

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF INTERWIND CORP.**

**MOTION RECORD  
(Returnable July 28, 2010)**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
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TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF INTERWIND CORP.**

**NOTICE OF MOTION  
(Returnable July 28, 2010)**

PricewaterhouseCoopers Inc. ("PwC"), in its capacity as receiver (in such capacity, the "Receiver") of Interwind Corp. (formerly known as SkyPower Corp.) ("Interwind"), will make a motion to a judge presiding over the Commercial List on Wednesday, July 28, 2010, at 10:00 a.m. or as soon after that time as the motion can be heard at the Courthouse, 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** This Motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order, *inter alia*:
  - (a) approving the sale of certain non-turbine equipment and the lease relating to the land on which Interwind's power transformer is situated, as detailed further in the asset purchase agreement (the "Purchase Agreement") between Interwind and

Borea Construction ULC (the “**Purchaser**”) made as of July 6, 2010 and attached to the Fifth Report of the Receiver dated July 19, 2010 (the “**Receiver’s Fifth Report**”), and vesting in the Purchaser all right, title and interest in and to the assets described in the Purchase Agreement (the “**Purchased Assets**”); and

- (b) such further and other relief as the Receiver may request and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION** are as follows:

2. Pursuant to an Order of this Court dated August 12, 2009 (the “**Initial Order**”), Interwind was granted protection pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and an initial stay of proceedings to and including September 11, 2009. The stay of proceedings has been extended from time to time to July 30, 2010;
3. Pursuant to an Order of this Court dated August 25, 2009, Interwind was authorized to run a sale process in respect of all of its assets, property and undertaking;
4. Pursuant to an Order of this Court dated March 30, 2010 (the “**Receivership Order**”), PwC was appointed as the Receiver of Interwind;
5. Pursuant to an Order of this Court dated March 30, 2010, PwC was substituted as the monitor in these proceedings (in such capacity, the “**Monitor**”);
6. Paragraph 5(a) of the Receivership Order authorizes the Receiver to exercise any authority, power, privilege or right Interwind has under any Order in these proceedings;

7. Interwind received two offers as part of the sales process conducted in these proceedings for the subject assets, namely, one offer by enXco Service Corporation (“enXco”) and one offer by the Purchaser;
8. The offer submitted by enXco was determined to be superior to the offer submitted by the Purchaser and the proposed transaction relating thereto was approved by this Court on December 21, 2009. However, this transaction did not close as certain conditions could not be met prior to the sunset date in the applicable purchase agreement;
9. The proposed transaction with the Purchaser represents the next best bid that was received for the subject assets as part of the sales process conducted in these proceedings;
10. The Receiver, on behalf of Interwind, has settled the terms of a proposed transaction with the Purchaser pursuant to the terms of the Purchase Agreement;
11. The Secured Lenders, who are the beneficiaries of any recovery on the sale of the Purchased Assets, support the proposed transaction;
12. The Receiver is of the view that the transactions contemplated by the Purchase Agreement are in the best interest of Interwind’s stakeholders;
13. Circumstances exist that make the Order sought by the Receiver appropriate;
14. The provisions of the CCAA, the *Bankruptcy and Insolvency Act* (Canada) and the *Courts of Justice Act* (Ontario);
15. Rules 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure* (Ontario); and

16. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Receiver's Motion Record in connection with the within motion;
2. The Receiver's Fifth Report;
3. The Fifteenth Report of the Monitor dated July 19, 2010; and
4. Such further and other evidence as counsel may submit and this Honourable Court may admit.

Date: July 19, 2010

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERWIND CORP.

Court File No.: 09-8321-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**NOTICE OF MOTION  
(Returnable July 28, 2010)**

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TAB 2

**Court File No. CV-10-8637-00CL**

**Interwind Corp.  
(Formerly known as Skypower Corp.)**

**RECEIVER'S FIFTH REPORT TO COURT**

**July 19, 2010**

Court File No. CV-10-8637-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE RECEIVERSHIP OF INTERWIND CORP.**

BETWEEN:

**HSH NORDBANK AG, NEW YORK BRANCH  
as administrative and collateral agent (“HSH Nordbank”)**

Applicant

- and -

**INTERWIND CORP.**

Respondent

**FIFTH REPORT TO THE COURT  
SUBMITTED BY PRICEWATERHOUSECOOPERS INC.  
IN ITS CAPACITY AS RECEIVER**

**INTRODUCTION**

- 1) By Order of this Honourable Court granted August 12, 2009 (the “Initial Order”), Interwind Corp. (formerly known as SkyPower Corp.) (“Interwind” or the “Company”) obtained relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the “CCAA Proceedings”) which, among other things, provided for the appointment of KPMG Inc. as Monitor of Interwind (the “Initial Monitor”).
- 2) On February 19, 2010, this Honourable Court issued an Order (the “Claims Process Order”) authorizing the Initial Monitor to conduct a claims process in the CCAA Proceedings (the “Claims Process”), which contemplated a call for certain claims against the directors and officers of the Company, certain post-filing claims against the Company and certain construction lien claims.

- 3) On March 30, 2010, pursuant to an order of the Honourable Justice Morawetz (the "Receivership Order"), PricewaterhouseCoopers Inc. was appointed as receiver (in such capacity, the "Receiver"), without security, of all of the current and future assets, undertakings and properties of the Company, not including certain equipment (the "Equipment") listed in Exhibit 1 to Schedule 1.1(nn) to the Share Purchase Agreement dated December 15, 2009 between Interwind and enXco Service Corporation, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O.1990, C. C.43, as amended (the "Receivership Proceedings"). Further orders of this Honourable Court also substituted PricewaterhouseCoopers Inc. as Monitor of Interwind (in such capacity, the "Monitor") in the CCAA Proceedings and approved the issuance of the Fresh as Amended Initial Order, which facilitated this substitution and provided for certain other amendments.
- 4) This report is being submitted in support of the motions being brought by the Receiver for:
  - a) The termination, discharge and release of the Director's Charge (as defined in the Fresh as Amended Initial Order);
  - b) An Approval and Vesting Order with respect to the proposed sale of the Equipment and the lease relating to the land on which the Company's Power Transformer is situated (collectively, the "Purchased Assets") to Borea Construction ULC ("Borea"); and
  - c) An extension of the Stay Period in the CCAA Proceedings to September 30, 2010.

The Receiver is authorized to bring these motions on the Company's behalf pursuant to paragraph 5(a) of the Receivership Order, which authorizes the Receiver to exercise any authority, power, privilege or right that Interwind has under any order in the CCAA Proceedings.

- 5) This report sets out the following:

- a) The activities of the Receiver since the Receiver's Second Report dated May 19, 2010;
  - b) The Receiver's statement of receipts and disbursements ("R&D") for the period March 30, 2010 to July 9, 2010;
  - c) The Receiver's request on behalf of the Company for the termination, discharge and release of the Director's Charge;
  - d) The Receiver's views on the proposed sale of the Purchased Assets to Borea; and
  - e) The Receiver's request for an extension of the CCAA Proceedings.
- 6) Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Claims Process Order, the Fresh as Amended Initial Order and the Receiver's previous reports.
- 7) The information contained in this Report has been obtained from the books and records, forecasts, and other financial information of Interwind in the Receiver's possession. The accuracy and completeness of the financial information contained herein have not been audited or otherwise verified by the Receiver, and the Receiver does not express an opinion or provide any other form of assurance on the information presented herein. The Receiver reserves the right to refine or amend its comments and findings as further information is obtained or brought to its attention subsequent to the date of this Report.

#### **ACTIVITIES OF THE RECEIVER**

- 8) The activities of the Receiver since the Receiver's Second Report dated May 19, 2010 have included, *inter alia*, the following:
- a) Pursuing the sale of the Purchased Assets and entering into an Asset Purchase Agreement with Borea, on behalf of the Company, with respect to the sale of the Purchased Assets, as discussed below in further detail;

- b) Pursuing the recovery of the Company's interconnection deposit with Hydro-Québec Transénergie relating to the Equipment;
  - c) Pursuing the transfer of the Company's Crown land wind power and solar power site release applications (the "Applications");
  - d) Pursuing the potential realization of the Company's remaining assets, including but not limited to its tax loss attributes and its Panamanian joint venture interest;
  - e) Attempting to consensually resolve the Disputed Claims in the Claims Process;
  - f) Reviewing the affidavits of the holders of the Golder Claim and the Stantec Claim, which were filed pursuant to a construction lien claims resolution process that was set out by Order of this Honourable Court on May 21, 2010 (the "Resolution Process Order"); and
  - g) Consulting with HSH Nordbank and Lehman Brothers Holdings Inc. (the "Secured Lenders") on matters where their direction is required and providing information on these proceedings to them.
- 9) These activities include activities undertaken pursuant to the Receiver's powers under section 5(a) of the Receivership Order, which authorizes the Receiver to exercise any powers, duties and privileges of Interwind under any Order in the CCAA Proceedings.

#### **THE APPLICATIONS**

- 10) The Receiver has been working with a third party that was interested in acquiring the Applications in order to benefit from the Company's priority status in the queue for wind and solar power site releases. According to the policies of the Ministry of Natural Resources (the "MNR"), the Applications cannot be transferred to a third party in their current form. The third party sought the approval of the MNR to allow for the transfer of the Applications, but the MNR informed that party that it was unwilling to permit such a transfer. As a result of the response received from the MNR, the Receiver does not intend to further pursue the sale of the Applications.

#### **THE PANAMA JOINT VENTURE**

- 11) Prior to entering into the CCAA Proceedings, the Company had entered into a joint venture (the "JV") with a partner (the "JV Partner") to develop a hydro electric power project in Panama pursuant to a concession (the "Concession") granted to the JV Partner by the Public Services National Authority of Panama. The Company previously attempted to monetize its one-third interest in the JV (the "Interest") during the sale process conducted in the CCAA Proceedings (the "Sales Process"), but received no acceptable offers.
  
- 12) The Receiver contacted the JV Partner to discuss potential opportunities to sell the Interest, either independently or with the support of the JV Partner. The JV Partner informed the Receiver that:
  - a) The JV Partner is also attempting to sell its two-thirds interest in the JV;
  
  - b) The Company risked dilution of its Interest in the JV on account of the Company's failure to fund its share of the project costs (the "Unfunded Project Costs") incurred and demanded by the JV; and
  
  - c) As a result of not being able to identify a party interested in acquiring the JV Partner's interest in the project, and the Company's failure to pay the Unfunded Project Costs, the JV Partner was considering whether to abandon the Concession.
  
- 13) The Receiver also independently considered the potential to monetize the Interest through a sale process (the "New Sales Process"). As a result of these discussions, the Receiver noted that:
  - a) Significant costs (the "Transaction Costs") relative to the potential value of the Interest would need to be incurred in order to conduct the New Sales Process;
  
  - b) Given the outcome of the previous Sales Process in these CCAA Proceedings, which did not result in any acceptable offers for the Interest, it is not clear that the New Sales Process would result in an improved offer; and

- c) The estimated net proceeds to the Company from successful completion of the New Sales Process, after accounting for Transaction Costs and Unfunded Project Costs, would likely not provide sufficient recoveries to justify pursuing a transaction.

14) Based on the foregoing, the Receiver has decided not to pursue the sale of the Interest.

#### **THE TAX LOSS ATTRIBUTES**

- 15) The Receiver has continued to work with the two interested parties (the "Interested Parties") that submitted letters of intent to enter into a transaction with respect to certain tax loss attributes of the Company, as well as with the Secured Lenders to agree on the terms for moving forward with such a transaction. These discussions are continuing, but it is difficult to estimate if and when a transaction will be able to be completed.

#### **RECEIVER'S RECEIPTS AND DISBURSEMENTS TO JULY 9, 2010**

- 16) Cash on hand in the Receiver's possession on July 9, 2010 totaled \$12.8 million which comprises Canadian Dollar funds totaling \$7.7 million and United States Dollar funds totaling US \$4.9 million. These funds exclude an amount that is sealed by Order of this Honourable Court dated March 30, 2010 relating to a refund of a contract deposit.
- 17) A summary of the Receiver's R&D for the period March 30, 2010 to July 9, 2010 is provided in Appendix A.
- 18) The R&D does not include accrued obligations that have been incurred but not paid since the appointment of the Receiver on March 30, 2010, including estimated professional fees of approximately \$0.2 million which have not yet been paid.

**PROPOSED TERMINATION, DISCHARGE AND RELEASE OF THE DIRECTOR'S CHARGE**

- 19) The Initial Order of this Honourable Court in the CCAA Proceedings provided for certain priority charges (the "Charges") on the current and future assets, undertakings and properties of the Company (the "Property", as defined therein). This included a charge for the benefit of the directors and officers of the Company (the "Director's Charge", as defined therein), which charge shall not exceed an aggregate amount of \$1,250,000.
- 20) The Receivership Order, together with the Fresh as Amended Initial Order, maintained the Director's Charge over the Property and called for the Receiver and any trustee in bankruptcy of the Company to be bound by these Charges, subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
- 21) The Director's Charge provided security for the indemnity granted by the Court in paragraph 19 of the Initial Order to the directors and officers ("D&Os") of the Company from all claims, costs, charges and expenses relating to the failure of the Company to pay certain post-filing costs for which the D&Os could be personally liable, except to the extent that, with respect to any of the D&Os, such person had actively participated in the breach of any related fiduciary duties or had been grossly negligent or guilty of willful misconduct.
- 22) The Claims Process Order included a call for all claims against the D&Os of the Company covered by the Director's Charge (the "D&O Claims", as defined in the Claims Process Order) to be submitted to the Monitor on or before March 19, 2010. Any claims not submitted by the March 19, 2010 deadline were forever extinguished, barred and released by paragraph 6 of the Claims Process Order.
- 23) In total, six claims were filed as potential D&O Claims in the process. Only one claim was revised and admitted as a D&O Claim and the admitted amount of that claim has now been paid with the approval of the Court. The other D&O Claims were

disallowed, either outright or as part of discussions with the claimant to resolve the amount of the claim.

- 24) All of the D&Os of the Company resigned from their positions prior to the appointment of the Receiver on March 30, 2010 and the Company currently does not have any D&Os. Moreover, the Company is no longer incurring any obligations that may give rise to obligations contemplated to be covered by the Director's Charge and the Receiver is not aware of any current or potential obligations that may trigger a claim against the Director's Charge.
- 25) As a result of all of the foregoing, the Receiver therefore considers that the Director's Charge is no longer required in the CCAA Proceedings, and respectfully requests that this Honourable Court approve the Receiver's motion seeking the termination, discharge and release of the Director's Charge.

#### **PROPOSED SALE OF THE EQUIPMENT**

- 26) As noted in the Monitor's Sixth Report dated December 18, 2009, the Company received two offers as part of the Sales Process conducted in these CCAA Proceedings for the Equipment. The offer made by enXco Service Corporation ("enXco") was determined to be superior to the offer made by Borea, and was pursued by the Company.
- 27) On December 21, 2009, the Company sought and obtained approval of this Honourable Court for:
- a) The sale of the Equipment and certain related assets to a newly incorporated, wholly-owned subsidiary of the Company ("Acquisition Co."); and
  - b) The subsequent sale to enXco of the shares of Acquisition Co. for cash proceeds of \$2,250,000
- (collectively the "Share Purchase Agreement").

- 28) The Share Purchase Agreement had not closed at the time of the appointment of the Receiver, and the Receiver sought to resolve the remaining issues affecting its closing. However, the Receiver was notified by enXco on April 21, 2010 of its intention to terminate the Share Purchase Agreement as certain conditions therein were not met prior to the sunset date contemplated in that agreement. The Receiver made an attempt to revive the transaction with enXco, but these discussions were unsuccessful.
- 29) The Receiver, on behalf of the Company, subsequently contacted Borea to determine whether they had any further interest in purchasing the Equipment and certain other assets of the Company. Following these discussions, Borea submitted a binding offer on May 13th, 2010 to acquire the Purchased Assets. This offer was substantially similar to the previous offer submitted by Borea in the Sales Process.
- 30) The Receiver accepted Borea's offer on May 19th, 2010 and, thereafter, Borea and the Receiver, on behalf of the Company, entered into an Asset Purchase Agreement dated as of July 6, 2010, a copy of which is attached as appendix B to this Report (the "Purchase Agreement").
- 31) A summary of the principal terms of the Purchase Agreement is as follows:
  - (a) The Purchased Assets include certain non-turbine equipment located in the Province of Quebec along with the lease relating to the land on which the Company's Power Transformer is situated;
  - (b) The purchase price for the Purchased Assets is \$1,828,750; and
  - (c) The transaction is conditional upon, *inter alia*: (i) an approval and vesting order having been made vesting the Purchased Assets in Borea free and clear of all encumbrances; and (ii) the parties entering into an agreement with Hydro-Québec Transénergie ("HQ") with respect to the disconnection and restoration work to be undertaken by HQ following the closing of the transactions contemplated by the Purchase Agreement.

- 32) The Receiver has been advised by the Secured Lenders, who are the beneficiaries of any recovery on the sale of the Purchased Assets, that they support the transactions contemplated by the Purchase Agreement.
- 33) The Receiver is of the view that the transactions contemplated by the Purchase Agreement are in the best interest of the Company's stakeholders.
- 34) The Monitor's Fifteenth Report sets out further considerations in support of the sale of the Purchased Assets as proposed by the Receiver.
- 35) The Receiver respectfully recommends that this Honourable Court grant an Order approving the sale of the Purchased Assets to Borea and vesting in Borea all right, title and interest in and to the Purchased Assets pursuant to the Purchase Agreement.

#### **REQUEST FOR EXTENSION OF THE CCAA PROCEEDINGS**

- 36) Pursuant to an Order of this Honourable Court, the Stay Period expires on July 30, 2010. The Receiver requests an extension of the Stay Period to September 30, 2010.
- 37) The cash flow requirements of the Company and certain assets not in the possession of the Receiver are projected in the Monitor's Fifteenth Report for the period from July 9 to September 30, 2010 (the "September Forecast").
- 38) The September Forecast reflects the Receiver's undertaking to fund the costs of the CCAA Proceedings during the extension of the Stay Period, if granted. The Receiver notes that it is possible that the principal matters remaining to be completed in the CCAA Proceedings, as indicated in the Monitor's Fifteenth Report, may not be fully resolved by September 30, 2010. If a further extension of the Stay Period is required, the Receiver has reserved sufficient funds to satisfy the costs of such an extension.
- 39) The Receiver is of the view that an extension of the Stay Period is appropriate and necessary in the circumstances to advance the remaining aspects of the CCAA Proceedings, including closing the sale of the Purchased Assets, completing the

Claims Process and continuing the evaluation of a potential transaction to monetize the tax loss attributes of the Company.

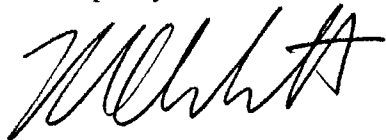
40) The Receiver is also of the view that, based on the information currently available, and notwithstanding the net cash outflow for the period reflected in the September Forecast, an extension of the Stay Period is appropriate having regard to the circumstances, as it will not prejudice other creditors and it permits the Receiver to potentially generate further proceeds for the benefit of Interwind's creditors. The payments contemplated in the September Forecast primarily include accrued amounts covered by the Administration Charge, which would survive the termination of the Stay Period in any event.

#### CONCLUSION

- 41) The Receiver respectfully requests that this Honourable Court grant an Order:
- a) Terminating, discharging and releasing the Director's Charge;
  - b) Approving the sale transaction and vesting in Borea all right, title and interest in and to the Purchased Assets described in the Purchase Agreement; and
  - c) Extending the Stay Period in the CCAA Proceedings to September 30, 2010.

All of which is respectfully submitted this 19<sup>th</sup> day of July, 2010.

**PricewaterhouseCoopers Inc.**  
In its capacity as Receiver of Interwind Corp.



Mica Arlette  
Vice President

TAB A

**Appendix A**  
**Statement of Receipts and Disbursements**

Note: All amounts noted are in CAD\$. USD\$ payments are converted at the prevailing rate at the time of the payment, and closing balances are converted using an exchange rate of CAD\$1.03 : USD\$1.00

**PricewaterhouseCoopers Inc.**

**Court Appointed Receiver of  
 Interwind Corp.**

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD MARCH 30, 2010 TO JULY 9, 2010		
<b>RECEIPTS</b>		
Refunds:		
Deposits	\$ 60,020	
GST	11,950	
Insurance	<u>18,379</u>	
		\$ 90,349
Cash at Bank		13,525,390
Refund of Contract Deposit (Note 1)		0
Refund of funds in escrow		23,688
Interest Income		4,187
<b>TOTAL RECEIPTS</b>		<b>\$ 13,643,615</b>
<b>DISBURSEMENTS</b>		
Funding required related to CCAA Proceedings (Note 2)	\$ 209,300	
Professional fees relating to Receivership and CCAA Proceedings	671,390	
QST/GST	28,605	
Contractor Costs	21,215	
Telephone/Internet	11,108	
Rent	9,662	
Utilities	479	
Operating Expense	293	
Bank Charges	278	
Office Supplies	268	
Payroll Fees	197	
WSIB	<u>20</u>	
		\$ 952,815
<b>TOTAL DISBURSEMENTS</b>		<b>\$ 952,815</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>		<b>\$ 12,690,799</b>
<b>FOREIGN EXCHANGE IMPACT (Note 3)</b>		<b>\$ 102,082</b>
<b>FUNDS HELD BY RECEIVER</b>		<b>\$ 12,792,882</b>
<b>Notes:</b>		
1. The amount is sealed by Order of the Court dated March 30, 2010.		
2. "Funding related to CCAA Proceedings" relate mainly to settlement of claims pursuant to the Company's ongoing Claims Process, storage, security and utility expenses for remaining Property in the Company.		
3. The amount represents the foreign exchange impact of the US\$ funds in the receiver's possession.		

TAB B

**Appendix B**  
**Purchase Agreement with Borea Construction ULC**

**ASSET PURCHASE AGREEMENT**

**INTERWIND CORP.**

**as Seller**

**- and -**

**BOREA CONSTRUCTION ULC**

**as Buyer**

**Made as of July 6, 2010**

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## PURCHASE AGREEMENT

THIS AGREEMENT is made as of July 6, 2010

### BETWEEN:

**INTERWIND CORP.** (formerly SkyPower Corp.), a corporation incorporated under the laws of Canada  
(the "Seller")

- and -

**BOREA CONSTRUCTION ULC**, a corporation incorporated under the laws of Alberta, Canada.  
(the "Buyer")

### RECITALS:

Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "CCA Court"), dated August 12, 2009 (the "Initial CCA Order"), the Seller was granted protection pursuant to the *Companies' Creditors Arrangement Act* (the "CCA").

Pursuant to an Order of the CCA Court dated August 25, 2009, the Seller was authorized to conduct a sale process with respect to its assets, property and undertaking.

Pursuant to an Order of the CCA Court dated March 30, 2010 (the "Receivership Order"), PricewaterhouseCoopers Inc. ("PWC") was appointed as the receiver of the Seller.

Pursuant to Section 5(a) of the Receivership Order, PWC, in its capacity as the Receiver (as defined in this Agreement), has been empowered to exercise any authority, power, privilege or right the Seller has under any order in the CCA Proceedings (as defined in this Agreement).

The Seller wishes to sell, and the Buyer wishes to purchase, the Purchased Assets (as defined in this Agreement), and Buyer further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

## ARTICLE 1 - INTERPRETATION

### 1.1 Definitions

In this Agreement,

- (a) **"affiliate"** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and "control" and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person ("A") controls another Person ("B") where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (b) **"Agreement"** means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (c) **"Applicable Law"** means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Agreement, the Seller, the Buyer or any of the Purchased Assets;
- (d) **"Approval and Vesting Order"** means an order granted by the CCAA Court substantially in the form attached hereto as Schedule 1.1(d), on notice to a service list acceptable to the Buyer, acting reasonably, which will, among other things:
  - (i) approve this Agreement and authorize and direct the execution and delivery thereof by the Receiver, on behalf of the Seller;
  - (ii) authorize and direct the Receiver, on behalf of the Seller, to complete the transactions contemplated by this Agreement;
  - (iii) provide for the vesting of title to the Purchased Assets in the Buyer in accordance with the terms and conditions of this Agreement, free and clear of all claims against the Purchased Assets of every nature or kind whatsoever and howsoever arising, including all Encumbrances, upon the delivery of a certificate by the Monitor to the Buyer indicating that the

conditions to Closing as set out in Article 6 of this Agreement have been satisfied or waived by the Seller and the Buyer;

- (iv) provide that the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets; and
  - (v) declare that all requirements of applicable bulk sales legislation have been complied with, or exempt the transactions contemplated by this Agreement from compliance with such legislation and dispense with any notice requirements thereunder;
- (e) “**Assumed Liabilities**” has the meaning given to such term in Section 2.2;
  - (f) “**Business Day**” means any day, other than a Saturday or Sunday or statutory holiday, on which the principal chartered Canadian banks in Toronto, Ontario are open for commercial banking business during normal banking hours;
  - (g) “**Buyer**” has the meaning given to such term in the preamble to this Agreement;
  - (h) “**CCAA**” has the meaning given to such term in the recitals to this Agreement;
  - (i) “**CCAA Court**” has the meaning given to such term in the recitals to this Agreement;
  - (j) “**CCAA Proceedings**” means the proceedings commenced under the CCAA by the Seller pursuant to the Initial CCAA Order;
  - (k) “**Closing**” means the completion of the sale and purchase of the Purchased Assets pursuant to this Agreement at the Closing Time and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
  - (l) “**Closing Date**” means the second Business Day following the first date by which the conditions in Section 6.1 have been satisfied;
  - (m) “**Closing Documents**” means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;
  - (n) “**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
  - (o) “**Contracts**” means contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which the Seller is a party or by which the Seller is bound or under which the Seller has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied);

- (p) “**Court Approval**” means the issuance of the Approval and Vesting Order by the CCAA Court;
- (q) “**Deposit**” means a sum equal to five percent (5%) of the Purchase Price, which has been paid by the Buyer to the Receiver’s solicitors in trust as of the date hereof;
- (r) “**Disconnection**” has the meaning given to such term in Section 7.7(a);
- (s) “**Encumbrance**” means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind other than licenses of intellectual property, including but not limited to those security interests held by the HSH Bank Syndicate and any charges granted by the CCAA Court;
- (t) “**Excluded Liabilities**” has the meaning given to such term in Section 2.2;
- (u) “**Expiry Date**” has the meaning given to such term in Section 7.8(a);
- (v) “**Final**” with respect to any order of any court of competent jurisdiction, means that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Seller) or vacated;
- (w) “**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation-making entity:
- (i) having jurisdiction over the Seller, the Buyer, the Purchased Assets or the Assumed Liabilities on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or
  - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;
- (x) “**Governmental Authorizations**” means authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority;
- (y) “**GST**” means goods and services tax payable under the GST Legislation;
- (z) “**GST Legislation**” means Part IX of the *Excise Tax Act* (Canada);
- (aa) “**HSH Bank Syndicate**” means HSH Nordbank AG, New York Branch, as administrative agent and collateral agent on behalf of itself, Bayerische Landesbank, New York Branch and Union Bank, N.A.;
- (bb) “**HQ**” has the meaning given to such term in Section 6.1(b);

- (cc) “**including**” and “**includes**” shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (dd) “**Initial CCAA Order**” has the meaning given to such term in the recitals to this Agreement;
- (ee) “**Interconnection**” means the point of interconnection of the Substation to HQ’s electricity transmission system, as contemplated by the Interconnection Agreement;
- (ff) “**Interconnection Agreement**” means the interconnection agreement between HQ and Terrawinds Resources Corp. (currently the Seller) dated May 12, 2006;
- (gg) “**Lease**” means the lease agreement between Terrawinds Resources Corp. (currently the Seller) and Ferme Janoel S.E.N.C. dated October 13, 2006 relating to the land on which the Seller’s Main Power Transformer 230 kV – 34.5 kV is situated;
- (hh) “**Leased Real Property**” means the real property leased to the Seller, pursuant to the Lease;
- (ii) “**Monitor**” means PWC, in its capacity as the monitor appointed by the CCAA Court;
- (jj) “**Notice**” has the meaning given to such term in Section 7.7(a);
- (kk) “**Parties**” means the Seller and the Buyer collectively, and “**Party**” means either the Seller or the Buyer;
- (ll) “**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;
- (mm) “**Purchase Price**” has the meaning given to such term in Section 3.2;
- (nn) “**Purchased Assets**” means the Lease and the equipment described in Schedule 1.1(nn);
- (oo) “**PWC**” has the meaning given to such term in the recitals to this Agreement;
- (pp) “**QST**” means the Québec sales tax payable under the QST Legislation;
- (qq) “**QST Legislation**” means An Act Respecting the *Québec Sales Tax* (Québec);
- (rr) “**Receiver**” means PWC, in its capacity as the receiver appointed by the CCAA Court pursuant to the Receivership Order;

- (ss) “**Receivership Order**” has the meaning given to such term in the recitals to this Agreement;
- (tt) “**Restoration**” has the meaning given to such term in Section 7.7(a);
- (uu) “**RST**” means all taxes payable under the RST Legislation;
- (vv) “**RST Legislation**” means the *Retail Sales Tax Act* (Ontario);
- (ww) “**Seller**” has the meaning given to such term in the preamble to this Agreement;
- (xx) “**Seller Indemnified Party**” has the meaning given to such term in Section 7.8(b)(i);
- (yy) “**Substation**” means the equipment listed in Schedule 1.1(nn) which has been installed on the Leased Real Property and which is connected to HQ’s electricity transmission system;
- (zz) “**Sunset Date**” has the meaning given to such term in Section 9.1(b);
- (aaa) “**Tax**” and “**Taxes**” includes:
- (i) taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions; and
  - (ii) any liability in respect of any items described in clause (i) payable by reason of Contract, assumption, transferee liability, operation of law, United States Income Tax Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under law) or otherwise;
- (bbb) “**Taxing Authority**” means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;
- (ccc) “**Transfer Taxes**” has the meaning given to such term in Section 7.4(c); and

(ddd) “**Working Capital Adjustment**” has the meaning given to such term in Section 7.6(b).

## **1.2 Schedules**

The following Schedules form part of this Agreement:

Schedule 1.1(d)	Form of Approval and Vesting Order
Schedule 1.1(nn)	Purchased Assets

## **1.3 Statutes**

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

## **1.4 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

## **1.5 Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

## **1.6 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

## **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

## **1.8 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

## 1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by each of the Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

## 1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the jurisdiction and venue of the courts of Ontario for the resolution of any such disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.8 shall be deemed effective service of process on such Party.

Notwithstanding the foregoing, any and all documents or orders that may be filed, made or entered in the CCAA Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the CCAA, without regard to the conflicts of law principles thereof. The Parties consent to the jurisdiction and venue of the CCAA Court for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.8 shall be deemed effective service of process on such Party.

## ARTICLE 2 - PURCHASE AND SALE

### 2.1 Agreement to Purchase and Sell Purchased Assets

Subject to the terms and conditions of this Agreement, at the Closing the Seller shall sell and the Buyer shall purchase, free and clear of all Encumbrances, all of the Seller's right, title and interest in, to and under, or relating to, the Purchased Assets.

### 2.2 Assumption of Liabilities

The Buyer shall assume as of the Closing Time and shall pay, discharge and perform, as the case may be, from and after the Closing Time, all liabilities and obligations of the Seller of any kind relating to the Purchased Assets arising from events occurring on or after the Closing Date (collectively, the "Assumed Liabilities").

### **2.3 Excluded Liabilities**

Except as expressly assumed pursuant to Section 2.2, all debts, obligations, Contracts and liabilities of the Seller, of any kind or nature, shall remain the sole responsibility of the Seller, and the Buyer shall not assume, accept or undertake any debt, obligation, duty, Contract or liability of the Seller of any kind whatsoever, except as expressly included in the Assumed Liabilities, whether accrued, contingent, known or unknown or otherwise (collectively, the "Excluded Liabilities").

### **2.4 As is, Where is Transaction**

THE BUYER ACKNOWLEDGES AND AGREES THAT THE PURCHASED ASSETS ARE SOLD "AS IS, WHERE IS" AS THEY SHALL EXIST AT THE CLOSING TIME WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS AND WITHOUT ANY RECOURSE TO THE SELLER OR ANY OF ITS DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS, OTHER THAN FOR FRAUD. THE BUYER AGREES TO ACCEPT THE PURCHASED ASSETS AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON ITS OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, the Buyer acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by the Seller in this Agreement or in any instrument furnished in connection with this Agreement, as to title, outstanding liens, consents to transfer, description, fitness for purpose, sufficiency to carry on any business, merchantability, quantity, condition, quality, value, suitability, durability, assignability or marketability thereof, or in respect of any other matter or thing whatsoever including the right, title and interest of the Seller, if any, in the Purchased Assets and wherever all or part of the Purchased Assets are situated, and all of the same are expressly excluded.

The Buyer further acknowledges and agrees that the description of the Purchased Assets in the Schedules hereto is for the purposes of identification only. No representation, warranty or condition has or will be given by the Seller concerning the completeness or accuracy of such descriptions.

## **ARTICLE 3 - PURCHASE PRICE AND RELATED MATTERS**

### **3.1 Deposit**

The Parties acknowledge that the Buyer has delivered the Deposit to the Receiver's solicitors in trust contemporaneously with the execution and delivery of this Agreement. The Deposit shall be placed in an interest bearing account with a Canadian chartered bank and, upon Closing, the Deposit plus accrued interest earned thereon shall be credited to the Buyer on account of the Purchase Price. If the Closing is not completed at the

fault of the Buyer, the Deposit plus accrued interest shall be forfeited by the Buyer and be retained by and become the property of the Seller but without prejudice to any rights the Seller may have to be compensated in full for damages which it may have suffered. If the Closing is not completed at the fault of the Seller, the Deposit plus accrued interest earned thereon shall be returned to the Buyer but without prejudice to any rights the Buyer may have to be compensated in full for damages which it may have suffered. If the Closing is not completed for a reason which is not the fault of either Party, the Deposit plus accrued interest earned thereon shall be returned to the Buyer.

### **3.2 Purchase Price**

The purchase price payable to the Seller for the Purchased Assets (the "Purchase Price") shall be \$1,828,750. The Buyer shall satisfy the Purchase Price at the Closing Time by the payment of the Purchase Price plus the Working Capital Adjustment contemplated by Section 7.6(b), less the Deposit and interest earned thereon in full by wire transfer of such amount in immediately available funds.

### **3.3 Purchase Price Allocation**

Prior to the Closing Date, or as soon as practicable following the Closing, the Buyer shall prepare a written allocation of the sales price as between the Purchased Assets. Within thirty (30) days following the receipt of the proposed Purchase Price allocation, the Seller shall respond providing either (a) its acceptance of such allocation or (b) any objections, in which case the Seller shall also provide its determination of the allocation of the Purchase Price. The Buyer and the Seller agree to act in good faith to resolve any differences between them. In the event that agreement cannot be reached, the Parties will jointly choose an independent accounting firm, whose decision shall be final. Half of the costs of such firm shall be paid by the Seller and the other half of such costs by the Buyer. The Buyer and the Seller shall report the purchase and sale of the Purchased Assets in any income Tax returns relating to the transactions contemplated in this Agreement as so determined by the Buyer.

## **ARTICLE 4 - REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

### **4.1 Corporate Power**

The Seller is a corporation validly existing under the laws of its jurisdiction of incorporation.

### **4.2 Residence of the Seller**

The Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

**4.3 Due Authorization and Enforceability of Obligations**

Subject to Court Approval being obtained and the Approval and Vesting Order being issued and entered, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement.

**ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with their sale of the Purchased Assets:

**5.1 Corporate Power**

The Buyer is a corporation existing under the laws of Alberta, Canada.

**5.2 Residence of the Buyer**

The Buyer is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada) and is a "Canadian" for the purposes of the *Investment Canada Act* (Canada).

**5.3 Absence of Conflicts**

The Buyer is not a party to, bound or affected by or subject to any charter or by-law provision or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults that would not have a material adverse effect on Buyer's ability to perform its obligations hereunder in a timely manner.

**5.4 Due Authorization and Enforceability of Obligations**

The Buyer has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action of the Buyer. This Agreement constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except:

- (a) as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally; and
- (b) as such enforceability may be limited by general principles of equity, regardless of whether asserted in a proceeding in equity or law.

## **5.5 Approvals and Consents**

Except for: (a) Court Approval; and (b) the approval of HQ pursuant to the HQ Agreement; no authorization, consent or approval of, or filing with, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Buyer and each of the agreements to be executed and delivered by the Buyer hereunder or the purchase of any of the Purchased Assets hereunder, except for any authorizations, consents, approvals or filings that would not have a material adverse effect on the Buyer's ability to perform its obligations under this Agreement in a timely manner.

## **5.6 GST and QST Registration**

Prior to Closing, the Buyer will be registered for purposes of GST Legislation and QST Legislation and will provide its registration numbers to the Seller, as applicable.

## **5.7 Informed and Sophisticated Buyer**

The Buyer is an informed and sophisticated purchaser, and has engaged expert advisors, experienced in the evaluation and purchase of property and assets such as the Purchased Assets as contemplated hereunder. The Buyer has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement, including, without limitation, all relevant orders issued by the CCAA Court in connection with the CCAA Proceedings.

## **5.8 Financial Capacity**

The Buyer has delivered a certificate to the Receiver, signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer, certifying that the Buyer has the financial capacity to complete the transactions contemplated by this Agreement.

## **5.9 Diligence**

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets and the Assumed Liabilities prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets and/or the Assumed Liabilities; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets or Assumed Liabilities; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

## **5.10 No Other Representations and Warranties**

Except for the representations and warranties contained in this Agreement, neither the Buyer nor any other Person makes any representation or warranty, express or implied, on behalf of the Buyer with respect to the transaction contemplated by this Agreement.

## ARTICLE 6 - CONDITIONS

### 6.1 Conditions for the Benefit of the Buyer and the Seller

The respective obligations of the Buyer and of the Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect;
- (b) the Seller and the Buyer shall have entered into an agreement (the "HQ Agreement") with Hydro-Québec Transénergie ("HQ") with respect to the Disconnection and Restoration work to be undertaken by HQ following the Closing of the transactions contemplated by this Agreement; and
- (c) the Approval and Vesting Order shall have been made and shall be Final.

### 6.2 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver in writing by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (b) the Buyer shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(d), signed for and on behalf of the Seller without personal liability by an authorized signatory of the Receiver or other Person reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer;
- (c) all instruments of conveyance and other documentation relating to the sale and purchase of the Purchased Assets (other than such instruments of conveyance and other documentation relating to those Purchased Assets the failure of which to transfer would not individually or in the aggregate result in a material adverse effect on the Purchased Assets as a whole) including bills of sale, documentation relating to the due authorization and completion of such sale and purchase and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement and the taking of all corporate proceedings in connection with such

transactions in compliance with these conditions, in form (as to certification and otherwise) and substance satisfactory to the Buyer, acting reasonably; and

- (d) the representations and warranties of the Seller set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time.

### **6.3 Conditions for the Benefit of the Seller**

The obligation of the Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver in writing where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (c) the Seller shall not have lost its ability to convey the Purchased Assets or any part thereof; and
- (d) the Seller shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other Person reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller.

## **ARTICLE 7 - ADDITIONAL AGREEMENTS OF THE PARTIES**

### **7.1 Access to Information**

Until the Closing Time, the Seller shall give to the Buyer's personnel engaged in this transaction and their accountants, legal advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Purchased Assets and the Assumed Liabilities and shall furnish them with all such information relating to the Purchased Assets and the Assumed Liabilities as the Buyer may reasonably request in connection with the transactions contemplated by this Agreement. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the possible sale thereof to any other Person. Buyer acknowledges having had a sufficient opportunity to conduct its due diligence and acknowledges that access to information pursuant to this Section 7.1 is not intended to provide for an extended period of due diligence inquiry.

## 7.2 Conduct of Business Until Closing Time

Except: (1) as expressly provided in this Agreement; (2) with the prior written consent of the Buyer (not to be unreasonably withheld or delayed); (3) as necessary in connection with the CCAA Proceedings; or (4) as otherwise provided in an order from the CCAA Court, prior to the Closing Time, to the extent reasonably practicable having regard to the CCAA Proceedings, the Seller shall:

- (a) (i) hold the Purchased Assets only in the ordinary course in all material respects; and (ii) use commercially reasonable efforts to maintain in full force and effect all material insurance policies and binders relating to Purchased Assets;
- (b) except in the ordinary course of business, not: (i) transfer, lease, license, sell, create any Encumbrance on or otherwise dispose of any of the Purchased Assets; (ii) waive or release any claims held by it related to the Purchased Assets; (iii) enter into any lease, contract or agreement, licence or other commitment related to the Purchased Assets; and (iv) agree or make a commitment, whether in writing or otherwise, to do any of the foregoing.

## 7.3 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws and within their reasonable control to consummate and make effective the transactions contemplated by this Agreement, including using commercially reasonable efforts to satisfy or waive the conditions precedent to the obligations of the Parties hereto.

## 7.4 Tax Matters

- (a) The Buyer and the Seller agree to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.
- (b) For purposes of any income Tax return related to the transactions contemplated in this Agreement, the Buyer and, to the extent applicable, the Seller, agree to report the transactions contemplated in this Agreement in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.3. The Buyer

and the Seller shall each be responsible for the preparation of their own statements required to be filed under the *Income Tax Act* (Canada) and other similar forms in accordance with applicable Tax laws.

- (c) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any GST, QST, RST or any other federal, provincial, state or local or foreign value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, "**Transfer Taxes**"). All Transfer Taxes are the responsibility of and for the account of the party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the transactions contemplated under this Agreement. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and Seller shall pay such amounts to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.
- (d) The Buyer hereby waives compliance by the Seller with Section 6 of the RST Legislation and with any similar provision contained in any other Applicable Law in respect of Transfer Taxes.

#### **7.5 Damage or Destruction**

The Purchased Assets shall be and remain at the risk of the Seller up to and including the Closing Time and thereafter shall be at the risk of the Buyer. For greater certainty, all insurance policies held by the Seller in respect of the Purchased Assets shall be terminated by the Seller at the Closing Time and the Buyer shall be obligated to obtain its own insurance in respect of the Purchased Assets forthwith after the Closing Time.

If, prior to the Closing Time, all or any part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by governmental or other lawful authority, the Buyer shall have the option, exercisable by notice in writing given no later than 10 Business Days after the Buyer receives notice in writing from the Seller of such destruction, damage, appropriation, expropriation or seizure:

- (a) to reduce the Purchase Price by an amount equal to the cost of repair, or, if destroyed or damaged beyond repair or appropriated, expropriated or seized, by an amount equal to the replacement cost of the assets forming part of the Purchased Assets so destroyed, damaged, appropriated, expropriated or seized, and to complete the purchase; or
- (b) to complete the purchase without reduction of the Purchase Price in which event all proceeds of insurance payable in respect of such damage or destruction, or any compensation or award payable in respect of such appropriation, expropriation or seizure shall be paid to the Buyer and all right and claim of the Seller to any such

proceeds and amounts not paid to the Buyer by the Closing Time shall be assigned by the Seller to the Buyer at the Closing Time by way of assignment in a form acceptable to the Buyer; or

- (c) to terminate its obligations under this Agreement without further liability to the Seller if the value of the Purchased Assets destroyed, damaged, appropriated, expropriated or seized exceeds 10% of the Purchase Price.

#### 7.6 Storage of Purchased Assets

- (a) The Buyer acknowledges and agrees that it shall be responsible for the costs relating to, and the arrangements made in respect of, the storage of the Purchased Assets referred to in Schedule 1.1(nn) from and after the Closing Time.
- (b) The Buyer acknowledges and agrees that the Seller will have pre-paid certain amounts to the storage providers in respect of the storage of the Purchased Assets referred to in Schedule 1.1(nn) from and after the Closing Time. For certainty, the Buyer hereby covenants and agrees to pay to the Seller, in full by wire transfer of immediately available funds, the per diem amounts paid by the Seller to such storage providers in respect of the storage of such Purchased Assets for the period from the Closing Date up to and including the end of the month in which the Closing Date occurs, calculated in accordance with the following per diem rates:
  - (i) 48.24 per diem in respect of the storage lease with 9080-9252 Quebec Inc., based on a total monthly rent, including applicable taxes, of \$1,467.38;
  - (ii) \$85.35 per diem in respect of the storage lease with Construction Germain Dumont Inc., based on a total monthly rent, including applicable taxes, of \$2,596.13;
  - (iii) \$37.11 per diem in respect of the storage lease with Transit D. Bernier Inc., based on a total monthly rent, including applicable taxes, of \$1,128.75; and
  - (iv) \$47.49 per diem in respect of the Lease, based on a total monthly rent, including applicable taxes, of \$1,444.45,

and to pay such amounts to the Seller (in addition to the Purchase Price) on the Closing Date (the "**Working Capital Adjustment**").

#### 7.7 Disconnection of Substation

- (a) The Buyer acknowledges and agrees that, following the Closing of the transactions contemplated by this Agreement but no later than October 1, 2010, it shall provide notice to HQ, with a copy to the Seller, to (i) de-energize the Substation and disconnect it from HQ's electricity transmission system (the "**Disconnection**") and (ii) following the Disconnection, to remove HQ's equipment from the Substation and restore such equipment to the same condition

as it was in prior to the connection of the Substation to HQ's electricity transmission system (the "**Restoration**"), in each case, in accordance with the terms of the HQ Agreement (the "**Notice**"). For certainty, the Buyer covenants and agrees to provide the Notice at least 21 days before the date on which the Disconnection is to be completed and to cooperate with HQ and the Seller to ensure that the Disconnection and Restoration is completed in accordance with the terms of the HQ Agreement, it being understood that the Disconnection may only occur during those periods of the year HQ has identified in the HQ Agreement.

- (b) The Seller acknowledges and agrees that it shall be responsible for any reasonable amounts owed to HQ in connection with the Disconnection and Restoration work contemplated by the HQ Agreement, provided that the aggregate of such amounts is less than the Purchase Price plus the Working Capital Adjustment.

### 7.8 Interconnection Arrangements

- (a) From and after the Closing Time, until the earlier of: (i) the date on which the Disconnection is completed, or (ii) the date on which the Interconnection Agreement is terminated (such earlier date, the "**Expiry Date**"), the Seller shall cause the Interconnection to be maintained in accordance with the terms of the Interconnection Agreement. In the event the Interconnection Agreement is assigned by the Seller to a third party prior to such Expiry Date, the Seller shall cause the assignee of the Interconnection Agreement to assume the Seller's obligations under this Section 7.8(a).

- (b) In consideration of the above, the Buyer agrees to provide the following indemnity:

- (i) Subject to the Closing having occurred, the Buyer hereby agrees to indemnify and save harmless the Seller and the Receiver and their respective directors, officers, employees and agents (each, a "**Seller Indemnified Party**") from and against any and all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses, interest, penalties and amounts paid in settlement, including, without limitation, all reasonable legal and other professional fees (on a solicitor client basis) and disbursements suffered or incurred by any Seller Indemnified Party as a result of or arising out of or in connection with:

- (A) any personal injury, illness or death of any employee, officer, director, contractor, agent or representative of the Buyer or any other person permitted by the Buyer onto the Leased Real Property, which injury, illness or death occurs at the Substation, or as a direct result of an event to which such person was subject at the Substation, during the period from and after the Closing Time until the Disconnection is completed; or

- (B) loss, damage or destruction of any property, equipment, materials or products of the Seller or a third party (including, recovery, repair and replacement expenses) which occurs as a result of the removal of the Substation from the Leased Real Property, including as a result of the Disconnection or the Restoration.

#### ARTICLE 8 - COURT ORDER

##### 8.1 Approval and Vesting Order

- (a) As promptly as practicable after execution of this Agreement, the Seller shall: (i) file a motion for the issuance of the Approval and Vesting Order; and (ii) serve such parties as the CCAA Court and the Buyer may reasonably require for the motion seeking the issuance of the Approval and Vesting Order.
- (b) The Buyer shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Approval and Vesting Order.
- (c) Notice of the motion seeking the issuance and entry of the Approval and Vesting Order shall be served by the Seller or the Monitor, as applicable, on all Persons required to receive notice under applicable laws and the requirements of the CCAA and the CCAA Court.
- (d) Notwithstanding any other provision herein, it is expressly acknowledged and agreed that in the event that the Approval and Vesting Order has not been issued and entered in the CCAA Court by July 30, 2010, the Buyer may terminate this Agreement.

#### ARTICLE 9 - TERMINATION

##### 9.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) subject to any approvals required from the CCAA Court pursuant to the CCAA Proceedings, by mutual written consent of the Seller and the Buyer;
- (b) by either the Seller or the Buyer if the Closing has not occurred on or before August 31, 2010 (the "**Sunset Date**");
- (c) by the Seller, if there has been a material violation or breach by the Buyer of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 6.3 by the Sunset Date and such violation or breach has not been waived by the Seller or cured within fifteen (15) days after written notice thereof from the Seller, unless the Seller is in material breach of their obligations under this Agreement; and
- (d) by the Buyer, if there has been a material violation or breach by the Seller of any covenant, representation or warranty which would prevent the satisfaction of any

condition set forth in Section 6.2 by the Sunset Date and such violation or breach has not been waived by the Buyer or cured within fifteen (15) days after written notice thereof from the Buyer, unless the Buyer is in material breach of its obligations under this Agreement.

## **9.2 Effect of Termination**

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall become void and of no further force and effect. Nothing in this Section 9.2 shall be deemed to relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

## **ARTICLE 10 - CLOSING**

### **10.1 Location and Time of the Closing**

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of Goodmans LLP, Bay Adelaide Centre, 333 Bay Street, Suite 3400, Toronto, Ontario, Canada M5H 2S7, or at such other location as may be agreed upon by the Parties hereto.

### **10.2 Closing Deliveries**

- (a) At the Closing, the Seller shall deliver to the Buyer the documents required to be delivered by the Seller pursuant to Section 6.2.
- (b) At the Closing, the Buyer shall deliver to the Seller:
  - (i) an instrument of assumption of liabilities with respect to the Assumed Liabilities in a form satisfactory to the Seller, acting reasonably; and
  - (ii) the documents required to be delivered by the Buyer pursuant to Section 6.3.

## **ARTICLE 11 - GENERAL MATTERS**

### **11.1 Confidentiality**

- (a) After the Closing Time, the Seller shall, and shall cause its controlled affiliates to, use commercially reasonable efforts to maintain the confidentiality of all information and records obtained from the Seller prior to and after the Closing Date, except any disclosure of such information and records as may be required by Applicable Law.
- (b) Notwithstanding anything herein to the contrary, any Party to this Agreement (and any employee, representative, or other agent of any Party to this Agreement) may disclose to the appropriate Tax authorities and to its counsel and advisors without limitation of any kind, the tax treatment and tax structure of the transactions

contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal, provincial or state securities laws.

## **11.2 Public Notices**

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld) provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the CCAA Court; and (ii) the transactions contemplated in this Agreement may be disclosed by the Seller to the CCAA Court, subject to redacting confidential or sensitive information as permitted by applicable laws and rules. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the CCAA Court containing references to the transactions contemplated by this Agreement and the terms of such transactions; and
- (b) the Seller and its professional advisors may prepare and file such reports and other documents with the CCAA Court containing references to the transactions contemplated by this Agreement and the terms of such transactions as may reasonably be necessary to complete the transactions contemplated by this Agreement or to comply with their obligations to the CCAA Court.

The Parties shall issue a joint press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by them.

## **11.3 Monitor's Capacity and Receiver's Capacity**

The Monitor is acting in its capacity as the monitor of the Seller in the CCAA Proceedings and shall have no personal or corporate liability in connection with this Agreement.

The Receiver is acting in its capacity as the receiver of the Seller pursuant to the Receivership Order and shall have no personal or corporate liability in connection with this Agreement.

## **11.4 Survival**

None of the representations, warranties or covenants (except the covenants in Sections 2.2, 2.3, 3.3, 7.4, 7.6, 7.7, 7.8, 9.2, 11.1(a) and 11.1(b), 11.2 through 11.10 (inclusive) to the extent they are to be performed after the Closing) of either of the Parties set forth in this

Agreement, in any Closing Document to be executed and delivered by either of the Parties (except any covenants included in such Closing Documents, which, by their terms, survive Closing), or in any other agreement, document or certificate delivered pursuant to or in connection with this Agreement or the transactions contemplated hereby shall survive Closing.

#### **11.5 Expenses**

Except as otherwise specifically provided herein, and subject to the terms of the agreements creating or relating to the Secured Debt, each of the Seller and the Buyer shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated hereby.

#### **11.6 Non-Recourse**

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

#### **11.7 Assignment; Binding Effect**

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto and of the Monitor, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates, subject to Seller's and the Monitor's prior approval of the form of such assignment, acting reasonably; or (ii) direct that title to the Purchased Assets be transferred to, and the Assumed Liabilities assumed by, one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns.

#### **11.8 Notices**

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by facsimile, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

- (a) If to the Buyer at: Borea Construction ULC  
1175 Avenue Lavigerie, Bureau 50

Quebec (Quebec) Canada G1V 4P1  
 Attention: Marc Richard  
 Telephone: (418) 626-2314  
 Facsimile: (418) 626-0241

with a copy (which shall  
 not in itself constitute  
 notice) to:

Borea Construction ULC  
 1175 Avenue Lavigerie, Bureau 50  
 Quebec (Quebec) Canada G1V 4P1  
 Attention: Mehdi Ebrahimipour  
 Telephone: (613) 282-5175  
 Facsimile: (418) 626-0241

(b) If to the Seller at:

PricewaterhouseCoopers Inc.  
 Royal Trust Tower  
 Toronto Dominion Centre  
 77 King Street West, Suite 3000  
 Toronto, Ontario, Canada M5K 1G8  
 Attention: Mica Arlette and Arsalan Jomezai  
 Telephone: (416) 863-1133  
 Facsimile: (416) 814-3210

with a copy (which shall  
 not in itself constitute  
 notice) to:

Goodmans LLP  
 Bay Adelaide Centre  
 333 Bay Street, Suite 3400  
 Toronto, Ontario, Canada M5H 2S7  
 Attention: Daniel Gormley and Robert Chadwick  
 Telephone: (416) 979-2211  
 Facsimile: (416) 979-1234

and a copy (which shall  
 not in itself constitute  
 notice) to:

PricewaterhouseCoopers Inc.  
 Monitor of Interwind Corp.  
 Royal Trust Tower  
 Toronto Dominion Centre  
 77 King Street West, Suite 3000  
 Toronto, Ontario, Canada M5K 1G8  
 Attention: Mica Arlette and Arsalan Jomezai  
 Telephone: (416) 863-1133  
 Facsimile: (416) 814-3210

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

**11.9 Counterparts; Facsimile Signatures**

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by facsimile signature which, for all purposes, shall be deemed to be an original signature.


**11.10 Language**

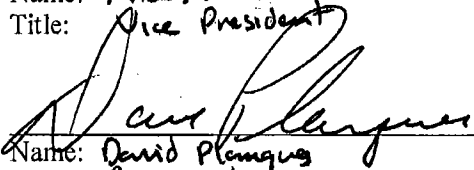
Les Parties aux présentes ont expressément exigé que la présente convention et tous les documents et avis qui y sont afférents soient rédigés en anglais. The Parties have expressly required that this Agreement and all documents and notices relating hereto be drafted in English.

**[The remainder of this page left intentionally blank]**

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

**INTERWIND CORP., by  
PRICEWATERHOUSECOOPERS INC. solely  
in its capacity as the court appointed receiver of  
INTERWIND CORP. and not in its personal or  
corporate capacity**

Per:   
Name: Mica Arlette  
Title: Vice President

Per:   
Name: David Plouffe  
Title: President

**BOREA CONSTRUCTION ULC**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

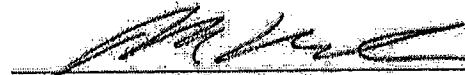
IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

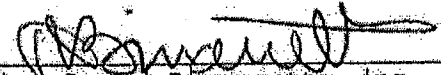
INTERWIND CORP., by  
PRICEWATERHOUSECOOPERS INC. solely  
in its capacity as the court appointed receiver of  
INTERWIND CORP. and not in its personal or  
corporate capacity

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**BOREA CONSTRUCTION ULC**

Per:   
Name: Marc Richard, ing.  
Title: Executive Director

Per:   
Name: Daniel Bissonnette, ing.  
Title: Contract Administrator

**SCHEDULE 1.1(d)**  
**FORM OF APPROVAL AND VESTING ORDER**

**[Schedule to be attached]**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**THE HONOURABLE ● ) ●, THE ●  
JUSTICE ● ) DAY OF ●, 2010**

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF INTERWIND CORP.**

**Applicant**

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by PricewaterhouseCoopers Inc., in its capacity as receiver (in such capacity, the "Receiver") of Interwind Corp. (formerly known as SkyPower Corp.) (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Purchase Agreement") between the Debtor and Borea Construction ULC (the "Purchaser") made as of June ●, 2010 and attached to the ● Report of the Receiver dated ●, 2010 (the "Receiver's ● Report"), and vesting in the Purchaser all right, title and interest in and to the assets described in the Purchase Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's ● Report, the ● Report of PricewaterhouseCoopers Inc., as monitor (in such capacity, the "Monitor"), and on hearing the submissions of counsel for the Receiver, the Purchaser, the Monitor, HSH Nordbank AG, New York Branch, as administrative agent and collateral agent on behalf of itself, Bayerische Landesbank, New York Branch and Union Bank of California, Canada Branch (n/k/a Union Bank, Canada Branch) and Lehman Brothers Holdings Inc., no one appearing for any other person on the Service List, although duly served as appears from the affidavit of service of ● sworn ●, 2010,

**DRAFT: 1 - June 28, 2010 at 3:47 PM**

1. THIS COURT ORDERS that the time for service and filing of the Notice of Motion and Motion Record in respect hereof be and it is hereby abridged so that the Motion is returnable today and that further service on any interested party is hereby dispensed with.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved. The execution of the Purchase Agreement by the Receiver, on behalf of the Debtor, is hereby authorized and approved, and the Receiver, on behalf of the Debtor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser. The Transaction shall be considered in all respects as a judicial sale.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all right, title and interest in and to the Purchased Assets as defined in the Purchase Agreement, including without limitation, those listed on Schedule "B" hereto shall vest in, and, in the Province of Quebec, be transferred to, the Purchaser, free and clear of and from any and all claims, rights, titles, interests, security interests (whether contractual, statutory, or otherwise), hypothecs, hypothecation, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (whether statutory, possessory or otherwise), encumbrances, executions, levies, charges or other claims, whether liquidated, unliquidated, asserted or unasserted, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (all of which are collectively referred to as the "**Claims**") including, without limiting the generality of the foregoing: (i) any Claim created by an Order or Orders of the Ontario Superior Court of Justice in these proceedings; (ii) all Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that, from and after the delivery of the Monitor's Certificate, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS that the Purchase Price (as defined in the Purchase Agreement) and the redacted portions of the Purchase Agreement, as reflected in Appendix "●" to the Receiver's ● Report, shall not be publicly disclosed on the Monitor's website or in the public court record in these proceedings or be otherwise available or accessible for public consumption.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.

7. THIS COURT ORDERS the Registrar of the Register of Personal and Movable Real Rights of Quebec to cancel the Claims registered against the Purchased Assets, such that all of the movable assets sold pursuant to the Purchase Agreement be no longer charged by the Claims, including those on Schedule "C", the whole on presentation of the required form with a true copy of this Order and the Monitor's Certificate.

8. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (as amended, the "BIA") in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the appointment of the Receiver or any interim receiver, trustee, administrator or other person appointed for the benefit of creditors (all such persons collectively referred to as "**Creditor Representatives**"),

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy or Creditor Representatives that have or may be appointed in respect of

the Debtor and shall not be void or voidable by creditors of the Debtor or Creditor Representatives, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, including, without limitation, the United States Bankruptcy Court for the District of Delaware, to give effect to this Order, and assist the Receiver, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver and the Monitor, as officers of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver and the Monitor in any foreign proceeding, or to assist the Receiver and the Monitor and their respective agents in carrying out the terms of this Order.

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**Schedule A – Form of Monitor’s Certificate**

Court File No. 09-8321-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES’ CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF INTERWIND CORP.**

**Applicant**

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Court dated ●, 2010, the Court approved an asset purchase agreement made as of June ●, 2010 (the “Purchase Agreement”) between Interwind Corp. (formerly SkyPower Corp.) (the “Debtor”) and Borea Construction ULC (the “Purchaser”) and provided for the vesting in the Purchaser of all right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, and (ii) that the conditions to Closing as set out in Article 6 of the Purchase Agreement have been satisfied or waived by the Receiver, on behalf of the Debtor, and the Purchaser.

B. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

**DRAFT: 1 - June 28, 2010 at 3:47 PM**

THE MONITOR CERTIFIES the following:

1. The Receiver, on behalf of the Debtor, and the Purchaser have each independently informed the Monitor that:
  - (a) The Purchaser has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement; and
  - (b) The conditions to Closing as set out in Article 6 of the Purchase Agreement have been satisfied or waived by the Debtor and the Purchaser.
2. This Certificate was delivered by the Monitor at ● [TIME] on ●, 2010.

**PricewaterhouseCoopers Inc.**, in its capacity as Monitor of Interwind Corp., and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

**DRAFT: 1 - June 28, 2010 at 3:47 PM**

**Schedule B – Purchased Assets**

**[Insert Schedule 1.1(nn) of Purchase Agreement]**

The lease agreement between Terrawinds Resources Corp. (currently Interwind Corp.) and Ferme Janoel S.E.N.C. dated October 13, 2006 relating to the land on which Interwind Corp.'s Main Power Transformer 230 kV – 34.5 kV is situated.

### Schedule C – Encumbrances

Any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind other than licenses of intellectual property, including but not limited to those security interests held by HSH Nordbank AG, New York Branch, as administrative agent and collateral agent on behalf of itself, Bayerische Landesbank, New York Branch and Union Bank of California, Canada Branch (n/k/a Union Bank, Canada Branch) and any charges granted by the Ontario Superior Court of Justice in these proceedings.

**[All relevant registrations in the Quebec Register of Personal and Movable Real Rights to which the Purchased Assets may be subject to be listed – Purchaser to provide.]**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERWIND CORP.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER**

**Goodmans LLP**  
Barristers & Solicitors  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Robert Chadwick (LSUC# 35165K)  
Fred Myers (LSUC#26310A)  
Derek Bulas (LSUC# 47760W)  
Tel: 416.979.2211  
Fax: 416.979.1234

Lawyers for the Receiver of Interwind Corp.

**SCHEDULE 1.1(nn)  
PURCHASED ASSETS**

**[Schedule to be attached]**

5785455.7





IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS  
AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERWIND CORP.

Court File No.: 09-8321-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**RECEIVER'S FIFTH REPORT**  
**DATED JULY 19, 2010**

**Goodmans LLP**  
Barristers & Solicitors  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Robert Chadwick (LSUC #35165K)  
Fred Myers (LSUC #26310A)  
Derek Bulas (LSUC# 47760W)

Tel: 416.979.2211  
Fax: 416.979.1234

Lawyers for the Receiver of Interwind Corp.

TAB 3

**Court File No. 09-8321-00CL**

**Interwind Corp.  
(Formerly known as Skypower Corp.)**

**MONITOR'S FIFTEENTH REPORT TO COURT  
July 19, 2010**

Court File No. 09-8321-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
INTERWIND CORP.**

**(the "Applicant" or "Interwind")**

**FIFTEENTH REPORT TO THE COURT  
SUBMITTED BY PRICEWATERHOUSECOOPERS INC.  
IN ITS CAPACITY AS MONITOR**

**INTRODUCTION**

1. By Order of this Honourable Court granted August 12, 2009 (the "Initial Order"), Interwind Corp. (formerly known as SkyPower Corp.) ("Interwind" or the "Company") obtained relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "CCAA Proceedings") which, among other things, provided for the appointment of KPMG Inc. as Monitor of Interwind (the "Initial Monitor").
2. The Initial Order provided for an initial stay of proceedings against Interwind until and including September 11, 2009, or such later date as ordered by this Honourable Court (the "Stay"). The Initial Order also provided that the Stay shall extend to proceedings in respect of Fermeuse Wind Power Corp. ("Fermeuse"), SunE Sky First Light LP ("SunE Sky") and SkyPower Lite Corp., all of which were subsidiaries and/or related companies to Interwind.

3. The main events in these CCAA Proceedings in the period from August 12, 2009 to March 25, 2010 have been outlined in the twelve reports of the Initial Monitor, and have been summarized in Appendix A of this Report.
4. On March 30, 2010, pursuant to an order of this Honourable Court (the "Receivership Order"), PricewaterhouseCoopers Inc. was appointed as receiver (in such capacity, the "Receiver"), without security, of all of the current and future assets, undertakings and properties of the Company, not including certain equipment (the "Equipment") listed in Exhibit 1 to Schedule 1.1(nn) to the Share Purchase Agreement dated December 15, 2009 between Interwind and enXco Service Corporation, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Court of Justice Act*, R.S.O.1990, C. C.43, as amended (the "CJA").
5. By Orders of this Honourable Court granted March 30, 2010, the Initial Order was amended to, *inter alia*,:
  - (a) Substitute PricewaterhouseCoopers Inc. as Monitor of Interwind (the "Monitor"), and discharge KPMG Inc. from any further obligations as Initial Monitor;
  - (b) Instruct the Monitor to consult with both Lehman Brothers Holdings Inc. ("Lehman") and HSH Nordbank AG, New York Branch as administrative and collateral agent ("HSH Nordbank") (collectively, the "Secured Lenders") wherever such consultation is required and to provide the Secured Lenders with the same information, documentation and advice, except that the Monitor need not consult with or provide information, documentation and advice to a Secured Lender in respect of a claim that the Company has against that Secured Lender, to the extent that such information or documentation is confidential or privileged;
  - (c) Secure the fees of the Receiver by means of a charge in favour of the Receiver, with such charge ranking fifth, after the Administration Charge, the Directors' Charge, the KERP Charge and the Marathon Charge; and

- (d) Remove all sections relating to the DIP Financing or the DIP Lender.
6. A Fresh as Amended Initial Order was issued on March 30, 2010 to reflect the changes made to the Initial Order by the other Orders issued on that day.
7. Further Orders were also made by this Honourable Court on March 30, 2010 to, *inter alia*:
- (a) Release all Officers and Directors of the Company prior to and from August 12, 2009 from any known or unknown claims against them, except for any claims arising out of gross negligence or wilful misconduct or subject to the Claims Process; and
- (b) Amend the definition of a "Construction Lien Claimant" in the Claims Process Order dated February 19, 2010 (the "Claims Process Order") in order to include two additional claimants who were participating in the process.
8. On April 22, 2010 pursuant to an Order of the US Bankruptcy Court for the District of Delaware, the Monitor was recognized as the Foreign Representative of Interwind in the Company's Chapter 15 proceedings in the United States.
9. On May 4, 2010, this Honourable Court issued an Order to, *inter alia*,
- (a) Determine the Terrain Claim, the MRQ Claim, the Sussex Claim and the Bushell Claim pursuant to the method outlined in the Receiver's First Report;
- (b) Dismiss and forever bar the Metlogics Claim and the Terrawinds Claim; and
- (c) Adjourn the Stantec Claim, the Golder Claim and the Morency Claim to scheduling appointments on or prior to May 31, 2010,
- as each of such claims are defined in the Receiver's First Report.

10. On May 21, 2010, this Honourable Court issued an Order (the "Resolution Process Order") to set up a resolution process (the "Resolution Process") for the Golder Claim and the Stantec Claim as discussed below.
11. On May 31, 2010, this Honourable Court issued Orders to, *inter alia*,
  - (a) set up a resolution process for the Morency Claim and the Brouillette Claim (each as defined in the Receiver's Third Report to Court dated May 26, 2010);
  - (b) extend the Stay to July 30, 2010;
  - (c) authorize the Receiver to distribute to the HSH Syndicate the sum of \$5 million, and such additional amounts from time to time as may be agreed between the Receiver and the HSH Syndicate with the consent of Lehman and the Monitor or, failing such agreement, pursuant to further Order of this Court; and
  - (d) require the Receiver to reserve sufficient funds (the "Reserve") to account for the allowed or revised value of those claims which had been allowed or revised in the Claims Process and to account for the value asserted in those proofs of claim which were disputed in the Claims Process.
12. On June 28, 2010, this Honourable Court issued an Order to authorize and direct the Receiver to distribute, from the Reserve, the amounts owing to holders of the Resolved Claims and the Settled Claims that have been admitted, resolved and/or settled as part of the Claims Process, all as set out in the Receiver's Fourth Report.
13. Other information and documentation related to the Company's CCAA proceedings and its Chapter 15 Proceedings has been posted on the Initial Monitor's website at [www.kpmg.ca/interwind](http://www.kpmg.ca/interwind) and the Monitor's website at [www.pwc.com/car-interwind](http://www.pwc.com/car-interwind).
14. The purpose of this, the Monitor's Fifteenth Report, is to report on the following:

- (a) The activities of the Monitor since the Monitor's Fourteenth Report dated May 19<sup>th</sup>, 2010;
  - (b) The status of the Claims Process;
  - (c) The principal matters remaining to be completed in the CCAA Proceedings;
  - (d) The Receiver's request to approve a proposed sale transaction with Borea Construction ULC ("Borea"); and
  - (e) The Receiver's request for an extension of the Stay Period to September 30, 2010.
15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Fresh as Amended Initial Order and the Claims Process Order.
16. The information contained in this Report has been obtained from the books and records, forecasts, and other financial information of Interwind in the Receiver's possession. The accuracy and completeness of the financial information contained herein have not been audited or otherwise verified by the Monitor, and the Monitor does not express an opinion or provide any other form of assurance on the information presented herein. The Monitor reserves the right to refine or amend its comments and findings as further information is obtained or brought to its attention subsequent to the date of this Report.

#### **ACTIVITIES OF THE MONITOR**

17. Since the Monitor's Fourteenth Report, dated May 19, 2010, the activities of the Monitor have included, *inter alia*, overseeing the Claims Process pursuant to the Claims Process Order and the Resolution Process Order.

**STATUS OF THE CLAIMS PROCESS**

18. The results of the Claims Process to date are summarized in the table below. Appendix B provides further details on the claims filed and their current disposition.

**Claims Summary**

(Rounded to nearest \$1)

Type of Claim	Proofs of Claim Received		Proofs of Claim Disallowed or Revised		Claims Accepted / Settled and paid		Claims subject to Resolution Process		Note(s)
	#	\$	#	\$	#	\$	#	\$	
<b>Construction Lien</b>	5	1,615,086	3	251,432	1	30,000	2	1,333,653	1
<b>Post-Filing</b>	25	1,341,119	25	1,250,745	6	90,375	-	-	2,3
<b>D&amp;O</b>	6	248,759	6	248,759	1	31,492	-	-	3,4
<b>Total</b>	<b>36</b>	<b>3,204,964</b>	<b>34</b>	<b>1,750,936</b>	<b>8</b>	<b>151,867</b>	<b>2</b>	<b>1,333,653</b>	

Notes:

- 1 The Disputed Construction Lien Claims (the Golder Claim and the Stantec Claim) are subject to a Court ordered resolution process. One of the Construction Lien Claims was partially admitted pursuant to a settlement agreement.
- 2 The Monitor partially allowed six Post-Filing claims. No claims were accepted in their entirety.
- 3 Certain claimants submitted one Proof of Claim form asserting both a Post-Filing Claim and a D&O Claim for the same amount. For purposes of the above summary, these Proofs of Claim have been shown as if two separate Proofs of Claim were submitted.
- 4 Only one D&O claim was admitted in the Claims Process. This claim was initially filed as a \$1 provisional claim and was subsequently settled and payment was made.

19. All Disputed Claims other than the Construction Lien Claims of Golder Associates Ltd. (the "Golder Claim") and of Jacques Whitford Stantec Limited by its successor in interest, Stantec Consulting Ltd. (the "Stantec Claim" and collectively with the Golder Claim, the "Disputed Construction Lien Claims) have now been resolved (the "Resolved Claims") and execution of the associated settlement documents has occurred. The time period for any other creditors to file Notices of Dispute has now expired. Further, the holders of Resolved Claims and Settled Claims that were previously Disputed Claims have, as part of the resolution of these claims, agreed to withdraw their Notices of Dispute and waive

all treatment of their claims other than as set out in a revised Notice of Revision or Disallowance issued by the Monitor.

20. Pursuant to an Order of this Honourable Court dated June 28th, 2010, the Receiver distributed funds it had held in reserve to holders of the Resolved Claims and the Settled Claims as described in the Receiver's Fourth Report.
21. A Resolution Process has been set for the Disputed Construction Lien Claims pursuant to the Resolution Process Order, which provided that:
  - (a) The Receiver would deliver certain documents ("Documents"), identified in Schedule "A" of the Resolution Process Order to holders of the Disputed Construction Lien Claims, which the Receiver completed on May 21, 2010;
  - (b) The holders of the Golder Claim and the Stantec Claim would submit affidavits in support of their Construction Lien Claims by June 23, 2010 and June 28, 2010 respectively, which were filed on or before those dates; and
  - (c) The Receiver would bring a motion seeking advice and directions to be heard on July 16, 2010, in respect of the determination of the Disputed Construction Lien Claims unless otherwise resolved by the applicable parties. The Court subsequently advised the Receiver's counsel that it was no longer available to hear the motion on July 16, 2010 as previously scheduled and the motion was rescheduled to August 9, 2010, with the approval of counsel for Golder, Stantec and HSH Nordbank.
22. The Receiver is authorized to and will be dealing with the Disputed Construction Liens Claims on the Company's behalf pursuant to paragraph 5(a) of the Receivership Order, which authorizes the Receiver to exercise the privileges, duties and powers of Interwind under any Order in the CCAA Proceedings.

### **PROPOSED SALE OF THE PURCHASED ASSETS**

23. The Receiver's Fifth Report outlines the proposed sale of the Equipment and the lease relating to the land on which the Company's Power Transformer is situated (collectively, the "Purchased Assets") by the Receiver, on behalf of the Company, to Borea. For clarity, the Equipment remained in the possession of the Company following the appointment of the Receiver, though the Receiver has exercised its authority to exercise the powers of the Company in these CCAA Proceedings to pursue the sale of the Purchased Assets to Borea. The Receiver has applied to this Honourable Court to grant an Order to approve the sale transaction and to vest in Borea all right, title and interest in and to the Purchased Assets.
24. The Company's CCAA Proceedings commenced prior to the enactment of certain amendments to the CCAA concerning the disposition of business assets outside the ordinary course of business. However, the Monitor has evaluated the factors set out in section 36(3) of the CCAA (as amended) to be considered by the Court in deciding whether to authorize the sale of such assets.
25. The offer from Borea was received as a result of the Sales Process conducted pursuant to the Sales Process Order that the Initial Monitor recommended be approved in its First Report to this Honourable Court.
26. As detailed in the Monitor's Sixth Report, the Initial Monitor considered that the assets in question were adequately marketed in the Sales Process conducted in these CCAA Proceedings and approved by this Honourable Court.
27. The Monitor is not aware of any reason why the sale of the Purchased Assets would be more beneficial to the creditors under a bankruptcy. The Purchased Assets are subject to the security of the Secured Lenders, whose entitlement to the proceeds from the sale of the Purchased Assets would be unchanged in a bankruptcy. Furthermore, completing the sale promptly is preferred as the

Company is currently incurring storage and maintenance costs relating to certain of the Purchased Assets.

28. The Secured Lenders of the Company, who are the beneficiaries of any recovery on the sale of the Purchased Assets, have been consulted and have confirmed their consent to the sale to Borea. The Monitor is also not aware of any parties that may be prejudiced as a result of this transaction.
29. As indicated in the Monitor's Sixth Report, absent the two written offers received from enXco and Borea in the course of the Sales Process in these CCAA Proceedings, the Monitor has not been able to assess the fair value of the Purchased Assets except by reference to offers received. Certain information such as independent appraisals, valuations or other independent indications of value had not been commissioned by the Company or otherwise available for review. Having said this, the Sale Process approved by this Honourable Court was, in the Monitor's view, a fair and reasonable process designed to obtain the maximum possible value for the assets of the Company, and no other offers for these assets were received. As such, the Monitor considers the consideration offered by Borea to be fair and reasonable in the circumstances.
30. Borea is not related to the Company and, accordingly, section 36(4) of the CCAA is not applicable to the sale of the Purchased Assets.
31. Based on the foregoing, the Monitor supports the proposed sale of the Purchased Assets to Borea.

**PRINCIPAL MATTERS REMAINING TO BE COMPLETED IN THE CCAA PROCEEDINGS**

32. The majority of the Company's tangible assets have been sold. The Company's operations have ceased and the day-to-day activities being undertaken by the

Receiver in respect of the CCAA Proceedings that are not part of the receivership relate primarily to the following:

- (a) Closing the sale of the Purchased Assets referred to above;
  - (b) Determining whether a transaction is possible to monetize the tax loss attributes of the Company;
  - (c) The completion of the Claims Process; and
  - (d) The subsequent distribution of the applicable portion of the net proceeds of the Company's residual assets, property and undertaking.
33. With respect to a transaction to monetize the Company's tax loss attributes, the Receiver has continued to work with the two interested parties (the "Interested Parties") that submitted letters of intent as well as with the Secured Lenders to agree on the terms for moving forward with such a transaction. These discussions are continuing, but it is difficult to estimate if and when a transaction can be completed.
34. As discussed earlier in this report, the Claims Process has not yet been completed as the Disputed Construction Lien Claims remain to be resolved pursuant to the Claims Process and the Resolution Process Order.
35. The Receiver requires further time to deal with these remaining matters in the CCAA Proceedings. The Monitor is of the view that a reasonable period of time should be provided to close the sale of the Purchased Assets to Borea and to determine whether a tax loss transaction can be completed, as well as to permit the completion of the Claims Process.
36. The Secured Lenders are the only remaining secured creditors of the Company and it is anticipated that the Secured Lenders will not recover on their claims in full in these proceedings. Accordingly, the Secured Lenders are the parties with

the economic interest in the CCAA Proceedings. As of the date of this Report HSH has confirmed its consent to the continuation of the CCAA Proceedings, and the Monitor is in the process of confirming whether Lehman will provide its consent as well.

37. The cash flow requirements of the Company and certain assets not in the possession of the Receiver are projected below for the period from July 9 to September 30, 2010 (the "September Forecast"):

<b>CASH FLOW FORECAST</b>	<b>Cash Flow Forecast (twelve weeks) Jul 9 - Sep 30, 2010</b>
<b>Disbursements</b>	
Non-Turbine Storage & Maintenance Costs	(50,000)
Professional Fees	-
Post-filing Claims	(920,000)
<b>Total Disbursements</b>	<b>(970,000)</b>
Net Cash Flow	(970,000)
Funding from Receiver	970,000
<b>Net Cash Flow after funding from Receiver</b>	<b>-</b>

38. The cash flows of Interwind are limited given that the Receiver is now in possession of the vast majority of the Company's assets. The Company's operations are limited to holding the Purchased Assets until they can be sold. The Receiver, with input from the Secured Lenders, will fund these costs in full from its funds on hand.

39. The amounts included above comprise the following:
- (a) Storage and maintenance costs of \$50,000 related to the ongoing upkeep of the Equipment;
  - (b) Post-Filing Claims payment of \$920,000 reflecting the maximum exposure of the Company for the amount of the Golder Claim. The amount of the Stantec Claim

was previously paid into this Honourable Court, and no further amounts should be payable in this regard. Further, the inclusion of the potential maximum exposure to the Golder Claim in the September Forecast does not reflect the Receiver's views regarding the validity of this claim; and,

- (c) All professional fees are being funded through the funds the Receiver has on hand.

#### **RECOMMENDATIONS OF THE MONITOR**

40. In summary, the Monitor recommends that

- (a) the sale of the Purchased Assets to Borea be approved; and
- (b) the request for an extension of the Stay Period to September 30, 2010 be granted.

41. The Monitor also requests approval of the Receiver's Second, Third and Fifth Reports and the Monitor's Fourteenth and Fifteenth Reports to this Honourable Court.

The Monitor respectfully submits to the Court this, its Fifteenth Report.

Dated this 19<sup>th</sup> day of July, 2010.

**PricewaterhouseCoopers Inc.**

In its capacity as Court-appointed Monitor of  
Interwind Corp.  
(Formerly known as "Skypower Corp.")



Mica Arlette  
Vice President

TAB A

**Appendix A**

**Main events in CCAA Proceedings as per the Initial Monitor's Twelve Reports to this Honourable Court since the Initial Order dated August 12, 2009 to March 25, 2010**

1. Pursuant to the terms of the Initial Order, the Company was to apply to the Court on or before August 20, 2009 for approval of an expedited sales process. On August 20, 2009, The Honourable Madam Justice Pepall made an endorsement amending the Initial Order and extending the date for approval of an expedited sales process to August 25, 2009.
2. On August 25, 2009, Interwind sought and obtained approval of the following:
  - (a) A key employee retention plan ("KERP") designed to provide incentives to senior management and selected other key employees of Interwind to continue to serve Interwind during its restructuring under the CCAA;
  - (b) Security for the KERP by way of a fourth charge on all Property (as defined in the Initial Order), after the Administration Charge, the Director's Charge and the DIP Lender's Charge;
  - (c) A sealing order in connection with the KERP arrangements; and
  - (d) An amendment of paragraph 13 of the Initial Order to provide for a stay against Fermeuse, SunE Sky and SkyPower Lite Corp. These entities were included in paragraphs 14, 15, 16 and 17 of the Initial Order that provided that parties could not exercise rights or remedies against them but were inadvertently excluded from the paragraph providing for a stay of proceedings.
3. In light of the concerns raised by the Project Lenders, the stay of proceedings with respect to the Project Lenders was limited only so as to stay them from exercising their remedies that arise as a direct result of Interwind's insolvency, Interwind's proceedings under the CCAA, and the creation of the DIP Lender's Charge. In

addition, the DIP Lender's Charge was made subordinate to the share pledges in favour of the Project Lenders with the consent of the DIP Lender.

4. On August 25, 2009, this Honourable Court also made an endorsement recognizing the reservation of the rights of the Project Lenders and SunEdison LLC to oppose any transfer of the equity interests held by Interwind in Fermeuse, SunESky and SunE Sky GP First Light Ltd.
5. On August 25, 2009, Interwind sought and obtained this Honourable Court's approval to commence a marketing and sales process ("Sales Process") and an Order ("Sales Process Order") which provided for, *inter alia*, approval of the following:
  - (a) A Sales Process Protocol for the purpose of offering the opportunity for potential interested parties to purchase the Company's Development Business and its XLE Turbines;
  - (b) The engagement of Marathon Capital, LLC ("Marathon") to assist in the Sales Process; and
  - (c) A charge in favour of Marathon to secure Marathon's transaction fees with such charge ranking fifth, after the Administration Charge, the Directors' Charge, the DIP Lender's Charge and the KERP Charge.
6. On September 3, 2009, Interwind sought and obtained this Honourable Court's approval of the following:
  - (a) An extension of the stay of proceedings against Interwind, Fermeuse, SunE Sky and SkyPower Lite Corp. until and including October 31, 2009; and
  - (b) Authorization to draw up to a maximum of CAD \$11.4 million under its DIP Financing.

7. On September 25, 2009, Interwind moved to prevent the registration of liens by Golder Associates Ltd. (“Golder”). Interwind’s motion was disposed of on consent. The Court ordered that Golder was deemed to have preserved and perfected claims for lien under any applicable construction lien statutes on September 25, 2009. This deemed preservation and perfection was without prejudice to any arguments that any party may advance regarding the validity, invalidity or enforceability of such liens, save and except for any arguments relating to their deemed preservation and perfection.
8. On October 27, 2009, Interwind sought and obtained this Honourable Court’s approval of the following:
  - (a) An extension of the stay of proceedings to November 30, 2009; and
  - (b) The Solar Purchase Agreement with 1495359 Alberta ULC (“1495359”) dated as of October 14, 2009 for the sale of Interwind’s solar business to 1495359, a company related to the DIP Lender (the “Solar Transaction”).
9. On November 5, 2009, Jacques Whitford Stantec Limited (“JW Stantec”) sought and obtained an order to lift the stay of proceedings for the sole and limited purpose of permitting the perfection of the construction liens that were preserved by JW Stantec on September 25, 2009.
10. On November 18, 2009, Interwind sought and obtained this Honourable Court’s approval of the following:
  - (a) The sale to 3240384 Nova Scotia Limited, a subsidiary of Emera Incorporated (“Emera”) of Interwind’s interest in the capital stock of Scotian Windfield Partners Corp. and certain of its wind project assets (the “Emera Transaction”) as subsequently amended; and
  - (b) The sale to Elemental Energy Inc. of all of the issued and outstanding shares in the capital of Fermeuse and all of Interwind’s rights, title and interest

under the administrative services agreement between Interwind and Fermeuse dated June 30, 2009 (the "Elemental Transaction").

11. Court approval of the Emera Transaction was obtained on November 18, 2009. The portion of the Company's motion seeking approval of the Elemental Transaction was adjourned to November 20, 2009.
12. On November 20, 2009, the Company obtained approval of the Elemental Transaction.
13. On November 27, 2009, the Company sought an order pursuant to *the Construction Lien Act*, R.S.O. 1990, c. C.30 to, among other things; vacate the registrations of Claim for Lien and Certificate of Action against certain lands and premises by JW Stantec. An order was issued and entered on November 30, 2009 granting the relief requested.
14. On November 30, 2009, Interwind sought and obtained this Honourable Court's approval of the following:
  - (a) An extension of the stay of proceedings in respect of Interwind and Fermeuse to and including January 29, 2010;
  - (b) Certain amendments to the Company's debtor-in-possession facility with CIM Group;
  - (c) Certain amendments to a sales process in respect of Interwind's wind development business;
  - (d) Amended terms in respect of the engagement of Marathon; and
  - (e) An amendment to the KERP.
15. On December 21, 2009, Interwind sought and obtained this Honourable Court's approval of the following:

- (a) The sale to a newly incorporated, wholly-owned subsidiary of the Company (“Acquisition Co.”) of: (i) certain non-turbine equipment; (ii) a lease agreement between Terrawinds Resources Corp. (currently Interwind) and Ferme Janoel S.E. N.C. dated October 13, 2006, relating to the land on which Interwind’s Power Transformer is situated and (iii) certain warehouse arrangements relating to the non-turbine equipment;
  - (b) The subsequent sale to enXco Service Corporation (“enXco”) of the shares of Acquisition Co. (together with (a), the “Non-Turbine Transaction”);
  - (c) An amendment to the Approval and Vesting Order dated November 18, 2009 in respect of the Emera Transaction; and
  - (d) An amendment to the Approval and Vesting Order dated November 20, 2009 in respect of the Elemental Transaction.
16. On December 23, 2009, the Initial Monitor, as the Foreign Representative of Interwind, filed the First, Second, Third, Fourth, Fifth and Sixth Reports of the Initial Monitor with the United States Bankruptcy Court for the District of Delaware (the “U.S. Bankruptcy Court”) to make them available in the Chapter 15 proceedings with respect to Interwind.
17. On December 28, 2009, the Initial Monitor, as the Foreign Representative of Interwind, filed its Seventh Report with the U.S. Bankruptcy Court.
18. On January 8, 2010, Interwind sought and obtained this Honourable Court’s approval of the following:
  - (a) The sale to Invenergy Turbine L.P. (“Invenergy”) of Interwind’s 134 units of GE 1.5 XLE wind turbine generating units together with towers on which such wind turbine generating units are mounted and all components thereof (collectively, the “XLE Turbines”) and, if and to the extent elected by Invenergy (i) the turbine supply agreement and operations and maintenance

agreement between Interwind and General Electric Company and General Electric of Canada, Inc. and (ii) all arrangements by which Interwind obtains storage, maintenance and security of the XLE Turbines (the “Turbine Transaction”); and,

- (b) An interim distribution to HSH Nordbank AG, New York Branch, as administrative agent and collateral agent on behalf of itself, Bayerische Landesbank, New York Branch and Union Bank of California, Canada Branch (n/k/a Union Bank, Canada Branch) (the “HSH Nordbank”) on the closing of the Turbine Transaction on account of turbine supply loans made by the HSH Bank Syndicate in favour of Invenergy.
19. On January 12, 2010, the Initial Monitor sought and obtained a recognition order from the Quebec Superior Court (Commercial Division) in respect of the Turbine Transaction Approval and Vesting Order made by this Honourable Court on January 8, 2010 (the “Turbine Approval Order”).
20. On January 15, 2010, Interwind sought and obtained this Honourable Court’s approval of the following in connection with the sale to CPV Canada Development ULC (“CPV”):
- (a) A declaration that enXco has no standing in the within proceedings and is not to be a party thereto, including in respect of Interwind’s motion for approval of the sale to CPV of the Company’s wind development business;
  - (b) An order that any affidavit or other material served or filed by enXco be struck; and
  - (c) An order that the materials filed by enXco and any materials filed by Interwind in response to the enXco materials be sealed pending further order of the Court.

21. On January 19, 2010, the Initial Monitor sought and obtained the following from the U.S. Bankruptcy Court:
  - (a) A recognition order in respect of the Turbine Approval Order;
  - (b) An order to seal the confidential portions of the purchase agreement with Invenergy and the amount of the interim distribution to the HSH Bank Syndicate; and
  - (c) An order changing the name and caption under Chapter 15 proceedings to reflect Interwind's name change from SkyPower Corp.
  
22. On January 19, 2010, Interwind sought and obtained this Honourable Court's approval of the following:
  - (a) The sale to CPV of Interwind's Wind Development Business (the "CPV Transaction");
  - (b) The termination, discharge and release of the DIP Lender's Charge created pursuant to paragraph 34 of the Initial Order; and
  - (c) An extension of the stay of proceedings in respect of Interwind to and including February 26, 2010.
  
23. On February 12, 2010, Interwind sought and obtained from this Honourable Court an Order Amending the Approval and Vesting Order that approved:
  - (a) A Second Amendment to the Purchase Agreement (the "Second Amendment") to the CPV Purchase Agreement which allowed for a bifurcated closing of the transaction between Interwind and CPV; and
  - (b) An amendment to the Approval and Vesting Order previously approved by this Honourable Court on January 19, 2010.

The first part of the amended Wind Development Business transaction closed on February 12, 2010.

24. On February 19, 2010, Interwind sought and obtained this Honourable Court's approval of the following:
  - (a) An interim distribution in the amount of USD\$8.1 million to HSH Bank Syndicate, and such additional amounts from time to time as may be agreed between Interwind and the HSH Bank Syndicate, with the consent of the Initial Monitor and Lehman, or pursuant to further Order of this Court;
  - (b) An Order authorizing the Initial Monitor to conduct a claims process that contemplated a call for certain claims against the directors and officers of the Company, certain post-filing claims against the Company, and the construction lien claims of Terrain Group, Jacques Whitford Stantec Limited and Golder Associates Ltd. (the "Claims Process Order"); and
  - (c) An extension of the stay of proceedings to March 31, 2010.

Interwind also sought approval of a CAD\$4.0 million interim distribution to the HSH Bank Syndicate, which was adjourned to a future date.

25. On March 25, 2010, Interwind sought and obtained an Order from this Honourable Court granting approval of a Third Amendment to the Purchase Agreement in the CPV Transaction, dated March 24, 2010 (the "Third Amendment"). The second aspect of the CPV Transaction closed on March 25, 2010.

TAB B

**Appendix B**  
**Details of claims filed in the CCAA Claims Process**

## Appendix B

**INTERWIND CORP.**  
**CLAIMS SUMMARY REPORT**  
 As at July 9, 2010

#	Date Received	Claim Type as submitted	Amount of Claim	Current Status
1	16-Feb-10	Construction Lien	\$ 42,950.58	Settled and payment made
2	3-Mar-10	Post-Filing	\$ 1,685.88	Barred pursuant to the Claims Process Order
3	4-Mar-10	Construction Lien	\$242,296.58 plus GST	Subject to a Resolution Process as set out in the Resolution Process Order date May 21, 2010
4	4-Mar-10	Post-Filing	\$ 16,017.96	Barred pursuant to the Claims Process Order
5	4-Mar-10	Construction Lien	\$ 40,391.95	Barred pursuant to the Claims Process Order
6	5-Mar-10	Construction Lien	\$ 1,079,243.13	Subject to a Resolution Process as set out in the Resolution Process Order date May 21, 2010
7	5-Mar-10	Post-Filing	\$750 per year	Barred pursuant to the Claims Process Order
8	5-Mar-10	Construction Lien	\$ 198,089.21	The Claim was dismissed and forever barred pursuant to an Order of this Honourable Court dated May 4, 2010
9	5-Mar-10	Post-Filing	\$ 939.75	Barred pursuant to the Claims Process Order
10	8-Mar-10	Post-Filing	\$ 5,714.07	Barred pursuant to the Claims Process Order
11	8-Mar-10	Post-Filing	\$451.50 per year	Barred pursuant to the Claims Process Order

## Appendix B

#	Date Received	Claim Type as submitted	Amount of Claim	Current Status
12	10-Mar-10	Post-Filing	\$ 30,154.05	Barred pursuant to the Claims Process Order
13	12-Mar-10	Post-Filing	\$ 2,500.00	Barred pursuant to the Claims Process Order
14	13-Mar-10	Post-Filing AND D&O	\$ 576.30	Barred pursuant to the Claims Process Order
15	15-Mar-10	Post-Filing	\$ 500,000.00	The Claim was dismissed and forever barred pursuant to an Order of this Honourable Court dated May 4, 2010
16	15-Mar-10	Post-Filing	\$ 49,753.29	Barred pursuant to the Claims Process Order
17	15-Mar-10	Post-Filing	\$ 395.81	Barred pursuant to the Claims Process Order
18	16-Mar-10	Post-Filing	\$ 6,545.84	Barred pursuant to the Claims Process Order
19	16-Mar-10	D&O - All directors and officers equally	\$ 2,746.15	Barred pursuant to the Claims Process Order
20	18-Mar-10	Post-Filing	\$ 309,752.32	Settled and payment made
21	18-Mar-10	Post-Filing	\$ 23,730.00	Barred pursuant to the Claims Process Order
22	18-Mar-10	Post-Filing	\$ 6,430.63	Settled and payment made
23	18-Mar-10	Post-Filing	\$ 5,000.00	Barred pursuant to the Claims Process Order

## Appendix B

#	Date Received	Claim Type as submitted	Amount of Claim	Current Status
24	18-Mar-10	Post-Filing	\$ 3,255.00	Barred pursuant to the Claims Process Order
25	18-Mar-10	D&O (all, including without limitation, Kerry Adler & David Bacon)  AND Post-Filing	\$ 103,874.38	Settled and payment made
26	19-Mar-10	D&O (Kerry Adler, David Bacon and all other D&Os)  AND Post-Filing	\$ 18,643.24	Settled and payment made
27	19-Mar-10	D&O (named Officer in respect of whom D & O claim filed: David Bacon)	Two provisional claims: \$93,914.62 and \$29,003.79	Settled
28	19-Mar-10	Post-Filing	\$ 182,000.00	Barred pursuant to the Claims Process Order
29	19-Mar-10	Post-Filing	\$ 32,899.97	Settled and payment made
30	19-Mar-10	Post-Filing	\$ 29,573.25	Barred pursuant to the Claims Process Order
31	19-Mar-10	Post-Filing	\$ 8,475.00	Settled and payment made
32	19-Mar-10	D&O (Named Directors and/or Officers: David Bacon, Doug McIntosh, Jack Jr. McCarthy, David Kassie, Jack Sr. McCarthy)  AND Post-Filing	\$1 provisional claims	Settled and payment made

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS  
AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERWIND CORP.

Court File No.: 09-8321-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**MONITOR'S FIFTEENTH REPORT  
DATED JULY 19, 2010**

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Lawyers for the Receiver of Interwind Corp.

TAB 4

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**THE HONOURABLE ● ) WEDNESDAY, THE 28<sup>TH</sup>**  
**JUSTICE ● ) DAY OF JULY, 2010**

**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF INTERWIND CORP.**

**Applicant**

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by PricewaterhouseCoopers Inc., in its capacity as receiver (in such capacity, the "Receiver") of Interwind Corp. (formerly known as SkyPower Corp.) (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Purchase Agreement") between the Debtor and Borea Construction ULC (the "Purchaser") made as of July 6, 2010 and attached to the Fifth Report of the Receiver dated July 19, 2010 (the "Receiver's Fifth Report"), and vesting in the Purchaser all right, title and interest in and to the assets described in the Purchase Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Fifth Report, the Fifteenth Report of PricewaterhouseCoopers Inc., as monitor (in such capacity, the "Monitor"), and on hearing the submissions of counsel for the Receiver, the Purchaser, the Monitor, HSH Nordbank AG, New York Branch, as administrative agent and collateral agent on behalf of itself, Bayerische Landesbank, New York Branch and Union Bank of California, Canada Branch (n/k/a Union Bank, Canada Branch) and Lehman Brothers Holdings Inc., no one appearing for any other person on the Service List, although duly served as appears from the affidavit of service of ● sworn July ●, 2010,

**DRAFT: 1 - July 19, 2010 at 11:03 AM**

1. THIS COURT ORDERS that the time for service and filing of the Notice of Motion and Motion Record in respect hereof be and it is hereby abridged so that the Motion is returnable today and that further service on any interested party is hereby dispensed with.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved. The execution of the Purchase Agreement by the Receiver, on behalf of the Debtor, is hereby authorized and approved, and the Receiver, on behalf of the Debtor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser. The Transaction shall be considered in all respects as a judicial sale.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all right, title and interest in and to the Purchased Assets as defined in the Purchase Agreement, including without limitation, those listed on Schedule "B" hereto shall vest in, and, in the Province of Quebec, be transferred to, the Purchaser, free and clear of and from any and all claims, rights, titles, interests, security interests (whether contractual, statutory, or otherwise), hypothecs, hypothecation, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (whether statutory, possessory or otherwise), encumbrances, executions, levies, charges or other claims, whether liquidated, unliquidated, asserted or unasserted, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (all of which are collectively referred to as the "**Claims**") including, without limiting the generality of the foregoing: (i) any Claim created by an Order or Orders of the Ontario Superior Court of Justice in these proceedings; (ii) all Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that, from and after the delivery of the Monitor's Certificate, all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.

6. THIS COURT ORDERS the Registrar of the Register of Personal and Movable Real Rights of Quebec to cancel the Claims registered against the Purchased Assets, such that all of the movable assets sold pursuant to the Purchase Agreement be no longer charged by the Claims, including those on Schedule "C", the whole on presentation of the required form with a true copy of this Order and the Monitor's Certificate.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (as amended, the "BIA") in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the appointment of the Receiver or any interim receiver, trustee, administrator or other person appointed for the benefit of creditors (all such persons collectively referred to as "**Creditor Representatives**"),

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy or Creditor Representatives that have or may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor or Creditor Representatives, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other

applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, including, without limitation, the United States Bankruptcy Court for the District of Delaware, to give effect to this Order, and assist the Receiver, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver and the Monitor, as officers of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver and the Monitor in any foreign proceeding, or to assist the Receiver and the Monitor and their respective agents in carrying out the terms of this Order.

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**Schedule A – Form of Monitor’s Certificate**

Court File No. 09-8321-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES’ CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF INTERWIND CORP.**

**Applicant**

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Court dated July 28, 2010, the Court approved an asset purchase agreement made as of July 6, 2010 (the “**Purchase Agreement**”) between Interwind Corp. (formerly SkyPower Corp.) (the “**Debtor**”) and Borea Construction ULC (the “**Purchaser**”) and provided for the vesting in the Purchaser of all right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets, and (ii) that the conditions to Closing as set out in Article 6 of the Purchase Agreement have been satisfied or waived by the Receiver, on behalf of the Debtor, and the Purchaser.

B. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The Receiver, on behalf of the Debtor, and the Purchaser have each independently informed the Monitor that:

- (a) The Purchaser has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement; and
- (b) The conditions to Closing as set out in Article 6 of the Purchase Agreement have been satisfied or waived by the Debtor and the Purchaser.

2. This Certificate was delivered by the Monitor at ● [TIME] on ●, 2010.

**PricewaterhouseCoopers Inc.**, in its capacity as Monitor of Interwind Corp., and not in its personal capacity

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule B – Purchased Assets**

The assets listed on Exhibit 1 to this Schedule B.

The lease agreement between Terrawinds Resources Corp. (currently Interwind Corp.) and Ferme Janoel S.E.N.C. dated October 13, 2006 relating to the land on which Interwind Corp.'s Main Power Transformer 230 kV – 34.5 kV is situated.



Equipment Type	Specific Equipment	Description	Unit	Delivery Date	Qty	Item Cost	Original Cost
Wind Turbine Cables (GE) - PE010		Transformateur de puissance 210-34.5KV	un	10/16/2006	1	\$ 500,000.00	\$ 500,000.00
		Cables 1/C 750 MCM Copper, 35 KV, 133M	ft	11/21/2006	10,052.45	\$ 33.78	\$ 339,546.63
		Prismilan #PCT3514 750 micm 35KV Outdoor Termination with two hole lug	un		96	\$ 202.50	\$ 19,410.00
<b>ANCHOR BOLTS (NCA) - PC004</b>							
		Anchor Bolt for Rock Socket type foundation #10 - 3.0 Lp. 1 x 6'-2-3/4" coil thread rod as per ASTM 615, Gr. 75, 18" LH, TEE plus 2 pcs #10-3 coil thread full nut, Gr. 2 H per rod and 1 pc #10 harden flat washer - ASTM F436 per rod and 1 pc #10 59.5" PVC (SDR 21) tube per rod All unassembled, bundled (35 rods / bundle) delivered to jobsite in full truckloads.	un	9/15/2006	1,400	\$ 25.75	\$ 36,050.00
		Supply #10 Protection Rod End Cap and lubricant with cap and along the length of anchor rod prior to shipment.	un	9/15/2006	1,400	\$ 8.20	\$ 11,480.00
		3640 #10 - 3.0 Lp. 1 x 12'-9-1/2" coil thread rod as per ASTM 615, \$49.50/ each Gr. 75, 18" LH, TEE plus 2 pcs #10-3 coil thread full nut, Gr. 2 H per rod and 1 pc #10 harden flat washer - ASTM F436 per rod and 1 pc #10 138.5" PVC (SDR 21) tube per rod	un				
				9/21/2006	735	\$ 49.50	\$ 36,382.50
				9/21/2006	735	\$ 49.50	\$ 36,382.50
				9/21/2006	735	\$ 49.50	\$ 36,382.50
				11/10/2006	700	\$ 49.50	\$ 34,650.00
				9/21/2006	735	\$ 49.50	\$ 36,382.50
		EXTRA- Supply PVC Cap and grease in cap and along the sleeve	un	9/21/2006	3,640	\$ 12.00	\$ 43,680.00
						<b>TOTAL COST</b>	<b>\$ 13,322,208.59</b>

### Schedule C – Encumbrances

Any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind other than licenses of intellectual property, including but not limited to those security interests held by HSH Nordbank AG, New York Branch, as administrative agent and collateral agent on behalf of itself, Bayerische Landesbank, New York Branch and Union Bank of California, Canada Branch (n/k/a Union Bank, Canada Branch) and any charges granted by the Ontario Superior Court of Justice in these proceedings.

The following registrations in the Quebec Register of Personal and Movable Real Rights to which the Purchased Assets may be subject:

Registration No.	Secured Party	Secured Party Address
07-0728556-0001	HSH Nordbank AG, New York Branch	230 Park Avenue New York, New York 10169-0005, USA
08-0093844-0001	HSH Nordbank AG, New York Branch	230 Park Avenue New York, New York 10169-0005, USA
08-0093844-0002	HSH Nordbank AG, New York Branch	230 Park Avenue New York, New York 10169-0005, USA
09-0744192-0001	HSH Nordbank AG, New York Branch	230 Park Avenue New York, New York 10169-0005, USA

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERWIND CORP.**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER**

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS  
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Court File No.: 09-8321-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**MOTION RECORD  
(Returnable July 28, 2010)**

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