfer agency agreements) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person (other than Bellair);
- (cc) Bellair does not have any loans or other indebtedness outstanding that have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with Bellair that are currently outstanding;
- (dd) other than as provided for in this Agreement, the Warrant Indenture or in the Qualifying Transaction Agreement, Bellair has not incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder's fees, underwriter's or agent's commission or other similar forms of compensation with respect to the transactions contemplated hereby;

- (ee) the books of account and other records of Bellair, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
- (ff) Bellair does not have in place a shareholder rights protection plan;
- (gg) neither Bellair nor to the knowledge of Bellair, any of its shareholders, is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Bellair;
- (hh) none of the Bellair directors or officers are now subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (ii) no event has occurred or condition exists which is reasonably likely to prevent the Qualifying Transaction from being completed prior to the Escrow Release Deadline; and
- (jj) there are no material judgments against Bellair that are unsatisfied, nor are there any consent decrees or injunctions to which Bellair is subject.

It is further agreed by Bellair that all representations, warranties and covenants in this Section 7 made by Bellair to the Agent shall also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto (it being agreed that the Agent are acting for and on behalf of the Subscribers for this purpose).

Section 8 Conditions

The obligations of the Agent hereunder shall be conditional upon the Agent receiving at the Closing Time:

- (a) a legal opinion from each of the Corporation's counsel and Bellair's counsel (each addressed to the Agent, the Subscribers and the Agent's counsel) in form and substance satisfactory to the Agent, acting reasonably, relating to the offering, issuance and sale of the Subscription Receipts, including, without limitation, substantially the matters set forth in Schedule "A" in the case of the Corporation's counsel and as to all other legal matters, including compliance with Applicable Securities Laws of the Selling Jurisdictions, in any way connected with the offering, issuance, sale and delivery of the Subscription Receipts and the Underlying Securities, and Schedule "B" in the case of Bellair's counsel, and any other matter as the Agent may reasonably request;
- (b) it is understood that the respective counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the jurisdiction of residence of such counsel or Canada and on certificates of officers of the Corporation and Bellair, as applicable, the transfer agent of the Common Shares and the auditors of the Corporation and Bellair, as applicable, as to relevant matters of fact;
- (c) a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed on the Corporation's behalf by the senior officer of the Corporation satisfactory to the Agent, acting reasonably, certifying in their capacities as officers of the Corporation and not in their personal capacities that:

- (i) the Corporation has complied with and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Corporation set forth herein and in the Subscription Agreements are true and correct at the Closing Time, as if made at such time;
 - (iii) no event of a nature referred to in Section 13(a), (b), (e), (g) or (h) has occurred or to the knowledge of such officer is pending, contemplated or threatened (excluding the certification of such officer of any requirement of the Agent to make a determination as to whether or not any event or change has, in the Agent's opinion, had or would have the effect specified therein);
 - (iv) the Corporation has made or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances under Applicable Securities Laws, and under any applicable agreement or document to which the Corporation is a party or by which it is bound, required for the execution and delivery of the Transaction Agreements, the offering and sale of the Subscription Receipts, the Broker Warrants and the distribution of the Underlying Securities and the Warrant Shares in the Selling Jurisdictions and the consummation of the other transactions contemplated hereby; and
 - (v) such other matters as may be reasonably requested by the Agent;
- and the Agent shall have no knowledge to the contrary;
- (d) a certificate of Bellair dated the Closing Date, addressed to the Agent and signed on Bellair's behalf by two senior officers of Bellair satisfactory to the Agent, acting reasonably, certifying in their capacities as officers of Bellair and not in their personal capacities that:
 - (i) Bellair has complied with and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of Bellair set forth in this Agreement and the Qualifying Transaction Agreement are true and correct at the Closing Time, as if made at such time;
 - (iii) Bellair has made or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances under Applicable Securities Laws, and under any applicable agreement or document to which Bellair is a party or by which it is bound, required for the execution and delivery of this Agreement by Bellair and the consummation by Bellair of the other transactions contemplated hereby (for greater certainty, other than in respect of the Qualifying Transaction) (subject to completion of filings with certain regulatory authorities following the Closing Date); and
 - (iv) such other matters as may be reasonably requested by the Agent;
- and the Agent shall have no knowledge to the contrary;

- (e) evidence satisfactory to the Agent that the Corporation has obtained all necessary approvals for the issuance of the Subscription Receipts, the Broker Warrants, the Underlying Securities and the Warrant Shares;
- (f) a duly executed copy of the Subscription Receipt Agreement and the Warrant Indenture, in form and substance reasonably satisfactory to the Agent;
- (g) a specimen copy of the Warrant Certificate, in form and substance reasonably satisfactory to the Agent;
- (h) a specimen copy of the Broker Warrant Certificate, in form and substance reasonably satisfactory to the Agent; and
- (i) subject to the delivery of duly completed Subscription Agreements by the Agent in accordance with this Agreement, definitive certificates representing, in the aggregate, all of the Subscription Receipts issued on the Closing Date endorsed with all applicable legends and registered in such name or names as the Agent shall notify the Corporation in writing not less than 48 hours prior to the Closing Time, provided such certificates registered in such names may, subject to receipt by the Corporation and the Subscription Receipt Agent of a satisfactory indemnity, be delivered in advance of the Closing Date to the Agent or such other parties in such locations as the Agent may direct and the Agent and the Corporation may agree upon.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and, without limitation, the Agent shall have the right, on behalf of potential subscribers, to withdraw all Subscription Agreements delivered and not previously withdrawn or rescinded by such persons. If any of the foregoing conditions are not met, the Agent may terminate their obligations under this Agreement without prejudice to any other remedies they may have.

Section 9 Closing

The issue and sale of the Subscription Receipts shall be completed at the Closing Time concurrently at the offices of the Corporation's counsel in Calgary, Alberta and at the offices of the Agent's counsel in Toronto, Ontario or at such other place as the Corporation and the Agent may agree. Subject to the conditions set forth in Section 8, the Agent, on the Closing Date, shall deliver to the Corporation:

- (a) all completed Subscription Agreements (including any applicable documents specifically referred to in the Subscription Agreements), in form and substance reasonably satisfactory to the Corporation and the Corporation's counsel, the Agent and the Agent's counsel;
- (b) originally executed copies of all forms required under Applicable Securities Laws or by the Exchange from each of the Subscribers; and
- (c) in respect of the Subscription Receipts, a wire transfer of funds payable to the Subscription Receipt Agent in an amount equal to the aggregate of the gross proceeds from the sale of the Subscription Receipts;

against delivery by the Corporation of:

- (d) definitive certificates representing, in the aggregate, all of the Subscription Receipts subscribed for or purchased, bearing all applicable legends and registered in such name or

names as the Agent shall notify the Corporation in writing of not less than 48 hours prior to the Closing Time provided such certificates registered in such names may, subject to receipt by the Corporation and the Subscription Receipt Agent of a satisfactory indemnity, be delivered in advance of the Closing Date to the Agent or such other parties in such locations as the Agent may direct and the Agent and the Corporation may agree upon; and

- (e) such further documentation as may be contemplated by the Transaction Agreements or that may reasonably be requested by Agent's counsel.

The Corporation may not reject any properly completed Subscription Agreement, unless: (i) the distribution of the Subscription Receipts and the Underlying Securities cannot be completed in accordance with Applicable Securities Laws or this Agreement; or (ii) the number of Subscription Receipts subscribed for or purchased pursuant to all Subscription Agreements tendered by the Agent exceeds the maximum number of Subscription Receipts to be sold under this Agreement.

Section 10 Agent's Compensation

In consideration for its services hereunder, Bellair, on behalf of the Resulting Issuer, agrees to pay to the Agent:

- (a) cash fees equal to 10% of the gross proceeds from Subscription Receipts and for which the subscription is accepted by the Corporation; and
- (b) Broker Warrants that will entitle the holder thereof to acquire Underlying Units equal in number to 10% of the number of Subscription Receipts sold pursuant to the offering in form and substance satisfactory to the Agent;

which shall be payable and issuable in accordance with the terms of the Subscription Receipt Agreement contemporaneously with the release of the Escrow Funds to the Resulting Issuer by the Subscription Receipt Agent in connection with the exercise or deemed exercise of the Subscription Receipts, plus any interest earned thereon in accordance with the Subscription Receipt Agreement, payable from the funds held by the Subscription Receipt Agent pursuant to the Subscription Receipt Agreement.

Section 11 Expenses

Whether or not the transactions contemplated herein shall be completed, all costs and expenses of or incidental to the creation, issue, sale and distribution of the Subscription Receipts pursuant to the Offering shall be borne by Bellair, including, without limitation, the costs and expenses of or incidental to the private placement of the Subscription Receipts, the reasonable fees and expenses of the Corporation's counsel, agent counsel retained by the Corporation's counsel, the Corporation's auditors, the Subscription Receipt Agent and any filing fees, together with applicable GST or HST.

Bellair also agrees that, whether or not the transactions contemplated herein shall be completed, it shall pay all of the Agent's reasonable expenses of or incidental to the Offering up to and including the date the Escrow Release Notice is issued or until the earlier termination of the Subscription Receipt Agreement including, without limiting the foregoing, reasonable fees and disbursements of the Agent's Counsel, out-of-pocket expenses, travel expenses and due diligence expenses together with applicable GST or HST thereon. Except for Agent's counsel fees, all out-of-pocket expenses above \$2,500 will only be incurred with the prior approval of Bellair, and the Agent will make available to Bellair all relevant invoices.

Section 12 Waiver

The Agent may, in respect of the Corporation or the Resulting Issuer, waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, covenant, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, covenant, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, covenant, term or condition hereof, provided that any such waiver or extension shall be binding on the Agent only if the same is in writing.

Section 13 Termination Events

The Agent may terminate its obligations hereunder, without any liability the part of the Agent, by written notice to the Corporation, in the event that after the date hereof and at or prior to the Closing Time:

- (a) any order to cease or suspend trading in any securities of the Corporation, the Resulting Issuer or prohibiting or restricting the distribution of the Subscription Receipts, the Broker Warrants or the Underlying Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or by any other competent authority, and the same has not been rescinded, revoked or withdrawn;
- (b) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation and/or Bellair or any of their respective directors or senior officers is announced or commenced by any Securities Commission or similar regulatory authority, the Exchange or by any other competent authority or any order is issued under or pursuant to any statute of Canada or of any of the provinces of Canada, or any other applicable law or regulatory authority (unless based on the activities or alleged activities of the Agent), or there is any change of law, regulation or policy or the interpretation or administration thereof, and the same has not been rescinded, revoked or withdrawn, which, in the sole opinion of the Agent, acting reasonably, Materially Adversely Affects, or may Materially Adversely Affect, the Qualifying Transaction, the Corporation, Bellair, the listing of the Resulting Issuer Shares on the Exchange or the distribution of the Subscription Receipts, Broker Warrants or the Underlying Securities;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major financial occurrence of national or international consequence, or any action by government, law or regulation, enquiry or any other such occurrence of any nature whatsoever which in the sole opinion of the Agent, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation or Bellair;
- (d) the state of the financial markets becomes such that, in the sole opinion of the Agent, acting reasonably, the Subscription Receipts cannot be marketed profitably;
- (e) there should occur, or the Agent has become aware of, through their due diligence review or otherwise (including the Due Diligence Sessions), any change, event, fact or circumstance (actual, contemplated or threatened) of the nature referred to in Section 3(a) hereof or any development that could result in such a change, event, fact or circumstance, any of which, in the sole opinion of the Agent, acting reasonably, could be expected to have a Material Adverse Effect on the business, operations, capital condition (financial or otherwise), properties, assets, liabilities, obligations or affairs of the Corporation or Bellair, or the market price or value of the Subscription Receipts or the Underlying Securities;

- (f) the Agent, acting reasonably, determines that the Corporation or Bellair shall be in breach of, default under or non-compliance with any material representation, warranty, covenant, term or condition herein of in any of the Transaction Agreements or Material Contracts;
- (g) any action or proceeding or threatened action or proceeding against the Corporation or Bellair, by any shareholder of any of the foregoing, continuing until the Closing Date, which, in the opinion of the Agent, acting reasonably, materially adversely affects the ability of the Agent, to market and sell the Subscription Receipts; or
- (h) the Qualifying Transaction Agreement or the Subscription Receipt Agreement is terminated and not replaced by an amendment or restatement of such agreement satisfactory in form and containing terms and conditions acceptable to the Agent, acting reasonably, or the Corporation otherwise notifies the Agent that the Qualifying Transaction will not occur.

In any of such cases, the Agent shall be entitled, at its option, to terminate and cancel its obligations to the Corporation under this Agreement and the obligations of any Subscriber under any Subscription Agreement.

Section 14 Continuation of Termination Right

The Agent may exercise any or all of the rights provided for in Section 8, 9 or Section 13 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the offering or continued offering of the sale of the Subscription Receipts. The Agent shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 8, Section 9 or Section 13 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

Section 15 Exercise of Termination Right

Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, Bellair and the Resulting Issuer prior to the Closing Time, provided that no termination shall discharge or otherwise affect any obligation of the Corporation or the Resulting Issuer, as applicable, under Section 11, Section 16, Section 17 or Section 19. The rights of each of the Agents to terminate obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

Section 16 Survival

All representations, warranties, covenants, indemnities, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Agent for the Subscription Receipts and the issuance of the Underlying Securities (including the Warrant Shares) and shall continue in full force and effect for the benefit of the Agent and the Subscribers for a period of three years from the date hereof regardless of any investigation by or on behalf of the Agent with respect thereto.

Section 17 Indemnity

(A) Corporation Indemnity

Upon completion of the Qualifying Transaction, the Corporation (for the purpose of this Section 17A, the "**Indemnitor**") hereby agrees, severally and not jointly, to indemnify and save harmless the Agent and its

directors, officers, employees, counsel, partners, affiliates and agents (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against all actual or threatened claims, actions, suits, investigations and proceedings (collectively, "**Proceedings**") and all losses (other than loss of profits), expenses, fees, damages, obligations, payments and liabilities (collectively, "**Liabilities**") (including without limitation all statutory duties and obligations, and, subject to Section 18, all amounts paid to settle any action or to satisfy any judgment or award and all legal fees and disbursements actually incurred) which now or any time hereafter are suffered or incurred by reason of any event, act or omission in any way caused by, or arising directly or indirectly from or in consequence of:

- (a) any information or statement contained in any certificate or other document delivered by or on behalf of the Corporation to the Agent hereunder that is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes, or is alleged to make, any such information or statement untrue or misleading in light of the circumstances in which it was made;
- (b) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agent or their banking or selling group members, if any) relating to any of the transactions contemplated herein or in the Transaction Agreements or materially affecting the trading or distribution of the Subscription Receipts or the Underlying Securities; or
- (c) any material breach of, default under or non-compliance by the Corporation with: (i) any representation, warranty or covenant herein, or any document delivered pursuant thereto; or (ii) any requirement of Applicable Securities Laws applicable to the transactions contemplated by this Agreement.

Notwithstanding the foregoing, the indemnity of this Section 17A shall not apply in respect of any particular Indemnified Party, in the event that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Liabilities to which that particular Indemnified Party may be subject were primarily caused by the negligence, fraud or wilful misconduct of that particular Indemnified Party (provided that if such Liabilities were caused only in part by such negligence, fraud or wilful misconduct, the indemnity shall apply only in respect of the proportion of such Liabilities which were not so caused) or that such Indemnified Party breached, defaulted under or failed to comply with any material representation, warranty, term, condition or covenant of this Agreement. With respect to this Section 17A, the Indemnitor acknowledges and agrees that the Agent is contracting on its own behalf and as agent for the other Indemnified Parties in accordance with Section 25. For greater certainty, prior to completion of the Qualifying Transaction, the Corporation shall have no indemnification obligations.

(B) Bellair Indemnity

Bellair (for the purpose of this Section 17B, the "**Indemnitor**") hereby agrees, severally and not jointly or jointly and severally to indemnify and save harmless each of the Indemnified Parties from and against all Proceedings and all Liabilities (including without limitation all statutory duties and obligations, and, subject to Section 18, all amounts paid to settle any action or to satisfy any judgment or award and all legal fees and disbursements actually incurred) which now or any time hereafter are suffered or incurred by reason of any event, act or omission in any way caused by, or arising directly or indirectly from or in consequence of:

- (a) any information or statement contained in the Public Record (other than any information or statement relating solely to the Agent and furnished to the Corporation, Bellair or the

Resulting Issuer by or on behalf of the Agent expressly for inclusion in the Public Record), and other than any information or statement relating solely to the Corporation and furnished to Bellair or the Resulting Issuer by or on behalf of the Corporation or the Agent or any certificate or other document delivered by or on behalf of Bellair to the Agent hereunder that is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes, or is alleged to make, any such information or statement untrue or misleading in light of the circumstances in which it was made;

- (b) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agent or their banking or selling group members, if any) relating to any of the transactions contemplated herein or in the Transaction Agreements;
- (c) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities into the affairs of the Corporation relating to or materially adversely affecting the distribution of Subscription Receipts other than any such order, inquiry, investigation or other proceeding based solely upon the activities or alleged activities of the Agent (or selling group members, if any); or
- (d) any material breach of, default under or non-compliance by Bellair or the Corporation with:
 - (i) any representation, warranty or covenant herein, or any document delivered pursuant thereto; or
 - (ii) any requirement of Applicable Securities Laws applicable to the transactions contemplated by this Agreement.

Notwithstanding the foregoing, the indemnity of this Section 17B shall not apply in respect of any particular Indemnified Party, in the event that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Liabilities to which that particular Indemnified Party may be subject were primarily caused by the negligence, fraud or wilful misconduct of that particular Indemnified Party (provided that if such Liabilities were caused only in part by such negligence, fraud or wilful misconduct, the indemnity shall apply only in respect of the proportion of such Liabilities which were not so caused). With respect to this Section 17B, the Indemnitor acknowledges and agrees that the Agent is contracting on its own behalf and as agent for the other Indemnified Parties in accordance with Section 25.

Section 18 Notice of Indemnity Claim

If any Proceeding is brought, instituted or threatened in respect of any Indemnified Party which may result in a claim for indemnification against an Indemnitor under this Agreement, such Indemnified Party shall promptly after receiving notice thereof notify the applicable Indemnitor, of the nature of such claim and the applicable Indemnitor, shall be entitled (but not required) to assume conduct of the defence thereof and retain counsel on behalf of the Indemnified Party who is satisfactory to the Indemnified Party, acting reasonably, to represent the Indemnified Party in such Proceeding and the applicable Indemnitor shall pay the reasonable fees and disbursements of such counsel and all other expenses of the Indemnified Party relating to such Proceeding as incurred. Failure to so notify the applicable Indemnitor shall not relieve such Indemnitor from liability except and only to the extent that the failure materially prejudices the Indemnitor. If the applicable Indemnitor assumes conduct of the defence for an Indemnified Party, the Indemnified Party shall fully cooperate in the defence including without limitation the provision of documents, appropriate officers and employees to give witness statements, attend examinations for discovery, make affidavits, meet with counsel, testify and divulge all information reasonably required to defend or prosecute the Proceedings.

In any such Proceeding the Indemnified Party shall have the right to employ separate counsel and to participate in the defence thereof if:

- (a) the Indemnified Party has been advised in writing by counsel that there may be a reasonable legal defence available to the Indemnified Party that is different from or in addition to those available to the applicable Indemnitor, or that a conflict of interest exists which makes representation by counsel chosen by the applicable Indemnitor not advisable (in which case neither the applicable Indemnitor shall not have the right to assume the defence of such proceedings on behalf of the Indemnified Person);
- (b) the Indemnitors shall not have undertaken the defence of such proceedings, or indicated its intent to do so, and employed counsel within ten days after notice of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the applicable Indemnitor in connection with the defence of such proceeding,

in which event the reasonable fees and disbursements of such counsel (on a solicitor and his client basis) shall be paid by the applicable Indemnitor. It is understood, however, that the applicable Indemnitor, shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to any local counsel) in each jurisdiction for all such Indemnified Parties.

Section 19 Admission of Liability

No admission of liability and no settlement of any Proceeding shall be made by the applicable Indemnitor without the prior written consent of the Indemnified Parties affected, such consent not to be unreasonably withheld. No admission of liability and no settlement of any Proceeding shall be made by an Indemnified Party without the prior written consent of the applicable Indemnitor and the other Indemnified Parties affected, such consent not to be unreasonably withheld and the applicable Indemnitor shall not be liable for any settlement of any Proceeding made without the Indemnitor's consent.

Section 20 Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the an Indemnitor, on grounds of policy or otherwise, each of the applicable Indemnitors, and the party or parties seeking indemnification shall contribute to the aggregate Liabilities (or Proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the applicable Indemnitor on the one hand and by the Agent on the other hand from the offering of the Subscription Receipts; or
- (b) if the allocation provided by subsection (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subsection (a) above but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry,

investigation or other matter or thing which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations;

However, no party who has engaged in any fraud, fraudulent misrepresentation or gross negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or gross negligence.

The relative benefits received by the applicable Indemnitor, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Indemnitor (net of fees but before deducting expenses) bear to the fees received by the Agent. The relative fault of the Indemnitor, on the one hand, and of the Agent, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter referred to in Section 18 hereof relates to information supplied or which ought to have been supplied by the Indemnitor or the Agent and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter referred to in Section 18 hereof.

The obligations under the indemnity and right of contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.

Section 21 Sponsorship

In the event that the Exchange requires a letter and/or a Sponsor Report (as such term is defined in the TSXV Manual) (a "**Sponsor Report**") in connection with the Qualifying Transaction pursuant to Policy 2.2 of the TSXV Manual or otherwise, the Agent agrees that they shall provide such a Sponsor Report upon entry into a separate agreement with the Corporation and/or Bellair, as applicable, for the provision of same, on terms mutually acceptable to the parties. Such Sponsor Report shall be addressed to the Exchange and shall confirm that, subject to the usual conditions, assumptions and qualifications in relation to the content of such letters, in connection with the Offering, it conducted customary due diligence in respect of the Corporation, Bellair, the Resulting Issuer and the Qualifying Transaction, including a review of such Filing Statements and/or Information Circulars as may be required.

Section 22 Right of First Refusal

Provided that the Offering is completed and the Escrow Release Conditions are satisfied on or before the Escrow Release Deadline, and provided further that the Qualifying Transaction is completed, the Agent shall have a right of first refusal to act as lead or co-lead manager of any offering of debt or equity securities by the Resulting Issuer for a period of 12 months following the Closing Date. In connection therewith, the Resulting Issuer shall consult with the Agent from time to time as to its corporate finance requirements and use its best efforts to provide the Agent with reasonable advance written notice of its intention to pursue any such offering prior to soliciting interest from other investment dealers or market intermediaries to enable the Agent to assess the terms and conditions of such proposed financing and determine whether it intends to exercise its right of first refusal. Following receipt by the Agent of notice of a proposed offering subject to this right of first refusal by the Resulting Issuer, the Agent shall advise the Resulting Issuer of its decision with respect to the offering within three days thereof or else the Agent shall be deemed to have refused to act as lead or co-lead on such offering. If the Agent elects not to exercise such right or is deemed to not elect such right, the Resulting Issuer may proceed with such financing provided that the terms and conditions of such financing are not materially different from those communicated to the Agent. For clarity, the provisions of this paragraph will be null and void and of no force and effect if the Qualifying Transaction is not completed.

Section 23

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation, be addressed to:

CleanEnergy Developments Corp.
4000 - 4th Street SE, Unit 215
Calgary, AB T2G 0C5
Attention: Daniel R. Hay
Telecopy No.: (403) 244-6866

with a copy to:

Blakes, Cassels & Graydon LLP
Bankers Hall East Tower, Suite 3500
855 - 2nd Street S.W.
Calgary, AB T2P 4J8
Attention: Sarah Gingrich
Telecopy No.: (403) 260-9700

and in the case of notice to be given to Bellair, be addressed to:

Bellair Ventures Inc.
10 Bellair Street, Suite 509
Toronto, ON M5R 3T8
Attention: Emlyn J. David

with a copy to:

Wildeboer Dellelce LLP
Wildeboer Dellelce Place
365 Bay Street, Suite 800
Toronto, ON M5H 2V1
Attention: Derek Sigel
Telecopy No.: (416) 361-1790

and, in the case of notice to be given to the Agent, be addressed to:

Portfolio Strategies Securities Inc.
2 Lombard Street, Suite 202
Toronto, ON M5C 1M1
Attention: Robert Carbonaro
Telecopy No.: (416) 367-0997

with a copy to:

Heenan Blaikie LLP
Bay Adelaide Centre
P.O. Box 2900
333 Bay Street, Suite 2900
Toronto, ON M5H 2T4
Attention: Andrew Elbaz
Fax No.: (866) 269-4736

or to such other address as the party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee, and:

- (a) a communication which is personally delivered shall, if delivered before 4:30 p.m. (local time) on a business day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first business day following the day on which it is delivered; and
- (b) a communication which is sent by facsimile transmission shall, if sent on a business day before 4:30 p.m. (local time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first business day following the day on which it is sent.

Section 24 Trust

The Corporation acknowledges and agrees that it is the intention of the parties hereto and the Corporation hereby constitutes each of the Agent as trustee for each of the Subscribers in respect of each of the covenants, agreements and representations and warranties of the Corporation contained herein and the Agent shall be entitled, as trustees, in addition to any rights of the Subscribers, to enforce such covenants, agreements and representations and warranties on behalf of the Subscribers.

Section 25 Acknowledgement and Consent

The Corporation: (i) acknowledges and agrees the Agent has certain statutory obligations as a registrant under the Applicable Securities Laws and has fiduciary relationships with its respective clients; and (ii) consents to the Agent acting hereunder while continuing to act for its respective clients. To the extent that

each such Agent's statutory obligations as a registrant under Applicable Securities Laws or fiduciary relationships with its clients conflicts with its obligations hereunder, the Agent shall be entitled to fulfil its statutory obligations as a registrant under Applicable Securities Laws and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent an Agent from fulfilling its statutory obligations as a registrant under Applicable Securities Laws or to act as a fiduciary of its clients.

Section 26 Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

Section 27 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 28 Time of the Essence

Time shall be of the essence of this Agreement.

Section 29 Counterpart Execution

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

Section 30 Entire Agreement

It is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agent and the Corporation with respect to the issuance of securities by the Corporation and including, without limitation, the Qualifying Transaction Agreement and any predecessor or successor agreement thereto.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Agents.

Yours truly,

PORTFOLIO STRATEGIES SECURITIES INC.

Per: "Robert Carbonaro" (signed)
Name: Robert Carbonaro
Title: Vice President

ACCEPTED AND AGREED to effective as of the date first written above.

BELLAIR VENTURES INC.

Per: "Emlyn J. David" (signed)
Name: Emlyn J. David
Title: President, Chief Executive
Officer, Chairman and Director

ACCEPTED AND AGREED to effective as of the date first written above.

CLEANENERGY DEVELOPMENT CORP.

Per: "Daniel R. Hay" (signed)
Name: Daniel R. Hay
Title: Chief Financial Officer

SCHEDULE "A"

FORM OF OPINION FOR CORPORATION'S COUNSEL

1. the Corporation has been duly incorporated and is a valid and subsisting corporation under the laws of the jurisdiction of its incorporation and has all requisite corporate capacity and power to carry on its business as now conducted by it and to own its properties and assets;
2. the Corporation has full corporate power and authority to enter into this Agreement, the Subscription Agreements and the Subscription Receipt Agreement and to issue the Subscription Receipt Certificates, the Warrant Certificates and Broker Warrant Certificate and to perform its obligations set out herein and therein, and each of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement and the Subscription Receipt Certificates has been duly authorized, executed and delivered by the Corporation and this Agreement, the Subscription Agreements, the Subscription Receipt Agreement and the Subscription Receipt Certificates each constitute a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law;
3. the execution and delivery of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement and the Subscription Receipt Certificate and the fulfillment of the terms hereof and thereof by the Corporation, and the performance of and compliance with the terms of this Agreement, the Subscription Agreements, the Subscription Receipt Agreement and the Subscription Receipt Certificate by the Corporation do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under:
 - (a) any applicable laws of the Province of Ontario or the federal laws of Canada applicable therein; and
 - (b) any term or provision of the articles, by-laws or other constating documents, as applicable, of the Corporation, or, of which counsel is aware, any resolutions of the shareholders or directors (or any committee thereof) of the Corporation.
4. the Subscription Receipts have been validly issued as fully paid subscription receipts of the Corporation in accordance with the Subscription Receipt Agreement;
5. the Underlying Shares and Warrant Shares have been reserved and allotted for issuance and, when issued in accordance with the terms of the Subscription Receipt Agreement, Broker Warrant Certificate and Warrant Certificate, as applicable, will be validly issued as fully paid and non-assessable common shares and warrants of the Corporation, as applicable;
6. the offering, sale and issue of the Subscription Receipts by the Corporation to Subscribers in the Selling Jurisdictions in Canada in accordance with and pursuant to the Subscription Agreements and the distribution of the Subscription Receipts and the Underlying Shares is subject to the resale restrictions as described in NI 45-102;
7. Equity Financial Trust Company has been duly appointed by the Corporation as trustee and subscription receipt agent under the Subscription Receipt Agreement;

8. the form and terms of the definitive certificates representing the Subscription Receipts, Broker Warrants and the Underlying Securities have been duly approved and adopted by the board of directors of the Corporation and comply with all legal requirements relating thereto, including the requirements of the Exchange and contain the appropriate legends; and
9. the number of authorized and issued Common Shares of the Corporation.

SCHEDULE "B"

FORM OF OPINION FOR BELLAIR'S COUNSEL

1. Bellair is a corporation incorporated under the laws of Canada and has not been dissolved.
2. Bellair has all requisite corporate capacity and power to carry on its business as now conducted by it and to own the assets now owned by it;
3. Bellair has full corporate power and authority to enter into this Agreement, the Qualifying Transaction Agreement and the Warrant Indenture and to perform its obligations set out herein and therein, and each of this Agreement, the Qualifying Transaction Agreement and the Warrant Indenture has been duly authorized, executed and delivered by Bellair and this Agreement, the Qualifying Transaction Agreement and the Warrant Indenture each constitute a legal, valid and binding obligation of Bellair enforceable against Bellair in accordance with their respective terms, subject to laws relating to creditors' rights generally and except as rights to indemnity may be limited by applicable law;
4. the execution and delivery of this Agreement, the Qualifying Transaction Agreement and the Warrant Indenture and the fulfillment of the terms hereof and thereof by Bellair, and the performance of and compliance with the terms of this Agreement, the Qualifying Transaction Agreement and the Warrant Indenture by Bellair do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under:
 - (a) any applicable laws of the Province of Ontario or the federal laws of Canada applicable therein;
 - (b) any term or provision of the articles, by-laws or other constating documents, as applicable, of Bellair, or, of which counsel is aware, any resolutions of the shareholders or directors (or any committee thereof) of Bellair; or
 - (c) of which counsel is aware, any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which Bellair is a party or by which it is bound on the Closing Date;
5. the securities underlying the Resulting Issuer Units have been reserved and allotted for issuance and, when issued upon the completion of the Qualifying Transaction Agreement in accordance with the terms settled under the Qualifying Transaction Agreement, will be validly issued as fully paid and non-assessable common shares and warrants of the Resulting Issuer, as applicable;
6. Bellair is a "reporting issuer" in each of the provinces of Ontario, British Columbia and Alberta is not included in a list of defaulting reporting issuers maintained pursuant to the Applicable Securities Laws of such provinces; and
7. Equity Financial Trust Company has been duly appointed by Bellair as the transfer agent and registrar for the Bellair Shares; and
8. relating to the authorized and issued capital of Bellair.

SCHEDULE "C"

PROJECTS

[Redacted for confidentiality reasons]

SCHEDULE "D"

MATERIAL CONTRACTS

[Redacted for confidentiality reasons]

SCHEDULE "E"

INTELLECTUAL PROPERTY

[Redacted for confidentiality reasons]

SCHEDULE "F"

LITIGATION

[Redacted for confidentiality reasons]