

DISTRICT OF: NOVA SCOTIA

DIVISION NO: 01 – HALIFAX

COURT NO: 2020 HFX NO. 501252

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
11016946 CANADA INC.**

AUGUST 24, 2023

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INTRODUCTION AND PURPOSE OF THIS REPORT

1. On January 13, 2023, the Business Development Bank of Canada ("**BDC**") filed a Notice of Motion (the "**Motion**") with the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") seeking an order (the "**Receivership Order**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as receiver and manager (the "**Receiver**") without security, of the assets, collateral and undertakings of 11016946 Canada Inc. ("**1101**") and certain real property located at 123-125 Prince William Street and 60 Water Street in Saint John, New Brunswick (the "**Property**"). As part of the Motion, BDC also requested that the Court grant an order (the "**Sale Process Order**") approving the sale and investment solicitation process ("**SISP**") as outlined in Deloitte's pre-filing report dated January 13, 2023 (the "**Pre-Filing Report**").
2. BDC's Motion was scheduled to be heard on January 27, 2023, but was adjourned until February 9, 2023. In the interim BDC and 1101 reached an agreement to provide the debtor with additional time to enact a transaction involving the Property (the "**Forbearance Agreement**").
3. As part of the Forbearance Agreement, 1101 consented to the appointment of Deloitte as Receiver if it was unable to close a sale transaction on or before March 31, 2023.
4. Between February and August 2023, the Forbearance Agreement was extended and amended on numerous occasions providing 1101 with additional time to enact a transaction.
5. On August 4, 2023 (the "**Appointment Date**"), at the request of BDC, the Court granted the Receivership Order.
6. The purpose of this report (the "**First Report**") is to provide information to the Court with respect to:
 - a) the Receiver's activities and the administration of the estate since the Appointment Date; and
 - b) the Receiver's recommendation that the Court approve the SISP and grant the Sale Process Order.

TERMS OF REFERENCE

7. In preparing this First Report, Deloitte has been provided with, and has relied upon, unaudited, draft and/or internal financial information and information from third-party sources (collectively, the "**Information**").

Except as described in this First Report:

- a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Audit Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
- b) Deloitte has prepared this First Report in its capacity as Receiver to provide background to the Court for its consideration of the relief being sought. Parties using this First Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.

8. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian Dollars.
9. This First Report has been prepared with reference to the Pre-Filing Report, which has been previously filed with the Court. A copy of the Pre-Filing Report is appended hereto as **Appendix A** for ease of reference.
10. Documents pertaining to the administration of the estate can be found on the Receiver's website at www.insolvencies.deloitte.ca/11016946CanadaInc.

ACTIVITIES OF THE RECEIVER

11. Since the Appointment Date, the Receiver's activities have included, but have not been limited to, the following:
 - a) issuing statutory notices pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* to the known creditors of 1101;
 - b) participating in discussions with the tenants currently occupying the Property;
 - c) engaging a third-party property manager for the Property;
 - d) arranging for insurance coverage over the Property;
 - e) participating in discussions with its legal counsel, BDC, and BDC's legal counsel;
 - f) attempting to locate the books and records of 1101, including participating in discussions with 1101's external accountant, 1101's former property manager, and 1101's principal; and
 - g) preparing for the commencement of the SISP. including, but not limited to the following:
 - i. developing a list of potential interested parties operating within the Atlantic Canada real estate and development industry; and
 - ii. updating marketing materials including advertisements, a one-page teaser (the "**Teaser**") and the sale and information package where appropriate.
12. At the date of the First Report, the Receiver has been unable to locate the books and records of 1101. The Receiver is of the opinion, however, that the lack of available books and records will not materially impede the Receiver's mandate to realize on the Property.

RECEIVER'S SISP

13. Prior to the Appointment Date, the Receiver, in consultation with its legal counsel, BDC and its legal counsel developed the SISP.
14. The Receiver's intended SISP was outlined in the Pre-Filing Report and includes the Receiver's proposed marketing plan (including digital and paper mediums), a sixty-day due diligence period, and a two phase offer review process whereby the Receiver will be able to evaluate bids received and negotiate with parties. Key dates reflected in the SISP are indicative in nature and will be updated and amended as necessary when the SISP is approved and launched. Additionally, a copy of the Tender Package as defined in the Pre-Filing Report is appended hereto as **Appendix B**.

15. The SISP sets out an eight week process for the marketing of the Property to prospective buyers. When combined with the sale efforts of 1101, the Receiver believes that this timeline is sufficient to allow interested parties the time required to perform adequate due diligence and to submit an offer. The SISP also includes a certain amount of flexibility that will allow the Receiver, in consultation with certain stakeholders, to extend the process should that be required. The Receiver is of the opinion that the SISP, as proposed, is transparent and well suited to maximize the realizations from the Property.
16. Accordingly, the Receiver recommends that the SISP be approved and the Sale Process Order be granted.

CONCLUSION

17. This First Report has been prepared to provide this Court with information regarding the Receiver's activities since the Appointment Date, and the Receiver's SISP and support for the Sales Process Order.
18. Based on the foregoing, the Receiver requests the Court grant the relief being requested in the form submitted by Receiver's counsel.

All of which is respectively submitted on August 24, 2023.

DELOITTE RESTRUCTURING INC.

Acting in its capacity as
Court Appointed Receiver of 11016946 Canada Inc.
and not in its personal capacity.

Per:



James Foran
Senior Vice President

FIRST REPORT OF DELOITTE RESTRUCTURING INC.
COURT NO: 2020 HFX NO. 501252
AUGUST 24, 2023

APPENDIX A
PRE-FILING REPORT

DISTRICT OF: NOVA SCOTIA
DIVISION NO: 01 – HALIFAX
COURT NO: 2020 Hfx No. 501252

PRE-FILING REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSED RECEIVER OF
11016946 CANADA INC.

JANUARY 13, 2023

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- APPENDIX B** – TEASER
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INTRODUCTION AND PURPOSE OF THIS REPORT

1. Deloitte Restructuring Inc. ("**Deloitte**") understands that an application has been made to the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") by the Business Development Bank of Canada ("**BDC**"), seeking an order (the "**Receivership Order**") appointing Deloitte as receiver and manager (the "**Receiver**") without security, of the assets, collateral and undertakings of 11016949 Canada Inc. ("**1101**") as defined within the Receivership Order.
2. In addition to the Receivership Order, Deloitte understands that BDC will be seeking an order approving a sale and investment solicitation process (the "**SISP**") to be conducted by the Receiver (if appointed) to realize upon the assets of 1101 as further discussed herein (the "**Sale Process Order**").
3. Deloitte initially consented to act as the Receiver of 1101 on September 28, 2020, and was retained by BDC to act as its financial consultant to review the operations and financial position of 1101 on December 4, 2020 (the "**Consulting Engagement**"). As part of the Consulting Engagement, Deloitte worked in conjunction with BDC, its legal counsel, 1101, and 1101's external accountant.
4. Deloitte is a licensed insolvency trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and has consented to act as Receiver in these proceedings in the event that the Court grants the relief sought by BDC. Deloitte has prepared this report (the "**Pre-Filing Report**") as proposed Court-appointed Receiver of 1101 (the "**Proposed Receiver**") in order to provide background to the Court for the pending receivership application and the relief being sought.
5. Deloitte has engaged McInnes Cooper to act as the Proposed Receiver's independent legal counsel.
6. The purpose of this Pre-Filing Report is to provide information to the Court with respect to:
 - a) The Proposed Receiver's understanding of 1101's current position and its consent to act as Receiver, should the Court see fit to grant the Receivership Order.
 - b) The Proposed Receiver's recommendation that the Court approve the SISP and grant the Sale Process Order.
 - c) The independent legal opinion evaluating the validity and enforceability of the BDC security prepared by the Proposed Receiver's independent legal counsel (the "**Security Opinion**").

TERMS OF REFERENCE

7. In preparing this Pre-Filing Report, Deloitte has been provided with, and has relied upon, unaudited, draft and/or internal financial information and information from third-party sources (collectively, the "**Information**").

Except as described in this Pre-Filing Report:

- a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Audit Standards ("**CAS**") pursuant to the

Chartered Professional Accountants Canada Handbook and, accordingly, the Proposed Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

- b) Deloitte has prepared this Pre-Filing Report in its capacity as Proposed Receiver to provide background to the Court for its consideration of the relief being sought. Parties using this Pre-Filing Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
8. Unless otherwise stated, all dollar amounts contained in this Pre-Filing Report are expressed in Canadian Dollars.
9. This Pre-Filing Report has been prepared with reference to the Affidavits of Linda Savoie and Matthew Golding sworn on January 4 and January 11, 2023 respectively (collectively the "**BDC Affidavits**"), copies of which have been be filed separately with the Court by BDC's legal counsel.
10. The Pre-Filing Report should be read in conjunction with the BDC Affidavits and the previously filed Court materials in this matter for further context and background regarding 1101 and the activities leading up to BDC's application for the Receivership Order.

1101's CURRENT POSITION

11. Deloitte's involvement in the 1101 proceedings commenced during the fall of 2020, initially as Proposed Receiver and subsequently as financial consultant under the Consulting Engagement. The Consulting Engagement concluded at the end of April 2021 when 1101 completed a sale and refinancing of the Nova Scotia properties (the "**Sale Transaction**"), resulting in the retirement of a significant portion of the BDC indebtedness.
12. Subsequent to the Sale Transaction, the BDC indebtedness was approximately \$1,000,000 and was secured against a commercial building located at 125 Prince William Street, Saint John, New Brunswick (the "**Property**").
13. During November 2022, Deloitte was re-engaged as financial consultant by BDC and participated in a number of discussions with representatives of BDC and its legal counsel and was provided with financial information relating to the Property.
14. At the date of this Pre-Filing Report, Deloitte understands that there are property tax arrears owing against the Property of approximately \$162,000, along with a potential excise tax liability that has yet to be quantified (which was identified during the Consulting Engagement) (collectively the "**Priority Charges**"), both of which form a priority ahead of the BDC indebtedness.
15. In addition to the Priority Charges, Deloitte understands that there are a number of registered judgments against the Property that rank behind the BDC indebtedness that will need be addressed in the event the Property is sold outside of a Court driven process.

16. The Proposed Receiver understands that 1101 had the Property listed for sale with a real estate broker at a value of \$1,200,000. The listing, however, did not generate significant interest, has now expired, and has not been renewed. Based on the prior listing price, and considering the Priority Charges and transaction costs, the Proposed Receiver believes BDC will likely incur a shortfall on any sale of the Property (prior to pursuing any personal guarantees).
17. 1101 has had a significant amount of time to market and sell the property. As 1101 has been unable to close a sale transaction, and the Priority Charges continue to increase, along with the BDC indebtedness, it is apparent that any sale of the Property will require a Court order to vest clear title to a purchaser.
18. Accordingly, the Proposed Receiver recommends that the Receivership Order be granted.
19. In the event the Court grants the Receivership Order, attached hereto as **Appendix A** is Deloitte's consent to act as Receiver.

PROPOSED RECEIVER'S SISP

20. The Proposed Receiver, in consultation with BDC, BDC's legal counsel, and the Proposed Receiver's own independent legal counsel, developed the SISP, taking into consideration the sale efforts previously undertaken by 1101 over the last year.
21. The SISP is designed to broadly market the Property to potential interested parties involved in the Atlantic Canada real estate and development industry, with a particular focus on those with existing properties in the New Brunswick market.
22. In preparation of the SISP, the Proposed Receiver has prepared a one page marketing document (the "**Teaser**"), a copy of which is attached hereto as **Appendix B**.
23. The Proposed Receiver has also commenced the preparation of an information package (the "**Tender Package**") designed to provide additional information regarding the opportunity and to solicit interest in the SISP. The Tender Package includes the following: a) sale process outline inclusive of due diligence and bid dates and b) standard form of offer on which bidders must submit their offers.
24. The Proposed Receiver will also create a virtual data room (the "**VDR**") that in addition to the Tender Package will contain financial and operating information relating to the Property, including material contracts. Access to the VDR will be made available to interested parties upon execution of a non-disclose agreement.
25. The Proposed Receiver also conducted research in order to identify potential parties who may be interested in participating in the SISP (the "**Interested Parties**"). Pending the approval of this Court, the Interested Parties will be provided with a copy of the Teaser and be invited to participate in the SISP.

26. An overview of the major steps and timelines of the proposed SISP is summarized in the table below:

Summary SISP Timeline		
Phase / Event	Indicative Date	Description of activities
Sale Process Order	Day 1	The Court grants the Sale Process Order approving the SISP.
Publication Notice	Day 4	<p>Within three business days after the Sale Process Order is granted, the Receiver will undertake to provide notice of the SISP by publishing a notice in certain newspapers and online mediums, including:</p> <ul style="list-style-type: none"> • Telegraph Journal; • Chronicle Herald – provincial edition; • Insolvency Insider; and • All Atlantic.
Teaser Release	Day 4	<p>Within three (3) business days after the Sale Process Order is granted, the Receiver will send the Teaser and the NDA to the Interested Parties.</p> <p>Parties who identify themselves to the Receiver as a result of the publication notice will be provided with copies of the NDA for execution.</p>
Due diligence period	Day 4 to Day 57	Upon execution of the NDA, SISP participants will be provided access to the VDR and be provided an opportunity to visit the Property.
Bid Deadline #1	Day 60	<p>To occur at 5:00PM Atlantic Standard Time on Day 60.</p> <p>Letters of intention to purchase the Property will be due at this time and the Receiver will undertake to review the offers received and clarify any terms therein.</p>

Summary SISP Timeline		
Phase / Event	Indicative Date	Description of activities
Bid Deadline #2	Day 74	To occur at 5:00PM Atlantic Standard Time on Day 74. Prospective bidders must deliver their final legally binding offers (the " Final Bids ").
Evaluation and selection of the successful bid	Day 74 to Day 88	Terms of all Final Bids will be clarified. The Receiver will review the Final Bids and determine whether any should be brought before the Court for approval (the " Successful Bid "). The Receiver will negotiate the terms of the Success Bid. The Successful Bid will be subject to approval of the Court.
Closing of any successful bid	Day 118	Closing to occur, unless another date is mutually agreed upon by the Receiver and the Successful Bidder or ordered by the Court.

27. The SISP sets out an eight week process for the marketing of the Property to prospective buyers. When combined with the sale efforts of 1101, the Proposed Receiver believes that this timeline is sufficient to allow interested parties the time required to perform adequate due diligence and to submit an offer. The SISP also includes a certain amount of flexibility that will allow the Receiver, in consultation with certain stakeholders, to extend the process should that be required.
28. The Proposed Receiver is of the view that the proposed SISP exposes the Property to the market for a reasonable time (particularly when considering the previous sales efforts of 1101), is transparent, and is designed to maximize the realizations from the Property.
29. Accordingly, the Proposed Receiver recommends that the SISP be approved and the Sale Process Order be granted.

SECURITY OPINON

30. In preparing this Pre-Filing Report, Deloitte engaged McInnes Cooper as independent legal counsel to undertake, among other things, a review of BDC's loan documents, including the security granted by 1101 in favour of BDC in connection therewith.
31. McInnes Cooper has provided Deloitte with the Security Opinion dated December 12, 2022, a copy of which is enclosed as **Appendix C**. The Security Opinion concludes that the BDC security is valid and enforceable against the Property.

CONCLUSION

32. This Pre-Filing Report has been prepared to provide this Court with information regarding the Proposed Receiver's support of the Receivership Order, the Proposed Receivers SISF and support for the Sales Process Order and the Security Opinion.
33. Based on the foregoing, the Proposed Receiver requests the Court grant the orders in the form submitted by BDC's counsel.

All of which is respectively submitted on January 13, 2023.

DELOITTE RESTRUCTURING INC.

Acting in its capacity as
Proposed Court Appointed Receiver of 11016946 Canada Inc.
and not in its personal capacity.

Per:



James Foran
Senior Vice President

PRE-FILING REPORT OF DELOITTE RESTRUCTURING INC.
COURT NO: 2020 Hfx No. 501252
JANUARY 13, 2023

APPENDIX A
DELOITTE'S CONSENT TO ACT

January 13, 2022

Via email

Linda Savoie
Senior Account Manager, Special Accounts
Business Development Bank of Canada
1234 Main Street,
Moncton, NB E1C 1H7

Dear Ms. Savoie,

Subject: 11016946 Canada Inc. ("1101")

We understand that the Business Development Bank of Canada intends to make an application to the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") for an order (the "**Receivership Order**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as the Court Appointed Receiver/Manager (the "**Receiver**") of 1101.

Deloitte consents to act as the Receiver pursuant to the draft Receivership Order provided to the Court.

Sincerely,

DELOITTE RESTRUCTURING INC.

Per:



James Foran
Senior Vice President

c: Sara Scott (Stewart McKelvey)

PRE-FILING REPORT OF DELOITTE RESTRUCTURING INC.
COURT NO: 2020 Hfx No. 501252
JANUARY 13, 2023

APPENDIX B
TEASER

Asset Sale Process

Five level commercial property located in historic downtown Saint John, New Brunswick

Deloitte Restructuring Inc. ("Deloitte"), in its capacity as Court Appointed Receiver (the "Receiver") of 11016946 Canada Inc. ("1101"), is soliciting interest from parties interested in purchasing the asset (the "Property") further described below.

Asset Overview

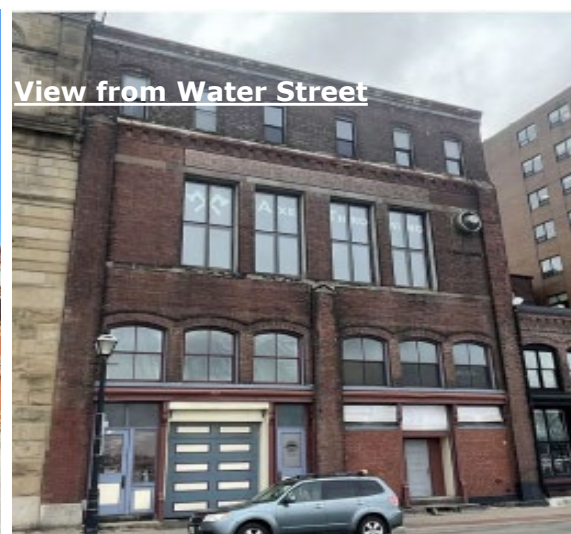
A 17,467 sq/ft property located in Saint John, New Brunswick:

The Property, commonly referred to as the Bank of New Brunswick building, is located within the Trinity Royal Heritage Conservation Area of the City of Saint John and is a designated heritage building.

The Property is easily accessible with entryways located at both 123-125 Prince William Street and 60 Water Street and parking is available across from 60 Water Street. Leases are in place for the majority of three commercial floors with Woodchucks Axe Throwing and Loyalist City Brewing.



View from Prince William Street



View from Water Street

Proposed Transaction and Timeline

The Receiver is seeking proposals from parties interested in purchasing the Property described herein.

Upon execution of a non-disclosure agreement ("**NDA**"), interested parties will be provided access to a virtual data room which will contain a copy of the tender package and further information regarding the Property and the sale process.

Interested parties will also be provided with an opportunity to visit the Property during the Transaction Process period.

The proposed transaction will be subject to approval from the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") and the Receiver will make an application to the Court for approval of the sale upon completion of the Transaction Process.

Transaction Process	Indicative Timeline
Circulation of teaser	Day 4
Circulation of tender package	Upon execution of NDA
End of diligence period	Day 57
First bid deadline	Day 60
Final bid deadline	Day 74
Final negotiations and application to Court for approval of sale	On or before Day 118

Recipients of this document interested in participating in the Transaction Process must provide a fully executed NDA to the Receiver before further information will be made available. Inquiries regarding the Transaction Process should be directed only to the following:



Deloitte Restructuring Inc.
 Queen's Marque
 1741 Lower Water Street,
 Suite 800
 Halifax, Nova Scotia B3J 0J2

Ian Lewis
 Senior Associate
 902-721-5540
 ilewis@deloitte.ca

PRE-FILING REPORT OF DELOITTE RESTRUCTURING INC.
COURT NO: 2020 Hfx No. 501252
JANUARY 13, 2023

APPENDIX C
SECURITY OPINION



Anthony (Tony) M. Tam, K.C.
Direct +1 (902) 444 8439
anthony.tam@mcinnescooper.com

Purdy's Wharf Tower II
1300-1969 Upper Water Street
PO Box 730
Halifax NS
Canada B3J 2V1
Tel +1 (902) 425 6500 | Fax +1 (902) 425 6350

Our File: 192164

December 12, 2022

BY EMAIL

James Foran
Partner | Financial Advisory
Deloitte Restructuring Inc.
Suite 800 1741 Lower Water Street Halifax NS B3J 0J2

Dear Mr. Foran;

Re: Review of security held by Business Development Bank of Canada against 11016946 Canada Inc.

In connection with the proposed appointment of Deloitte Restructuring Inc. ("**Deloitte**"), as receiver of 11016946 Canada Inc. ("**Company**"), you have asked us to review certain security granted to Business Development Bank of Canada ("**BDBC**") and advise:

- (i) if there are any deficiencies in the form or registration of the security documents; and
- (ii) if the security documents are otherwise valid and enforceable.

CONCLUSION

Subject to the assumptions and qualifications contained in Schedule "A" attached hereto and the limitations set forth herein, each of the Security Documents (as hereinafter defined) in favour of BDBC are in order and appears to be valid, binding and enforceable in accordance with their terms subject to the following:

1. The Assignment of Rents dated August 29, 2019 is incomplete and has not been recorded under the Land Titles system of New Brunswick against the lands identified Parcel 55176598. However, the Optional Covenant BDBC-483 to the recorded Mortgage dated August 29, 2019 in the amount of \$4,500,000 contains an assignment of rents and leases as collateral security to the Mortgage-\$4,500,000. The rents and leases are assigned and secured to BDBC as security in respect of Parcel 55176598 under the said mortgage.

2. The Collateral Mortgage executed June 20, 2022 is subject to prior registered mortgages and judgments as described herein.
3. The General Security Agreement dated March 21, 2021 granted by the Company to BDBC is subject to the prior registrations to the Bank of Montreal and CWB National Leasing Inc. as described herein.

BACKGROUND

According to the records maintained by the Registry of Joint Stock Companies of Nova Scotia, we can advise of the following with respect to Company:

Entity	Corporate Information	Current Officers and Directors
11016946 Canada Inc.	<p>Corporation incorporated under the Canada Business Corporations Act on October 1, 2018</p> <p>Extra-provincial registered under the laws of Nova Scotia on February 6, 2019 Registered office: 1801 HOLLIS STREET, 300, HALIFAX, NOVA SCOTIA, B3J 3N4, CANADA</p>	Ian Cousins-Director

THE SECURITY DOCUMENTS

We have reviewed copies of certain documents provided to us by and the solicitors for BDBC. The documents referred to in paragraphs 1 to 4 below are collectively referred to as the "**Security Documents**". Our review of the Security Documents and our conclusions are as follows:

1. Letter of Offer

Letter of Offer issued by BDC dated August 23, 2019 ("**Loan Offer**") and accepted by Company on August 26, 2019 in relation to a loan to the Company in the amount of \$4,500,000 ("**Loan**").

- Mortgage on 3600 Kempt Rd, Halifax, 22 Waddell, Dartmouth, Nova Scotia and 123-125 Prince William Road, Saint John, New Brunswick
- Assignment of rents
- Guarantee-Ian Cousins for 20% of the loan amount
- Assignment of Vendor loan

The Loan offer sets out the terms of repayment of the Loan.

The Offer appears to be in order.

2. Directors Resolution

Resolution of Directors dated August 29, 2019 authorized the granting of security in relation to the loan for \$4,500,000 from BDBC.

The Resolution of Directors appears to be in order.

3. Mortgages-**(a) Mortgage Parcel 55176598**

Mortgage executed August 29, 2019 ("**Mortgage \$4,500,000**") granted to BDBC in the amount of \$4,500,000 and recorded on September 17, 2019 as Number 39427795 under the *Land Titles Act* (New Brunswick) against the property identified as Parcel 55176598 and known as 123-125 Prince William Road, Saint John, New Brunswick. The terms of repayment are referenced as contained in the offer of financing. We assume this is the Loan Offer above noted.

Our search of the New Brunswick land titles registration system as of December 9, 2022 confirmed the following recorded encumbrances against the said property:

Encumbrance	Holder	Recording
Easement	PID 0001429	Feb. 10, 1873 as No. 40077 Oct. 13, 1873 as No. 40872 May 5, 2019 as No. 34841966,
Mortgage	Business Development Bank of Canada	Oct. 17, 2017as No. 37475408
Assignment of rents	Business Development Bank of Canada	Oct. 17, 2017as No. 37482123
Mortgage	Business Development Bank of Canada	September 17, 2019 as Number 39427795
Judgment	Lisa Beddow	March 20, 2020 as No. 39949442
Judgment	441515 Ontario Ltd. Frederick Hamilton	Aug. 9, 2022 as No. 42967084

We have not checked the status of property taxes.

Comment: The Mortgage \$4,500,000 appears to be in order but ranks behind the prior registered encumbrances as noted above in respect of the property charged by the Mortgage \$4,500,000.

(b) Collateral Mortgage Parcels 55211189, 55211197, 55211205, 55211213, 55211221 and 55211239

Collateral Mortgage Form 15.1 executed June 20, 2022 ("**Collateral Mortgage**") granted to BDBC as collateral security for the obligations of the Company under the Forbearance

Agreement as defined therein in Schedule "D" and for payment of all debts and liabilities of the Company to BDBC as defined therein in Schedule "D".

The Collateral Mortgage was recorded on September 16, 2022 as Number 43112169 under the *Land Titles Act* (New Brunswick) charging the following properties:

Parcel Identifier	Address in Saint John, New Brunswick
55211189	30 Pokiok Road
55211197	28 Pokiok Road
55211205	26 Pokiok Road
55211213	24 Pokiok Road
55211221	22 Pokiok Road
55211239	20 Pokiok Road

Our search of the New Brunswick land titles registration system as of December 9, 2022 confirmed the following recorded encumbrances against Parcels 55211189, 55211197, 55211205, 55211213, and 55211221:

Encumbrance	Holder	Recording
Easement	Aliant Telecom Inc. Power Commission City of Saint John	March 2, 2011 as No. 29852150
Mortgage	Bank of Montreal	Nov. 22, 2018 as No. 38606480
Assignment of rents	Bank of Montreal	Nov. 27, 2018 as No. 38620911
Mortgage	441515 Ontario Ltd.	Dec. 3, 2018 as No 38639259 Assignment by No. 38995479 on May 3, 2019
Judgment	Lisa Beddow	March 20, 2020 as No. 39949442
Collateral Mortgage	Business Development Bank of Canada	September 16, 2022 as Number 43112169

Our search of the New Brunswick land titles registration system as of December 9, 2022 confirmed the following prior recorded encumbrances against Parcel 55211239:

Encumbrance	Holder	Recording
Easement	Aliant Telecom Inc. Power Commission	March 2, 2011 as No. 29852150

	City of Saint John	
Mortgage	Bank of Montreal	Nov. 22, 2018 as No. 38606480
Assignment of rents	Bank of Montreal	Nov. 27, 2018 as No. 38620911
Mortgage	Frederick Allan Hamilton.	Dec. 3, 2018 as No 38639440 Assigned by 441515 Ontario Ltd. by No. 38899495 on May 3, 2019
Judgment	Lisa Beddow	March 20, 2020 as No. 39949442
Collateral Mortgage	Business Development Bank of Canada	September 16, 2022 as Number 43112169

We have not checked the status of property taxes.

Comment: The Collateral Mortgage appears to be in order but subject to the prior registered encumbrances as noted above in respect of the properties charged by the Collateral Mortgage.

(c) Assignment of Rents

An Assignment of Rents dated August 29, 2019 ("**Assignment of Rents**") that grants to BDBC a security interest on all rents and monies due and payable under existing and future leases to the "Lands and Premises" described in Schedule "A" subject to the "Mortgage". The recital to this Assignment refers to a "Mortgage" dated August 29, 2019 and registered in the Halifax Land Registration Office to secure payment of \$4,500,000.00. No such "Mortgage" is registered in the Halifax Land Registration Office granted by the Company. We presume that the Mortgage \$4,500,000 is the mortgage intended to be connected to the Assignment of Rents. The Assignment of Rents provided referred to the "Lands and Premises" described in Schedule "A" but none was provided with the copy of the mortgage. We requested BDBC's lawyer to provide the Schedule "A" but BDBC does not have a copy.

Our review of the title to Parcel 55176598 disclosed only an assignment of rents to BDBC recorded on October 17, 2017 as No. 37482123. In our view, this recording does not support the Assignment of Rents.

Comment: The Assignment of Rents is incomplete without the description of the lands in Schedule "A". and it has not been recorded against the lands identified as Parcel 55176598. However, the Optional Covenant BDBC-483 to the Mortgage-\$4,500,000 contains an assignment of rents and leases as collateral security to the Mortgage-\$4,500,000. In our view, notwithstanding that the Assignment of Rents is incomplete and unrecorded, the rents and leases are assigned to BDBC as security in respect of Parcel 55176598 under the Mortgage-\$4,500,000.

(d) General Security Agreement

General Security Agreement dated March 21, 2021 ("**GSA-Company**") that grants to BDBC a security interest all present and after acquired personal property of Company and appears to have been signed by the President, Ian Cousins. We cannot tell by the copy provided if the signature was under the corporate seal of the Company as noted in the GSA-Company. In our

view the omission of the seal should not invalidate the GSA-Company because the Directors Resolution of Directors dated August 29, 2019 authorized the granting of security in relation to the loan for \$4,500,000 from BDBC.

Our search under the *Personal Property Security Act* (“PPSA”) of New Brunswick as of December 9, 2022 confirmed the following filings against Company:

Secured Creditor	Registration Details	Collateral
Bank of Montreal	Nov. 14, 2018 as No.31440563, expiring Nov. 14, 2023	All present and after acquired personal property, and all proceeds thereof
CWB National Leasing Inc.	July 30, 2020 as No. 33979675 expiring July 30, 2027	Air purification systems and heat pumps
Business Development Bank of Canada	March 22, 2021 as No. 34949248 expiring March 22, 2045	All present and after acquired personal property

Our search under the PPSA of Nova Scotia as of December 9, 2022 confirmed the following filings against Company:

Debtor	Registration Details	Collateral						
Bank of Montreal	Oct. 16, 2018 as No.30243323, expiring Oct. 16, 2023	All present and after acquired personal property, and all proceeds thereof						
CWB National Leasing Inc.	July 30, 2020 as No. 33135906 expiring July 30, 2027	Air purification systems and heat pumps						
Business Development Bank of Canada	March 22, 2021 as No. 34207621 expiring March 22, 2045	All present and after acquired personal property						
The Bank of Nova Scotia	Oct. 4, 2019 as No. 31873300 expiring Oct. 4, 2027	<table border="1"> <thead> <tr> <th>Serial Number</th> <th>Collateral Type</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1C6SRFLTXXN703819</td> <td>Motor Vehicle</td> <td>2019 Ram 1500</td> </tr> </tbody> </table>	Serial Number	Collateral Type	Description	1C6SRFLTXXN703819	Motor Vehicle	2019 Ram 1500
Serial Number	Collateral Type	Description						
1C6SRFLTXXN703819	Motor Vehicle	2019 Ram 1500						

The GSA -Company is supported by the filings as noted above on March 22, 2021 and appears to be in order but subject to the prior registrations to the Bank of Montreal and CWB National Leasing Inc.

(e) Postponement of Debt-No Interest

Postponement of Debt-No Interest dated August 29, 2019 between Vida Living (2019) Inc. and 698617 N.B. Inc., as “Creditor”, the Bank and the Company whereby the Creditor postponed all of its interest in any security interest of the Bank in relation to the \$4,500,000 loan made by the

Bank to the Company and agreed the said loan takes precedence to the Creditor claims of for repayment of \$700,000 due to the Creditor.

Comment: The Postponement of Debt-No Interest appears to be in order.

(f) Personal guarantee from for 20% of the outstanding loan balance

The personal guarantee dated August 29, 2019 (the "**Guarantee**") appears to have been signed by Ian J. Cousins for payment of the debt of the Borrower to BDC limited to 20% of the outstanding loan balance on the date of demand.

The Guarantee includes a signed Solicitor's Certificate of Mark J. Charles, which certifies that the guarantor has read and understood the Guarantee and that the solicitor ascertained that the guarantor received independent legal advice where necessary.

Comment: The Guarantee appears to be in order.

SCOPE OF REVIEW

With the exception of obtaining printouts of information records from the respective government registries and offices and conducting the searches referred to in this letter we have not examined the records in any registry and have not determined or commented on the priority of any of the above security, nor have we conducted any off-title real property inquiries, property tax inquiries or statutory lien investigations, therefore, express no opinion as to the status of any possible statutory liens that may affect the property of the companies subject to this review.

Yours very truly,



Anthony Tam, K.C.

Schedule "A"

Assumptions and Reliance

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

- (a) the genuineness of all signatures, the legal capacity of individuals signing any documents, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, confirmed, telecopied or photocopied copies;
- (b) that all facts set forth in official public records and certificates and other documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate;
- (c) the accuracy and completeness of the indices maintained at the registries referred to herein and the accuracy and completeness of the information available from the Personal Property Registry through the search program;
- (d) that the formalities for execution by each party required by the law of the place of execution of each of the Security Documents have been complied with;
- (e) that each of the parties to the Security Documents has been duly incorporated or otherwise formed, as the case may be, under the laws of the jurisdiction of its incorporation or formation and has the capacity to give the security to BDBC and has taken all necessary steps to do so; and
- (f) that each of the Security Documents has been duly authorized, executed and delivered by each of the parties thereto.

Qualifications

The opinions expressed herein are subject to the following qualifications:

- (a) we express no opinion as to priority or ranking of the Security Documents;
- (b) we express no opinion as to any documents referred to or incorporated by reference in the Security Documents;
- (c) the enforceability of the Security Documents is or may be subject to or limited by:
 - (i) applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws in effect from time to time affecting the rights of creditors generally;
 - (ii) the availability of equitable remedies, including, without limitation, specific performance and injunctive relief, is subject to the discretion of the court before which any proceedings therefor may be brought;

- (iii) applicable laws relating to limitations of actions and limiting the rate of interest on judgments; and
- (iv) general principles of equity and common law or statutory requirements with respect to reasonableness, good faith and fair dealings;
- (d) the PPSA may affect the enforcement of certain remedies contained in the Security Documents to the extent that those remedies are inconsistent with or contrary to the provisions of the PPSA; and,
- (e) we have not verified the existence of any of the collateral described in the Security Documents and express no opinion as to ownership of or title to any of the collateral.

FIRST REPORT OF DELOITTE RESTRUCTURING INC.
COURT NO: 2020 HFX NO. 501252
AUGUST 24, 2023

**APPENDIX B
TENDER PACKAGE**



Sale and Information Package

11016946 Canada Inc.

Deloitte Restructuring Inc.

Acting in its capacity as
Court Appointed Receiver and Manager of 11016946 Canada Inc.
and not in its personal capacity

1741 Lower Water Street, Suite 800
Halifax, NS B3J 0J2
Attention: Ian Lewis

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Invitation for offers

On August 4, 2023 (the "**Appointment Date**"), the Supreme Court of Nova Scotia in Bankruptcy and Insolvency granted an order (the "**Receivership Order**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as the Receiver and Manager (the "**Receiver**") without security, of the assets, collateral, and undertakings of 11016946 Canada Inc. ("**1101**" or the "**Company**") and certain real property of 1101 (the "**Property**"), as more fully described in the Receivership Order.

Sealed offers for the purchase of the Receiver's interest in the Property (as outlined in **Appendices A and B** contained herein) of 1101 will be received by Deloitte, in its capacity as Receiver, until **5:00 p.m. (AST) on Friday, [TBD]**. Deloitte is accepting offers on the Property located at 123-125 Prince William Street and 60 Water Street in Saint John, New Brunswick E2L 2B4 as further described in **Appendix C** here in.

The Property is commonly referred to as the Bank of New Brunswick building, is located within the Trinity Royal Heritage Conservation Area of the City of Saint John and is a designated heritage building. The Property is easily accessible with entryways located at both 123-125 Prince William Street and 60 Water Street and parking is available across from 60 Water Street. Leases are in place for the majority of the three commercial floors with Woodchucks Axe Throwing and Loyalist City Brewing.

This sale and information package (the "**Sale and Information Package**") is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined herein. The Receiver does not assume responsibility or liability for losses occasioned to any parties as a result of the circulation, publication, reproduction, or use of this Sales and Information Package.

The information provided herein was obtained from the books and records of 1101 and information compiled since Deloitte's appointment as Receiver. The information is being provided for the sole use of prospective purchasers in considering their interest in acquiring the Property discussed herein and does not purport to contain all of the information that a prospective purchaser may require. Prospective purchasers should conduct their own investigations and due diligence on the Property and the information contained in this Sale and Information Package. The Receiver specifically notes that it has not independently verified or audited any of the information contained herein. The Receiver provides no representation or warranty as to the accuracy or completeness of the information contained in this Sale and Information Package and shall have no liability for any representations expressed or implied herein, or for any omissions from this Sale and Information Package or for any other written or oral communication transmitted to prospective purchasers in the course of their evaluation of the assets. Under no circumstances shall any of 1101 employees or former employees be contacted directly or indirectly by any potential bidder: (i) to answer any questions regarding the possible acquisition of the Property; or (ii) to request additional information.

The Property is being offered for sale on an "as is, where is" basis. The Receiver makes no representations, expressed or implied, as to the description, condition, size, quantity, or value. Any purchaser will be asked as a condition of sale to sign an acknowledgement that they have inspected and satisfied themselves as to the condition of the Property.

The Terms and Conditions of Sale are detailed later in this Sale and Information Package, along with the following key dates for the process:

Event	Timing
Asset viewings	By appointment during the following period: [TBD]
Offer deadline	5:00 p.m. AST on [TBD] Legally binding offers to purchase (as outline in Appendix B) must be delivered to the Receiver prior to the deadline outlined above.
Closing date	On or before ten (10) business days after the granting of a Sale Approval and Vesting Order by the Court or such other time as may be agreed by the Purchaser and the Receiver. Any extension of the Closing Date will be at the sole discretion of the Receiver.

The highest or any offer need not be accepted by the Receiver. Offers shall be subject to the Terms and Conditions of Sale which shall be deemed to form part of the offer.

To arrange to view the Property, please contact Ian Lewis by phone at (902) 721-5540 or by email at ilewis@deloitte.ca.

Appendix A - Terms and Conditions of Sale

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as Court appointed receiver and manager (the "**Receiver**") of 11016946 Canada Inc. ("**1101**") and not in its personal capacity, is offering for sale herein its interest, if any, in the property located at 123-125 Prince William Street and 60 Water Street in Saint John, New Brunswick owned by 1101 (the "**Property**") on the following terms and conditions:

Offers

1. The Property is being offered for sale on an "as is, where is" without recourse basis and with no representations or warranties from the Receiver or any other party as to title, encumbrances, description, fitness for use, condition (environmental or otherwise), defect (patent or latent), collectability, merchantability, quantity, quality, value or the validity, invalidity, or enforceability of any patent, copyright or trademark right, or any other matter or thing whatsoever, either stated or implied.
2. All offers made for the Property (the "**Offers**") must be submitted by completing the form of Offer to Purchase attached hereto (**Appendix B**). Sealed envelopes marked "**OFFER – 11016946 Canada Inc.**" shall be delivered or mailed, postage prepaid, to the Receiver at the following address:

1741 Lower Water Street, Suite 800
Halifax, Nova Scotia, B3J 0J2
Attention: Ian Lewis

In addition, please submit electronic copies of Offers via email to Ian Lewis at ilewis@deloitte.ca.

The Offers must be received by **5:00 p.m. (AST) on [TBD]** (the "**Offer Deadline**"). Offers that do not strictly comply with these Terms and Conditions of Sale may, at the absolute discretion of the Receiver, be rejected for that reason alone.

3. All Offers must be accompanied by a bank draft or certified cheque, in each case drawn on a Canadian Chartered Bank or Credit Union, payable to "Deloitte Restructuring Inc., in Trust", in an amount equal to fifteen percent (15%) of the offered purchase price for the Assets (the "**Deposit**").
4. The Property is more particularly described in **Appendix C**.
5. Each party making an offer (the "**Offeror**") must rely on its own judgment, inspection, and investigation of the Property . Each Offeror acknowledges and agrees that it has had a full opportunity to conduct, and has conducted, such tests, examinations, inspections, and investigations as it deems necessary or advisable to fully acquaint itself with the Property, its fitness for particular purpose, location, existence, condition, quality, quantity, merchantability, suitability for intended purpose and with any other attributes that the Offeror considers relevant.
6. Viewing of the Property will be by appointment only. Appointments can be made by contacting Ian Lewis by phone at (902) 721-5540 or by email at ilewis@deloitte.ca.
7. The submission of any Offer to the Receiver shall constitute an acknowledgement and an acceptance by the Offeror of the terms of the Offer to Purchase, and the Terms and Conditions of Sale.
8. Offerors will have until the expiration of the Offer Deadline to proceed with further due diligence.
9. Each Offeror acknowledges that it has had the opportunity to consult with, and has consulted with, its own independent legal counsel prior to making the Offer.

10. Any Offer accepted by the Receiver will be subject to approval by the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**"). The Order respecting Court approval shall be in a format acceptable to the Receiver.

Sale Process

11. The Receiver reserves the right to amend or terminate this sale process, or to withdraw or amend the Property, at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to the Offeror shall be to inform the Offeror of the withdrawal or amendment. With respect to the termination of the sales process, the sole obligation of the Receiver to the Offeror shall be to return any Deposit it has received without interest or deduction.

Acceptance of Offers

12. The Receiver shall be entitled to accept Offers prior to the Offer Deadline.
13. Each Offeror acknowledges that the Receiver is not obligated to accept any Offer and the highest Offer shall not necessarily be accepted. The Receiver reserves the right to reject any or all Offers without explanation.
14. After receipt of the Offers, the Receiver may, in its sole discretion, negotiate with any Offeror to seek clarification and negotiate further with any Offeror in respect of any Offer. The Receiver shall not be obliged to negotiate with any Offeror or give any Offeror the opportunity to resubmit an Offer, whether or not the Receiver negotiates with other Offeror(s).
15. Upon submission of an Offer to the Receiver, no Offeror shall be entitled to retract, withdraw, vary or amend the Offer prior to acceptance or rejection thereof by the Receiver, without the prior written consent of the Receiver.
16. Deposits accompanying Offers that are not accepted by the Receiver shall be returned without interest thereon by prepaid registered mail or courier to the unsuccessful Offeror at the address set forth in the Offer, as soon as reasonably possible after the Offer Deadline.
17. Upon the acceptance of an Offer from an Offeror (the "**Purchaser**") in writing by the Receiver:
 - a. the Receiver will apply to the Court for a sale approval and vesting Order (the "**Sale Approval and Vesting Order**"), in a form acceptable to the Receiver which will, amongst other things, vest title to the Property in the Purchaser free and clear of any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, or otherwise excepting utility caveats;
 - b. the closing date shall be established as the earlier of ten (10) business days after the granting of a Sale Approval and Vesting Order by the Court, or such other date as agreed to by the Receiver and the Offeror (the "**Closing Date**"); and
 - c. the Deposit made by the Purchaser shall be non-refundable, except as set out herein.
18. If the sale contemplated is completed, the Purchaser's Deposit will be applied, without interest, against the purchase price.
19. If an Offer is accepted by the Receiver, but the sale of the Purchased Assets is not completed as a result of any act or omission on the part of the Purchaser, the Purchaser's Deposit shall be forfeited to the Receiver as a genuine pre-estimate of liquidated damages and not as a penalty. Furthermore, the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser.

20. The Property shall remain at the risk of the Receiver until the Closing Date. The Property thereafter shall be at the risk of the Purchaser. Until the closing, the Receiver shall hold all insurance policies or proceeds thereof in trust for the parties as their interests may appear and, in the event of substantial damage to the Property, the Purchaser may either have the net proceeds of the insurance and complete the transaction or may cancel the transaction and have all monies theretofore paid returned without interest, cost or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obliged to complete the transaction and be entitled to the net proceeds of insurance referenced to such damage.
21. The Offeror shall cause to be paid and delivered to the Receiver on the Closing Date the offered purchase price plus any applicable goods and services tax and any other applicable taxes. These amounts shall be paid to the Receiver on the Closing Date by certified cheque, bank draft or wire, in each case drawn on a Canadian Chartered Bank or Credit Union by the Purchaser. After payment the Purchaser shall take delivery and possession of the Purchased Assets on an "as is and where is" basis on the Closing Date, without recourse to the Receiver or its respective employees, servants and agents.
22. Without limitation, the Property shall be as they exist on the Closing Date with no adjustments to be allowed to the Purchaser for changes in condition, qualities or quantities from the date of viewing to the Closing Date. The Purchaser acknowledges and agrees that the Receiver shall not be required to inspect the Property or any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspection and investigation.
23. The Purchaser acknowledges that no right, duty, or liability, express or implied, pursuant to the *Sale of Goods Act* (Nova Scotia) or similar legislation in other jurisdictions, shall apply hereto and all of the same are hereby expressly waived by the Purchaser.
24. The Purchaser agrees that all the insurance maintained by the Receiver in respect of the Property shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.
25. The Purchaser shall indemnify the Receiver and hold the Receiver harmless against and from all losses, costs, damages and expenses which the Receiver may sustain, incur or be or become liable for by reason of or arising from any operations of the Purchaser in relation to the Property.
26. At the Closing Date, the Purchaser shall be entitled to such deeds or assignments as may be considered necessary by the Receiver to convey the Property to the Purchaser provided that the Purchaser shall remain liable notwithstanding any assignment thereof by the Purchaser. Any such deeds or assignments shall contain only a release of the Receiver's interest in the Property and shall not contain any covenant other than a covenant that the Receiver has not done any act to encumber the Property. The Receiver shall not be required to produce any abstract of title, title deeds or documents thereof or any evidence as to title, other than those in its possession.
27. If Court approval of any sale transaction in a form satisfactory to the Receiver is not obtained, the contemplated purchase shall be deemed terminated and the Deposit accompanying the Offer shall be returned to the Purchaser without interest as soon as reasonably practicable.
28. The Offeror and the Receiver mutually agree to do all such further acts and execute all such further documents and instruments as may reasonably be necessary or convenient to give full effect to the sale transaction.

General

29. Deloitte is acting solely in its capacity as Receiver of 1101, and not in its personal capacity, and Deloitte (and its employees, servants and agents) shall have no liability whatsoever in any way related to the Sale and Information Package, the Offer to Purchase, the Terms and Conditions of Sale, or in any way related to the Property (as these terms are defined herein), whether in contract, in tort,

under statute or otherwise.

30. All stipulations as to time are strictly of the essence.
31. The Sale and Information Package, the Offer to Purchase, and the Terms and Conditions of Sale, shall be governed by and construed in accordance with the laws of Canada and the laws of the Province of Nova Scotia, as such may be applicable, and the Offeror hereby irrevocably attorns to the jurisdiction of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency.

DATED at Halifax, Nova Scotia this ^[TBD] day of [TBD].

DELOITTE RESTRUCTURING INC.

In its capacity as
Court appointed Receiver and Manager of 11016946 Canada Inc.
and not in its personal capacity.

Appendix B – Offer to Purchase

Deloitte Restructuring Inc. Court appointed Receiver and Manager of 11016946 Canada Inc.

OFFER TO PURCHASE

**TO: DELOITTE RESTRUCTURING INC.
COURT APPOINTED RECEIVER AND MANAGER OF 11016946 CANADA INC.**
1741 Lower Water Street, Suite 800
Halifax, Nova Scotia, B3J 0J2
Attention: Ian Lewis

1. Name of Offeror: _____
2. Address of Offeror: _____
3. Telephone and fax: _____
4. E-mail address: _____

The undersigned acknowledges having received and reviewed the Terms and Conditions of Sale ("**Terms and Conditions**") pertaining to the sale of the Property, that the Offeror has inspected and satisfied themselves as to the condition of the Property, and that this Offer is submitted pursuant to the said Terms and Conditions and the undersigned agrees to be bound thereby as if the same were set out herein as part of this Offer.

Parcel 1 – En bloc	Offer in Canadian dollars (excluding any applicable taxes)
Offer Price	\$ _____
Deposit enclosed (15%)*	\$ _____

* All deposits must be made by certified cheque or bank draft payable to "Deloitte Restructuring Inc., in Trust".

DATED at the City of _____ in the Province/State of _____

this _____ day of _____, 2023.

Signature of Offeror: _____

Appendix C – Asset overview

General:

Description	
Civic address	123-125 Prince William Street and 60 Water Street, Saint John, New Brunswick
Parcel Identification Number	PID 55176598
Land Area	5,640 sq ft
Gross floor area	17,694 sq ft
Tax assessment (2022)	\$1,012,700 (PAN 4486923)
Property taxes, annual (2022)	\$48,816.19
Zoning	CU – Uptown Commercial
County	Saint John

Exterior:

Description	
Foundation	Masonry foundation on stone base
Framing	Masonry construction
Walls	Freestone (Prince William Street elevation and brick)
Roof	Flat style roof with tar and gravel finish
Windows	Mostly wood framed windows
Doors	Wooden and steel doors/wooden overhead door to Water Street
Decks/Balconies	Older metal fire escapes

Interior:

Description	
Floors	Concrete floor to lowest level. Wooden floors to upper levels. Mix of floor coverings (mostly laminate and carpet with some tile and wood). Some uncovered floors to lowest level and top floor.
Walls	Mostly painted gypsum board and painted plaster. Some wooden finishes and wood panels.
Ceiling	Painted gypsum board, painted plaster and acoustical tile.

Accommodations:

Description

Lowest Level	Brewery/Entryway to restaurant level/utility room
Level below Prince William Street	Former restaurant with dining rooms, washrooms, preparation kitchen and secondary kitchen area. Utility Area. This area is rented as storage and workspace for the brewery and axe throwing bar.
First level	Entry, office with private washroom, axe throwing bar, two washrooms and storage.
Second level	Bar area.
Third level	Six offices, washroom, meeting room, lunchroom, storage areas, unfinished space. This level is current unused.

Photographs:

View from Prince William Street



View from Water Street



Main entrance



Tenant #1



Tenant #2



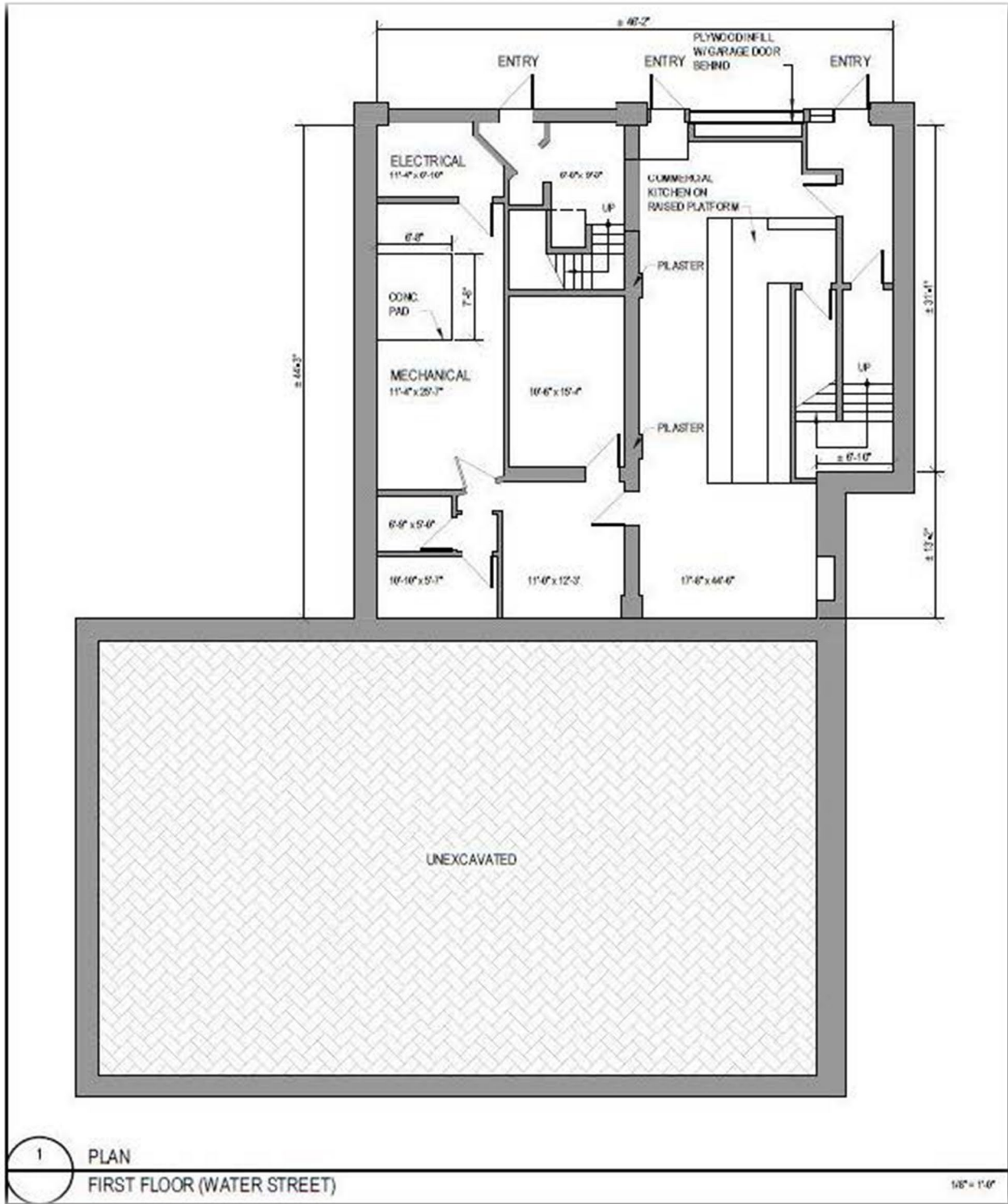
5th Floor unfinished



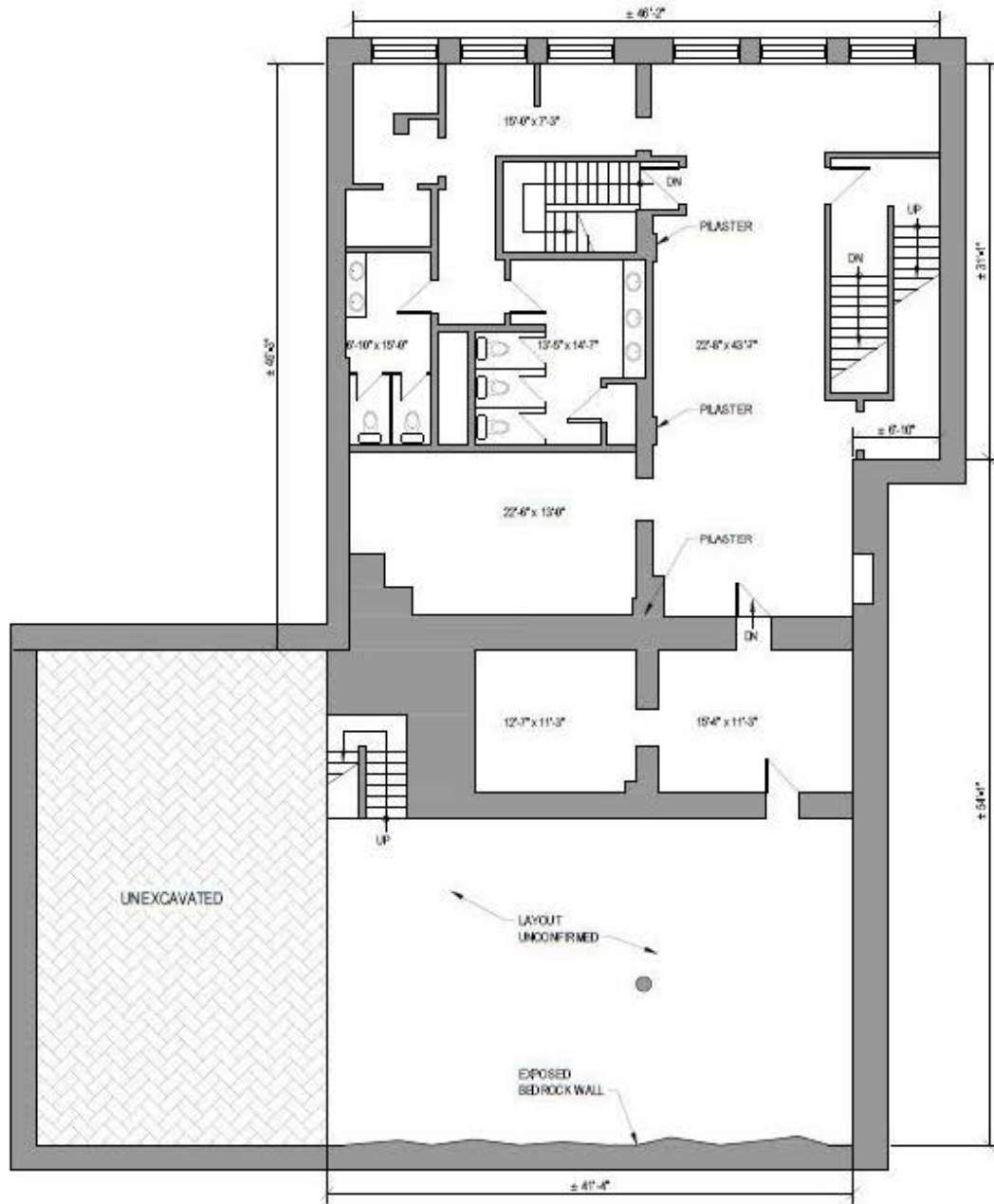
Continued- 5th Floor unfinished



Floorplan- 1st floor



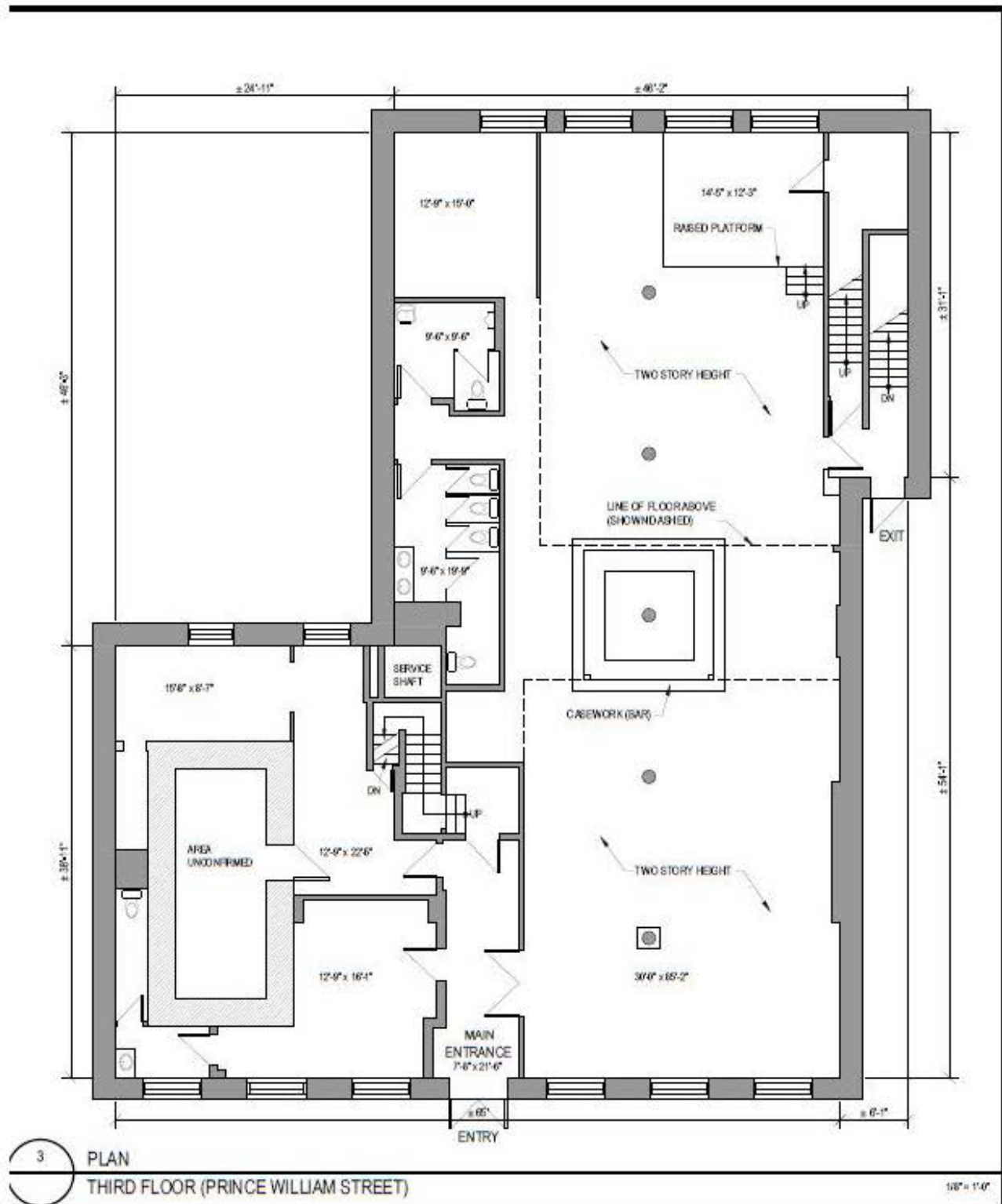
Floorplan- 2nd floor



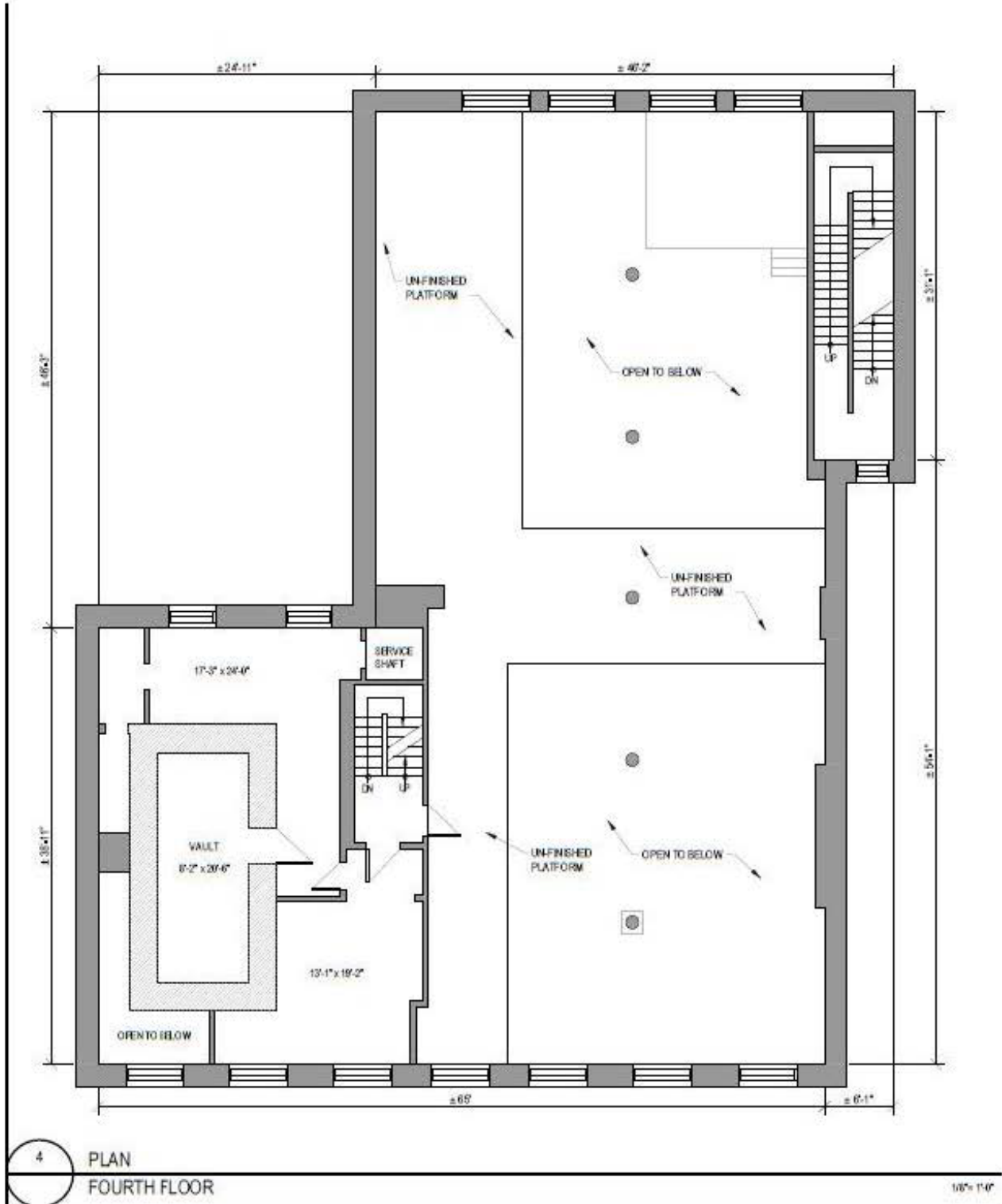
2 PLAN
SECOND FLOOR

1/8" = 1'-0"

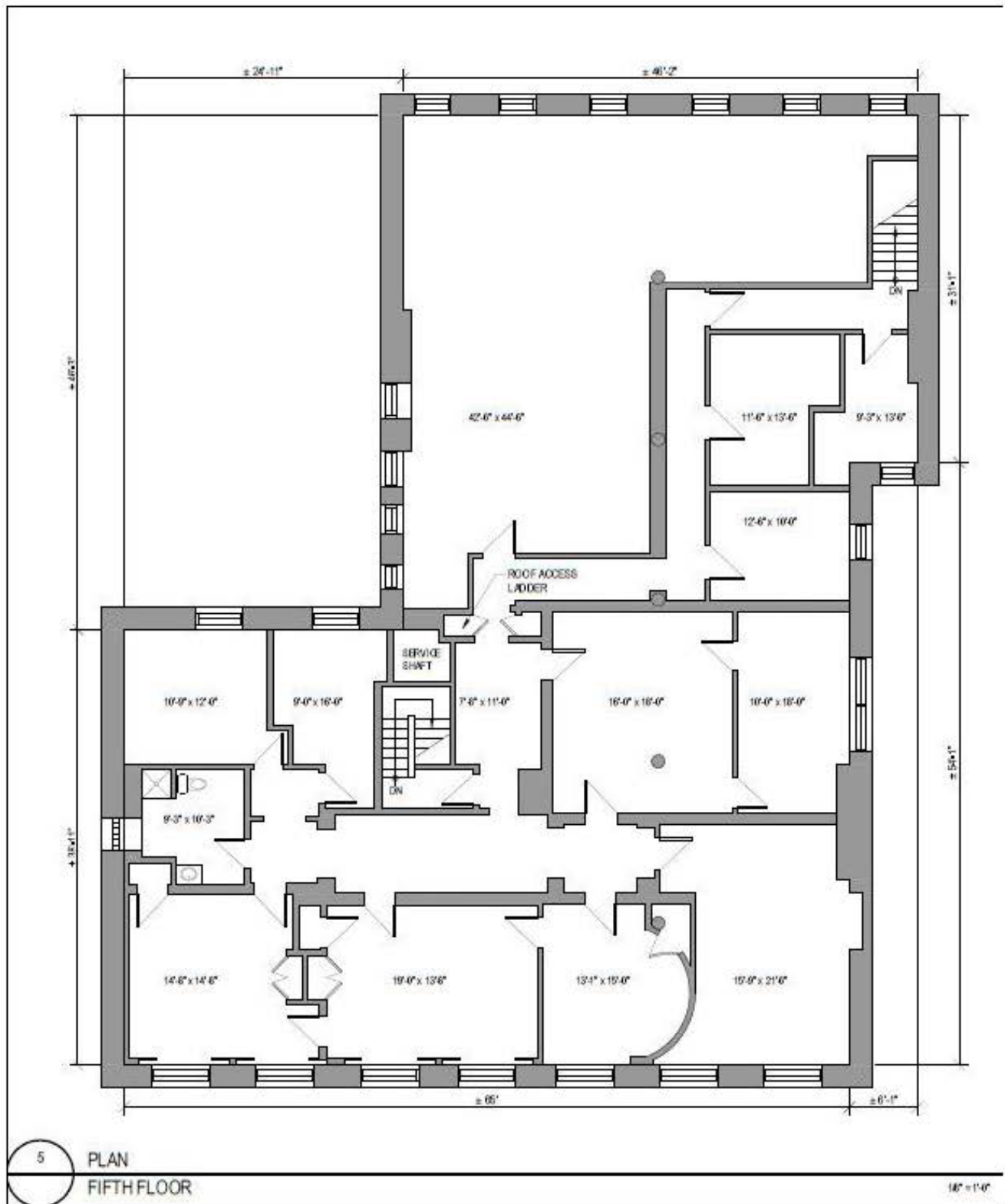
Floorplan – 3rd floor



Floorplan - 4th floor



Floorplan - 5th floor



Deloitte.

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