

November 30, 2015

Ben Themens, Executive Director
Lonsdale Energy Corp.
141 West 14th Street
North Vancouver, BC, V7M 1H9

VIA EMAIL

Dear Mr. Themens,

Re: District Energy Agreement between Terasen Utilities Services, now Corix Utilities Inc. ("Corix") and Lonsdale Energy Corporation ("LEC") – (the "DES Agreement")

We are in receipt of your letter of November 20, 2015 regarding Article 19.4 of the DES Agreement.

While we understand that the principles of transparency and accountability are important to the City of North Vancouver (the "City") and LEC, we consider the contractual obligations of confidentiality to be of equal importance. We also believe that LEC and the City can adhere to these principles while still complying with the confidentiality provisions set out in the DES Agreement. In this regard we note that there are several exceptions outlined in Article 19.4, which allow disclosure in certain circumstances such as, for example, where reasonably required to set LEC's rates or terms of service to its customers. Accordingly, we do not agree to delete Article 19.4 from the DES Agreement.

If you have any further questions or concerns about this matter, please direct them to the attention of the writer.

Sincerely,

Corix Utilities Inc.

Per:


Hamish Cumming
Executive VP Legal, Risk Management
& Corporate Secretary