



S-174308

NO.
VANCOUVER REGISTRY

BETWEEN:

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL
SERVICES INC.**

PLAINTIFF

AND:

**WEDGEMOUNT POWER LIMITED PARTNERSHIP
WEDGEMOUNT POWER (GP) INC.
WEDGEMOUNT POWER INC.
THE EHRHARDT 2011 FAMILY TRUST
POINTS WEST HYDRO POWER LIMITED PARTNERSHIP
by its general partner POINTS WEST HYDRO (GP) INC.
CALAVIA HOLDINGS LTD.
SWAHEALY HOLDING LIMITED
BRENT ALLAN HARDY
DAVID JOHN EHRHARDT
28165 YUKON INC.
PARADISE INVESTMENT TRUST
SUNNY PARADISE INC.**

DEFENDANTS

NOTICE OF APPLICATION

Name of applicant: The Plaintiff, Industrial Alliance Insurance and Financial Services Inc. (the "Plaintiff")

To: The Defendants
And to: Travelers Capital Corporation
And to: Bank of Montreal
And to: British Columbia Hydro and Power Authority
And to: Colmac Capital Corp.
And to: Eco Flow Energy Corporation
And to: Lil'wat Nation
And to: Squamish Nation
And to: Chekamus Community Forest Society
And to: Her Majesty the Queen in Right of British Columbia

TAKE NOTICE that an application will be made by the applicant to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on May 12, 2017 at 9:45 a.m for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. An Order appointing Deloitte & Touche LLP as Receiver-Manager of Wedgemount Power Limited Partnership ("**Wedgemount LP**"), Wedgemount Power (GP) Inc. ("**Wedgemount GP**") and Wedgemount Power Inc. ("**Wedgemount Power**", collectively with Wedgemount LP and Wedgemount GP, the "**Wedgemount Entities**") in the form of order attached as **Schedule "A"**.
2. Such further and other relief as counsel may advise and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

The Parties

1. The Plaintiff is a Quebec company with an address for service in this proceeding at 2300-550 Burrard Street, Vancouver, BC V6C 2B5.
2. The Personal Guarantors are the principals of the Wedgemount Entities.
3. Wedgemount LP is an independent power producer that, in connection with the other Wedgemount Entities, is developing and constructing the Wedgemount Creek hydroelectric power project (the "**Project**") near Whistler, British Columbia.

The Credit Agreement, Note and Debenture

4. Wedgemount LP is indebted to the Plaintiff pursuant to a credit agreement (the "**Credit Agreement**") dated June 30, 2015 between Wedgemount LP as borrower, the Plaintiff as Lender and the Plaintiff's agent, Travelers Capital Corporation (the "**Agent**"), and pursuant to a construction loan note (the "**Note**") dated June 30, 2015.
5. Pursuant to a demand debenture (the "**Debenture**") dated June 30, 2015, the Defendants Wedgemount LP and Wedgemount GP granted the Agent a security interest and charge in all of their present and after-acquired real and personal property securing all of the obligations of Wedgemount LP and Wedgemount GP to the Agent.
6. Notice of the Debenture was perfected by registration in the BC PPR under base registration number 6839261 on June 24, 2015.
7. Wedgemount LP is in default under the Credit Agreement as a result of its failure to do, inter alia, the following:
 - (a) reimburse funds for matters unrelated to the Project;
 - (b) deliver monthly construction reports;

- (c) settle accounts payable with respect to the Project;
- (d) transfer the holdback to the relevant accounts;
- (e) remedy funding shortfalls; and
- (f) make periodic interest payments to the Plaintiff when due under the Credit Agreement

(collectively, the "**Specified Events of Default**").

8. On December 6, 2016, the Plaintiff issued demand to Wedgemount LP for payment of all amounts due under the Credit Agreement and the Note, along with Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

9. In accordance with the terms and conditions of the Credit Agreement, the whole of the principal balance together with interest and all amounts due under the Credit Agreement or the Note are payable in full upon the demands issued by the Agent.

10. Wedgemount LP has failed to pay the amounts due under the Credit Agreement and the Note to the Plaintiff despite the Plaintiff's demand that Wedgemount LP do so.

11. Pursuant to a forbearance agreement (the "**Forbearance Agreement**") dated February 10, 2017 between the Plaintiff, Agent and Wedgemount LP, the Plaintiff and Agent agreed to forbear from exercising their remedies under the Debenture, the Credit Agreement and the Note until April 30, 2017.

12. As at February 10, 2017, Wedgemount LP is indebted to the Plaintiff in the approximate amount of \$21,951,065.79, together with interest accruing thereafter pursuant to the Credit Agreement and Note, plus costs (legal or otherwise) of enforcing the Credit Agreement.

13. Interest on the amounts advanced under the Credit Agreement and the Note accrues at the rate of 25.00% per year.

14. The principal, interest and all other costs, charges and expenses secured and payable by the Debenture are now due and payable and remain unpaid.

The Guarantees

15. Pursuant to limited recourse guarantees dated June 30, 2015 (the "**Corporate Guarantees**"), The Ehrhardt 2011 Family Trust, Points West Hydro Power Limited Partnership by its general partner Points West Hydro (GP) Inc. (collectively, "**Points West**"), Calavia Holdings Ltd. ("**Calavia**"), and Swahealy Holding Limited ("**Swahealy**"), Wedgemount GP and Wedgemount Power (collectively, the "**Corporate Guarantors**") each guaranteed the amounts due to the Plaintiff from Wedgemount LP under the Credit Agreement.

16. Pursuant to personal guarantees (the "**Personal Guarantees**") dated August 4, 2016, Brent Allan Hardy ("**Hardy**") and David John Ehrhardt (collectively, the "**Personal Guarantors**")

each guaranteed the amounts due to the Plaintiff from Wedgemount LP under the Credit Agreement, limited to the amount of \$500,000.00.

17. The obligations of Hardy and each of the Corporate Guarantors are secured by securities pledge agreements (the "**Securities Pledge Agreements**") dated June 30, 2015 between each of the Corporate Guarantors and the Agent.

18. Notice of the Securities Pledge Agreements were registered in the BC PPR under base registration number 6838671 on June 24, 2015.

19. On December 6, 2016, the Plaintiff issued demands to the Corporate and Personal Guarantors for payment of all amounts due under the Corporate and Personal Guarantees along with Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

20. The principal, interest and all other costs, charges and expenses secured and payable by the Security Pledge Agreements are now due and payable and remain unpaid.

Current Situation and Urgent Need for a Receiver

21. Construction activity at the Project site has been temporarily halted over the winter months due to the snowpack in and around the Project site.

22. The Wedgemount Entities are insolvent and unable to recommence construction activity at the Project site.

23. The independent engineer engaged pursuant to the Credit Agreement has recently identified the following two primary areas of risk with respect to the Project site:

- (a) the continued satisfactory performance of the temporary diversion channel which has been in use for over 16 months yet was only designed to be used for 6 to 8 months; and
- (b) drainage control and runoff along the upper access road and buried penstock, which was exposed last fall due to uncontrolled runoff.

24. The imminent onset of spring melt in and around the Project site requires active monitoring of the conditions at the Project site to ensure the spring melt and runoff are handled appropriately. Regular site visits are necessary to monitor the conditions at the Project site during the spring thaw.

25. The continued monitoring is necessary to allow an appropriate response to site conditions as they develop to ensure construction recommences as soon as practical after site access is achieved.

26. The appointment of a Receiver is required immediately to ensure the risks are properly managed as well as to protect the value of the assets for all the creditors of the Wedgemount Entities. Although not an obligation, it is also anticipated that the Receiver will take steps to complete the construction of the Project.

Other Interested Parties

27. The parties listed below, are the holders of a security interests in the Personal Property, notice of which was registered in the B.C. Personal Property Registry on the following dates under the following base registration numbers:

Creditor	Debtor	Charge	Registration Date	Base Registration No.
28165 Yukon Inc.; Paradise Investment Trust; and Sunny Paradise Holdings Inc.	Wedgemount Power	Security Agreement	249488H	March 20, 2013

28. By a Subordination Agreement (the "**Subordination Agreement**") dated June 30, 2015, 28165 Yukon Inc., Paradise Investment Trust and Sunny Paradise Holdings Inc. subordinated their security to the Debenture of the Agent.

29. Wedgemount LP has entered into an impacts and benefits agreement with the First Nation parties, the Lil'wat Nation and the Squamish Nation.

30. Wedgemount LP, represented by its general partner, Wedgemount GP, has entered into an electricity purchase agreement with the British Columbia Hydro and Power Authority.

31. Wedgemount Power is a party to a licence of occupation with the Province of British Columbia.

32. Chekamus Community Forest Society entered into a Road Use and Logging Cost Agreement dated September 12, 2012 with 28165 Yukon Inc. which was subsequently assigned to Wedgemount LP.

33. The Bank of Montreal is party to a restricted accounts agreement dated June 30, 2015 between itself, Wedgemount LP and the Agent.

34. Each of the Wedgemount Entities have entered into agreements for various aspects of the construction of the Project with various third party contractors and operators.

Part 3: LEGAL BASIS

35. The Defendants, Wedgemount LP, the Corporate Guarantors and the Personal Guarantors are indebted to the Plaintiff on account of the Debenture, the Credit Agreement, the Note, the Corporate Guarantees and the Personal Guarantees and their obligations thereunder are now due and owing.

36. Pursuant to the Debenture, Wedgemount LP and Wedgemount GP granted security to the Plaintiff for their obligations under the Credit Agreement and the Note.

37. Pursuant to the Securities Pledge Agreements, the Corporate Guarantors granted security to the Plaintiff for their obligations under the Corporate Guarantees.

38. The Defendants, Wedgemount LP, the Corporate Guarantors and the Personal Guarantors have failed to pay the amounts owing pursuant to the Credit Agreement, the Note, the Corporate Guarantees and the Personal Guarantees and secured by the Debenture and the Security Pledge Agreements.

39. The Agent's charge under the Debenture ranks in priority to the charge held by 28165 Yukon Inc., Paradise Investment Trust and Sunny Paradise Holdings Inc. pursuant to the Subordination Agreement.

40. The Plaintiff will rely on:

- (a) Rules 2-1, 8-1, 10-2, 13-5, 14-1, and 21-7 of the *Rules of Court*;
- (b) Sections 46 and 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (c) Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended;
- (d) Section 66 of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended.

41. The Plaintiff will also rely on the inherent jurisdiction of this Honourable Court.

42. The Plaintiff may also rely on such further legal bases as counsel may advise and this Honourable Court may permit.

Part 4: MATERIAL TO BE RELIED ON

- 1. Affidavit of Luc Fournier #1, sworn May 9, 2017.
- 2. The pleadings filed herein.
- 3. Such further and other material as counsel may advise and this Honourable Court may consider.

The applicant estimates that the application will take 15 minutes.

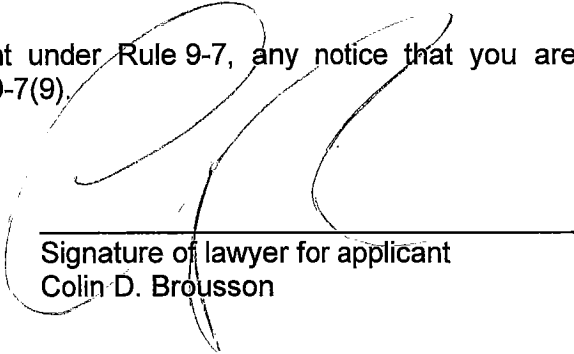
- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,

- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: May 9, 2017



Signature of lawyer for applicant
Colin D. Brousson

THIS NOTICE OF APPLICATION was prepared by Colin D. Brousson, of the firm of Gowling WLG (Canada) LLP, Barristers & Solicitors, whose place of business and address for delivery is 2300 - 550 Burrard Street, Vancouver, B.C. V6C 2B5, Telephone: 604-683-6498; Fax: 604-683-3558.

To be completed by the court only:	
Order made	
[]	in the terms requested in paragraphs _____ of Part 1 of this notice of application
[]	with the following variations and additional terms:

Date: _____	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

SCHEDULE "A"

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL
SERVICES INC.**

PLAINTIFF

AND:

**WEDGEMOUNT POWER LIMITED PARTNERSHIP
WEDGEMOUNT POWER (GP) INC.
WEDGEMOUNT POWER INC.
THE EHRHARDT 2011 FAMILY TRUST
POINTS WEST HYDRO POWER LIMITED PARTNERSHIP
by its general partner POINTS WEST HYDRO (GP) INC.
CALAVIA HOLDINGS LTD.
SWAHEALY HOLDING LIMITED
BRENT ALLAN HARDY
DAVID JOHN EHRHARDT
28165 YUKON INC.
PARADISE INVESTMENT TRUST
SUNNY PARADISE INC.**

DEFENDANTS

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) [REDACTED] DAY, THE [REDACTED] DAY
)
[REDACTED] JUSTICE [REDACTED]) OF [REDACTED] 201[REDACTED].
)

ON THE APPLICATION of the Plaintiff, for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing Deloitte & Touche LLP ("Deloitte") as Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of Wedgemount Power Limited Partnership ("Wedgemount LP"), Wedgemount Power (GP) Inc. ("Wedgemount GP") and Wedgemount Power Inc. ("Wedgemount Power") (collectively, the "Wedgemount Entities") acquired for, or used in relation to a business

carried on by the Wedgemount Entities, coming on for hearing this day at the Courthouse, 800 Smite Street, Vancouver, British Columbia.

AND ON READING the Notice of Application dated May ____, 2017, the Affidavit #1 of Luc Fournier sworn May ____, 2017 and the consent of Deloitte to act as the Receiver; AND ON HEARING Colin D. Brousson, Counsel for the Plaintiff, and other counsel as listed on **Schedule "A"** hereto.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA Deloitte is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Wedgemount Entities, including all proceeds thereof (the **"Property"**).

RECEIVER'S POWERS

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Wedgemount Entities, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the other business, or cease to perform any contracts of the Wedgemount Entities;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons, including Midgard Consulting Inc., from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Wedgemount Entities or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Wedgemount Entities and to exercise all remedies of the Wedgemount Entities in collecting such monies, including, without limitation, to enforce any security held by the Wedgemount Entities;
- (g) to settle, extend or compromise any indebtedness owing to the Wedgemount Entities;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Wedgemount Entities, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Wedgemount Entities;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Wedgemount Entities, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Wedgemount Entities;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Wedgemount Entities, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Wedgemount Entities;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Wedgemount Entities may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Wedgemount Entities, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Wedgemount Entities, (ii) all of the Wedgemount Entities's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order, including Colmac Capital Corp. and Eco Flow Energy Corporation (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
4. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Wedgemount Entities, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the

foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 4 or in paragraph 5 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

6. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE WEDGEMOUNT ENTITIES OR THE PROPERTY

7. No Proceeding against or in respect of the Wedgemount Entities or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Wedgemount Entities or the Property are hereby stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of Proceeding except for service of the initiating documentation on the Wedgemount Entities and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

8. All rights and remedies (including, without limitation, set-off rights) against the Wedgemount Entities, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Wedgemount Entities to carry on any business which the Wedgemount Entities is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. The stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

9. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Wedgemount Entities, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. All Persons having oral or written agreements with the Wedgemount Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services of any kind to the Wedgemount Entities are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Wedgemount Entities' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Wedgemount Entities or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

11. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be

held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

12. Subject to the right of employees to terminate their employment notwithstanding paragraph 10, all employees of the Wedgemount Entities shall remain the employees of the Wedgemount Entities until such time as the Receiver, on the Wedgemount Entities' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Wedgemount Entities, including any successor employer liabilities as provided for in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay and amounts in respect of obligations imposed specifically on receivers by applicable legislation. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.
13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Wedgemount Entities, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

14. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, the *Fisheries Act*, R.S.C. 1985, c. F-14, the *Environmental*

Management Act, R.S.B.C. 1996, c. 118 and the *Fish Protection Act*, S.B.C. 1997, c. 21 and regulations thereunder (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

15. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. The reasonable fees and disbursements of the Receiver and its legal counsel, in each case at their standard rates and charges, shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
17. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2.0 million (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

23. That any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

24. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
25. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Wedgemount Entities.
26. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are

hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
28. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Wedgemount Entities' estate with such priority and at such time as this Court may determine.
29. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
30. Endorsement of this Order by counsel appearing on this application other than the Plaintiff is hereby dispensed.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:

Signature of Colin D. Brousson
lawyer for the Plaintiff

BY THE COURT

DISTRICT REGISTRAR

SCHEDULE "A"

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that Deloitte, the Receiver (the "Receiver") of all of the assets, undertakings and properties of the Wedgemount Entities acquired for, or used in relation to a business carried on by the Wedgemount Entities, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "Court") dated the _____ day of _____, 201____ (the "Order") made in SCBC Action No. _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily monthly not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, British Columbia.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 201[REDACTED].

Deloitte & Touche LLP, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name:
Title:

SCHEDULE "A"

LIST OF COUNSEL

**Industrial Alliance Insurance and Financial Services Inc. v.
Wedgemount Power Limited Partnership et al
SCBC No. _____**

<p>Counsel for the Plaintiff, Industrial Alliance Insurance and Financial Services Inc.</p> <p>Gowling WLG (Canada) LLP 2300 - 550 Burrard Street Vancouver, BC V6C 2B5</p> <p>Colin D. Brousson tel: 604-683-6498 fax: 604-683-3558 direct line: 604-891-2286 email: colin.brousson@gowlingwlg.com</p>	

SCHEDULE "A"

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that Deloitte, the Receiver (the "Receiver") of all of the assets, undertakings and properties of the Wedgemount Entities acquired for, or used in relation to a business carried on by the Wedgemount Entities, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia and/or the Supreme Court of British Columbia (In Bankruptcy and Insolvency) (the "Court") dated the _____ day of _____, 201____ (the "Order") made in SCBC Action No. _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded ~~daily~~ monthly not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____, British Columbia.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 201[REDACTED].

Deloitte & Touche LLP, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name:
Title: