

**DISTRICT OF: NOVA SCOTIA**

**DIVISION NO: 01 – HALIFAX**

**COURT NO: 2021 HFX NO. 503367**

**ESTATE NO: 51-126312**

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS INTERLOCUTORY RECEIVER OF  
3304051 NOVA SCOTIA LIMITED**

**FEBRUARY 3, 2021**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

1. Deloitte Restructuring Inc. ("**Deloitte**") understands that an application has been made before the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") by Canadian Imperial Bank of Commerce ("**CIBC**"), for an Order (the "**Receivership Order**") appointing Deloitte as the receiver and manager to exercise the power and duties set out in the Receivership Order, without security, of certain of the assets, properties and undertakings (collectively, the "**Property**") of 3304051 Nova Scotia Limited operating as Hefler Forest Products ("**Hefler**").
2. On January 22, 2021, Deloitte was appointed interlocutory receiver and manager (the "**Receiver**") without security, over certain assets, undertakings and properties of Hefler by virtue of a Court Order (the "**Interlocutory Receivership Order**") granted by the Court.
3. On August 4, 2020, Deloitte was retained by CIBC to act as its financial consultant to review the operations and financial position of Hefler (the "**Consulting Engagement**").
4. The purpose of this first report of the Receiver (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 its appointment;
  - b) the Receiver's request and recommendation that the Court approve a sale and investment solicitation process (the "**SISP**") developed to realize on the assets of Hefler (the "**Sale Process Order**");
  - c) the Receiver's recommendation that the Court issue an order adjudging Hefler bankrupt (the "**Bankruptcy Order**");
  - d) the Receiver's independent legal opinion evaluating the validity and enforceability of CIBC's security (the "**Security Opinion**"); and
  - e) Deloitte's consent to act as Receiver should the Court see fit to grant the Receivership Order requested by CIBC.

## TERMS OF REFERENCE

5. In preparing this First Report, Deloitte has been provided with, and has relied upon, unaudited, draft and/or internal financial information, Hefler's books and records, discussions with management, 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.
6. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian Dollars.

7. This First Report has been prepared with reference to the affidavits of Kyle Lane sworn on January 18, 2021 and February 1, 2021 respectively (the "**Lane Affidavits**") in this matter, copies of which will be filed separately with the Court by CIBC.
8. This First Report should be read concurrently with the Lane Affidavits and the Pre-Filing Report dated January 21, 2021, for further context and background regarding Hefler and the activities leading up to CIBC's application for the Receivership Order.

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

9. Since its appointment, the Receiver's activities have included, but were not limited to:
  - a) taking possession, securing and insuring the assets of Hefler;
  - b) taking possession of and reviewing the books and records of Hefler;
  - c) issuing statutory notices pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and making required registrations of its appointment pursuant to the *Personal Property Security and Companies Act*;
  - d) engaging former employees of Hefler on a time and task basis to protect the assets;
  - e) participating in discussions with regulatory officials from the Province of Nova Scotia's Department of Labour and Advanced Education and Lands and Forestry;
  - f) holding discussions with representatives of Nova Scotia Power Inc. ("**NSP**") regarding the power purchase agreement (the "**PPA**") and the standard small generator interconnection and operating agreement (the "**Operating Agreement**");
  - g) holding discussions with representatives of CIBC, Hefler's secured creditor and its counsel Burchell's LLP ("**Burchell's**"), regarding estate administrative issues, including borrowings;
  - h) preliminary execution of the SISP in accordance with the proposed Sale Process Order including, but not limited to, the following:
    - i. preparing marketing materials and placing advertisements in local newspapers and online mediums;
    - ii. finalizing SISP related documents including the Sales and Information Package (the "**Information Package**") and non-disclosure agreement (the "**NDA**");
    - iii. contacting parties that may be interested in acquiring Hefler's assets;
    - iv. assisting interested parties as they completed their due diligence;
    - v. facilitating site visits of the property; and
    - vi. providing regular updates to the secured creditor.
10. A summary of estate receipts and disbursements as at February 1, 2021 is enclosed as **Appendix A**. Since its appointment, the only economic activity is the collection of an accounts receivable from NSP of \$344,180.
11. With the initial administrative activities of the estate complete, the Receiver anticipates that moving forward its activities will focus on the execution and completion of the SISP.

**RECEIVER’S PROPOSED MARKETING AND SALE PROCESS**

12. The Receiver, in consultation with CIBC, Burchell’s and Wickwire Holm (“**Wickwire**”) developed the SISP.
13. The SISP is designed to broadly market the Hefler assets to the potential interested parties involved in the Nova Scotia forestry industry, along with potential strategic parties.
14. The SISP was developed with consideration given to the sale effort undertaken by Deloitte during the Consulting Engagement. In particular, the Receiver considered both the length of time that Hefler and its assets were exposed to the market (six weeks), and the number of parties (10) contacted during the Consulting Engagement.
15. In preparation of the Sale Process, the Receiver prepared a one-page marketing document (the “**Teaser**”). A copy of the Teaser is enclosed as **Appendix B** to this First Report.
16. The Receiver prepared a Information Package designed to provide additional information regarding the opportunity and solicit interest in the Sale Process. A copy of the Information Package is enclosed as **Appendix C** to this First Report. The Information Package includes: a) a sale process outline, including due diligence and bid dates and b) a standard form of offer on which bidders must submit their offers.
17. The Receiver also created a Data Room that contains information regarding the financial and operating performance of Hefler, along with material contracts. Access to the Data Room will be made available to interested parties upon execution of the NDA.
18. An overview of the major steps and timelines of the proposed SISP are summarized in the table below:

Proposed Summary SISP timeline		
Phase/event	Indicative Date	Description of activities
Sale Process Order	February 11, 2021	The Court grants the Sale Process Order approving the SISP.
Publication notice	January 30, 2021	Prior to the granting of the Sale Process Order, the Receiver gave notice of the SISP by publishing a notice in certain newspapers and online mediums, including: <ul style="list-style-type: none"> <li>• Chronicle Herald – provincial edition;</li> <li>• Insolvency Insider; and</li> <li>• AllNovaScotia.</li> </ul>
Teaser release	February 3, 2021	The Receiver sent the Teaser to and contacted all parties identified during the Consulting Engagement.  Parties who identify themselves to the Receiver as a result of the publication notice will be provided with copies of the NDA for execution.

Proposed Summary SISP timeline		
Phase/event	Indicative Date	Description of activities
Due diligence period	January 30 to March 5, 2021	Upon execution of the NDA, participants in the SISP will be provided with the Information Package, access to the Data Room and be provided an opportunity to visit the Hefler site.
Bid deadline	March 5, 2021	To occur at <b>5:00PM Atlantic Standard Time on March 5, 2021.</b> Prospective bidders must deliver their final legally binding offers (the " <b>Final Bids</b> ") prior to the deadline outlined above.
Evaluation and selection of the successful bid	March 8 to March 12, 2021	Terms of all Final Bids will be clarified by the Receiver. The Receiver will make a recommendation as to the Final Bid to negotiate the terms of the purchase agreement (the " <b>Successful Bid</b> "). The Successful Bid will be subject to approval of the Court.
Closing of any successful bid	April 16, 2021	Closing of the transaction (i.e. the Successful Bid) to occur no later than April 16, 2021 or such date as the Receiver and/or the Court may determine to be appropriate.

19. The SISP sets out a five-week process for the marketing of Hefler's assets to prospective buyers. When combined with the six week marketing process that took place during the Fall of 2020, the Receiver believes that this timeline is sufficient to allow interested parties the time required to perform adequate due diligence and submit offers. The SISP also includes a certain amount of flexibility that can allow the Receiver, in consultation with the certain stakeholders, to extend the process should that be required.
20. Hefler is currently not operating. The directors have resigned. The receiver has retained 5 former staff to secure and maintain the assets. Hefler is in default of its loan agreement and CIBC will no longer support Hefler with additional advances under the existing loan agreement. Accordingly, Hefler has limited resources to conduct a lengthy SISP and market canvassing.
21. The Receiver is of the view that the proposed SISP exposes Hefler's assets to the market for a reasonable time (particularly when coupled with the sale effort undertaken during the Consulting Engagement), is transparent, and is designed to obtain the highest and best value for the assets, given the stated timeline and funding requirements. The proposed SISP balances the need to broadly expose the assets to potential buyers with the operating and funding constraints facing Hefler.
22. Accordingly, the Receiver recommends that the SISP be approved and the Sales Process Order be granted.

### **CIBC'S REQUEST FOR A BANKRUPTCY ORDER**

23. During the Consulting Engagement, Deloitte identified that Hefler may have an obligation to the Canada Revenue Agency (the "**CRA**") relating to input tax credits ("**ITCs**") for services rendered to, however not paid for, by Hefler. Such obligation has not been quantified, but should Hefler have an HST obligation, this would rank in priority to Hefler's secured and unsecured creditors. In order to facilitate an orderly wind up of Hefler after its assets are sold, and to ensure consistent treatment of creditors, CIBC is seeking an order that Hefler be adjudged bankrupt.
24. The Receiver will be requesting that CRA perform a trust audit on the books and records of Hefler. The Receiver will provide the Court with an update on the CRA audit as one becomes available.
25. The Receiver believes it is appropriate for the Court to grant the Bankruptcy Order for the following reasons:
  - a) paragraph 3(s) of the Receivership Order empowers and authorizes the Receiver to exercise any shareholder, partnership, joint venture, or other rights which Hefler may have;
  - b) paragraph 31 of the Receivership Order provides that nothing in the Receivership Order shall prevent the Receiver from acting as the licensed insolvency trustee (the "**Trustee**") of Hefler;
  - c) the debtor is currently in receivership and is considered an insolvent person within the meaning of the BIA, and has failed to meet its respective obligations generally as they became due (in that it has failed to meet its obligations to CIBC and other creditors, and such obligations which exceed \$1,000);
  - d) the debtor is currently indebted to its respective creditors for an aggregate amount of approximately \$12.6 million comprising of both secured, preferred and unsecured claims;
  - e) assigning Hefler into bankruptcy will allow for an efficient and orderly wind-down of the estate; and
  - f) a bankruptcy of Hefler will allow for the alignment of priority claims and the crystalizing of various creditor claims.
26. Deloitte is the Receiver of Hefler and, during both the Consulting Engagement and the administration of the estate, has been in consultation with various creditors of Hefler. Deloitte is knowledgeable with respect to the remaining assets, properties, undertakings and specific issues facing Hefler and is well positioned to effectively assume the role as Trustee of Hefler. Deloitte is not aware of any conflict to act as the Trustee of Hefler and is willing to act in such capacity if the Court grants the Bankruptcy Order.
27. Given the information presented and discussed herein, the Receiver requests that the Court grant the Bankruptcy Order.

### SECURITY OPINIONS

28. As discussed in the Pre-Filing Report, Deloitte engaged Wickwire to act as independent legal counsel to the Receiver and to complete a review of security held by the secured creditors of Hefler.
29. On January 29, 2021, Wickwire provided Deloitte with a security opinion (the "**Security Opinion**") which indicated that, subject to customary assumptions and disclaimers, the CIBC security is valid and enforceable as against the assets of Hefler. A copy of the CIBC Security Opinion is enclosed as **Appendix D**.

### DELOITTE'S CONSENT TO ACT AS RECEIVER

30. As contained within the Lane Affidavits, Deloitte confirms that it is willing to act as Receiver should the Court see fit to grant CIBC's request to appoint a Receiver over Hefler's assets. A copy of Deloitte's consent to act letter is enclosed as **Appendix E**.

### CONCLUSION

31. The First Report has been prepared to provide this Court with information regarding the Receiver's activities since its appointment, the Receiver's request for a Sale Process Order, CIBC's request for a Bankruptcy Order, the security opinions completed by Wickwire and the Receiver's consent to act.
32. Based on the foregoing, the Receiver requests the Court grant the Sale Process Order and the Bankruptcy Order.

All of which is respectively submitted on February 3, 2021.

### DELOITTE RESTRUCTURING INC.

Acting in its capacity as  
Interlocutory Receiver of 3304051 Nova Scotia Limited  
and not in its personal capacity.

Per:



**Kurt MacLeod, MBA, CIRP, LIT**  
Vice President

Per:



**James Foran**  
Senior Vice President

FIRST REPORT DELOITTE RESTRUCTURING INC.  
COURT NO: 2021 HFX NO. 503367  
ESTATE NO: 51-126312  
FEBRUARY 3, 2021

# **Appendix A**

## **Statement of Receipts and Disbursements**

District of: Nova Scotia  
Division No: 01  
Court No: 2021 Hfx No. 503367  
Estate No: 51-126312

In the matter of the receivership of  
3304051 Nova Scotia Limited  
in the town of Middle Sackville, in the Province of Nova Scotia

Form 12  
Interim Statement of Receipts and Disbursement  
for the period from January 22, 2021 to February 1, 2021

**RECEIPTS**

1. Payment Receipts	
Collection of accounts receivable	<u>344,180.37</u>
<b>TOTAL RECEIPTS</b>	<u><u>344,180.37</u></u>
<b>AMOUNT RETAINED IN TRUST ACCOUNT</b>	<u><u>344,180.37</u></u>

**DELOITTE RESTRUCTURING INC.**  
Acting in its capacity as  
Receiver of 3304051 Nova Scotia Limited  
and not in its personal capacity

Per: 

\_\_\_\_\_  
Kurt Macleod, MBA, CIRP, LIT

Dated this 1st day of February, 2021

FIRST REPORT DELOITTE RESTRUCTURING INC.  
COURT NO: 2021 HFX NO. 503367  
ESTATE NO: 51-126312  
FEBRUARY 3, 2021

## **Appendix B**

### **Teaser**

## Asset Sale Process

Biomass power plant and sawmill facility

Deloitte Restructuring Inc. ("Deloitte") in its capacity as receiver of 3304051 Nova Scotia Limited, operating as Hefler Forest Products ("Hefler"), is seeking interest from parties in purchasing the assets further described below.

## Asset Overview

### 3.1-megawatt ("MW") biomass power plant and commercial sawmill in Middle Sackville, Nova Scotia:

Located at 230 Lucasville Road, Middle Sackville, Nova Scotia, the property includes eight separate buildings consisting of a biomass power plant, a sawmill, a planer mill, a kiln, a main office and storage buildings. The 3.1 MW biomass facility generates and sells energy to Nova Scotia Power under a 20-year power purchase agreement ("PPA") governed by the Community Feed-in Tariff program which runs through 2035. The PPA provides Hefler with guaranteed revenue of up to \$5.3 million/year (120% of the annual net output as stated in the PPA). During 2020, Hefler generated revenues of approximately \$9.4 thousand per day while operating at only 70% of its maximum theoretical output. Historical power plant operating statistics are summarized in Table 1 below.

In 2020, Hefler operated its sawmill assets intermittently.



1) Power plant      2) Sawmill      3) Planner Mill/Kiln

**Table 1: Historical power plant production statistics**

	2018	2019	2020*
<b>Energy output/utilization</b>			
Average monthly MWh produced	1,932	1,808	1,586
Utilization (%)	85%	80%	70%
<b>Biomass consumption/pricing</b>			
Green tonne consumed/month	5,044	4,329	3,839
Dry tonne consumed/month	2,678	2,348	2,207
Dry tonne consumed per MWh	1.4	1.3	1.4
Price per dry tonne consumed (\$)	77.6	90.6	71.5
<b>Gross profit margin</b>			
Price per MWh (\$)	175.7	178.6	179.7
Input cost per MWh (\$)**	107.6	117.6	99.5

\*Eleven month period ending November 30, 2020

\*\*Biomass/fuel input cost only.

## Proposed Transaction and Timeline

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

Upon execution of the enclosed Non-Disclosure Agreement ("NDA"), parties will be provided with copies of an information package and access to a data room containing further technical information regarding the property and the bidding process.

Interested parties will also be provided with an opportunity to visit the property during the due diligence period outlined herein.

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

Transaction Process	Start Date	End Date
Circulation of teaser & NDA		February 1 <sup>st</sup>
Circulation of information package		February 5 <sup>th</sup>
End of diligence period		March 5 <sup>th</sup>
Final bid deadline		March 5 <sup>th</sup>
Final negotiations and application to Court for approval of sale	March 5 <sup>th</sup>	April 2 <sup>nd</sup>

Recipients of this document interested in participating in the above outlined process must provide a fully executed NDA to the Receiver before further information will be provided. Inquiries regarding the transaction should be directed only to the following:

FIRST REPORT DELOITTE RESTRUCTURING INC.  
COURT NO: 2021 HFX NO. 503367  
ESTATE NO: 51-126312  
FEBRUARY 3, 2021

# **Appendix C**

## **Sales and Information Package**



## **Sales and Information Package**

3304051 Nova Scotia Limited

o/a Hefler Forest Products

**Deloitte Restructuring Inc.**

Acting in its capacity as  
Interlocutory Receiver of 3304051 Nova Scotia Limited  
and not in its personal capacity

1969 Upper Water Street, Suite 1500  
Halifax, NS B3J 3R7  
Attention: Jean Legault

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# Invitation for offers

On January 22, 2021, Deloitte Restructuring Inc. ("**Deloitte**") was appointed interlocutory receiver (the "**Receiver**") of 3304051 Nova Scotia Limited o/a Hefler Forest Products ("**Hefler**" or the "**Company**") by virtue of an Order (the "**Receivership Order**") granted by the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**"), without security, over certain assets, undertakings and properties of Hefler acquired for, or used in relation to, a business carried on by Hefler.

Sealed offers for the purchase of the Receiver's interest in the assets (as outlined in **Appendices A and B** contained herein) of Hefler will be received by Deloitte, in its capacity as Receiver, until **5:00 p.m. (AST) on Friday, March 5, 2021**. Deloitte is accepting offers on Hefler's assets consisting of the following:

- Land, buildings and equipment located at 230 Lucasville Road, Middle Sackville, Nova Scotia (PID 40014862) including, but not limited to, the following:
  - 3.1-megawatt biomass power plant;
  - sawmill;
  - planer mill;
  - kiln and boiler;
  - office;
  - garage;
  - workshop;
  - biomass storage dome; and
  - warehouse.
- A power purchase agreement with Nova Scotia Power Inc. governed by the Community Feed-in Tariff program.
- Miscellaneous vehicle assets.
- Miscellaneous tools, furniture and computers.

Further information relating to these assets is available in the data room and **Appendix C** herein.

This sales and information package (the "**Sales 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 Hefler 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 any or all of the assets (sometimes also referred to as the "**Assets**") of Hefler 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 Assets and the information contained in this Sales 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 Sales and Information Package and shall have no liability for any representations expressed or implied herein, or for any omissions from this Sales 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 Hefler’s employees or former employees be contacted directly or indirectly by any potential bidder: (i) to answer any questions regarding the possible acquisition of all or part of the Assets; or (ii) to request additional information.

The Assets are 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 assets.

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

<b>Event</b>	<b>Timing</b>
Asset viewings	By appointment during the following period: February 8, 2021 to March 5, 2021
Offer deadline	5:00 p.m. AST on March 5, 2021 Legally binding offers to purchase (as outline in <b>Appendix B</b> ) must be delivered to the Receiver prior to the deadline outlined above.
Closing date	On or before thirty (30) 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 assets, please contact Jean Legault by phone at (902) 721-5686 or by email at [jlegault@deloitte.ca](mailto:jlegault@deloitte.ca).

# Appendix A - Terms and Conditions of Sale

Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as interlocutory receiver (the "**Receiver**") of 3304051 Nova Scotia Limited o/a Hefler Forest Products ("**Hefler**") and not in its personal capacity, is offering for sale herein its interest, if any, in the assets of Hefler (the "**Assets**") on the following terms and conditions:

## Offers

1. The Assets are 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 all, or a portion of, the Assets (the "**Offers**") must be submitted by completing the form of Offer to Purchase attached hereto (**Appendix B**). Sealed envelopes marked "**OFFER – 3304051 Nova Scotia Limited**" shall be delivered or mailed, postage prepaid, to the Receiver at the following address:

1969 Upper Water Street, Suite 1500  
Halifax, Nova Scotia, B3J 3R7  
Attention: Kurt Macleod

In addition, please submit electronic copies of Offers via email to Kurt Macleod at [kmacleod@deloitte.ca](mailto:kmacleod@deloitte.ca).

The Offers must be received by **5:00 p.m. (AST) on March 5, 2021** (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 twenty percent (20%) of the offered purchase price for the Assets (the "**Deposit**").
4. The Assets have been divided into two parcels and are 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 Assets. 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 Assets, their title, 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 Assets will be by appointment only. Appointments can be made by contacting Jean Legault by phone at (902) 721-5686 or by email at [jlegault@deloitte.ca](mailto:jlegault@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. 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.

9. 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.
10. Any Offer contemplating the purchase of the power purchase agreement and the Standard Small Generator Interconnection and Operating Agreement will be subject to approval from Nova Scotia Power Inc. and the Minister of Energy for the Province of Nova Scotia.

### Sales Process

11. The Receiver reserves the right to amend or terminate this sales process, or to withdraw or amend any of the Assets, 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, within seven business days 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 purchased assets (the "**Purchased Assets**") 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 thirty (30) 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 Purchased Assets shall remain at the risk of the Receiver until the Closing Date. The Purchased Assets 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 Purchased Assets, 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 Purchased Assets 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 Purchased Assets 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 warranties or conditions, express or implied, pursuant to the *Sale of Goods Act* (Nova Scotia) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.
24. The Purchaser agrees that all the insurance maintained by the Receiver in respect of the subject Assets 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 any Assets.
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 Purchased Assets 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 Assets and shall not contain any covenant other than a covenant that the Receiver has not done any act to encumber the Assets. 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, neither the Purchaser nor the Receiver will be obligated to complete the contemplated purchase 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 Hefler, 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 Sales and Information Package, the Offer to Purchase, the Terms and Conditions of Sale, or in any way related to the Assets (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 Sales 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 the Province of Nova Scotia and the Offeror irrevocably adorns to the jurisdiction of the Supreme Court of Nova Scotia, Judicial District of Halifax.

DATED at Halifax, Nova Scotia this 3<sup>rd</sup> day of February, 2021.

### **DELOITTE RESTRUCTURING INC.**

In its capacity as  
Interlocutory Receiver of 3304051 Nova Scotia Limited  
and not in its personal capacity.

# Appendix B – Offer to Purchase

Deloitte Restructuring Inc. interlocutory receiver of  
**3304051 Nova Scotia Limited**

## OFFER TO PURCHASE

---

**TO: DELOITTE RESTRUCTURING INC.  
INTERLOCUTORY RECEIVER OF 3304051 NOVA SCOTIA LIMITED**  
1969 Upper Water Street, Suite 1500  
Halifax, Nova Scotia, B3J 3R7  
Attention: Kurt Macleod

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 3304051 Nova Scotia Limited, that the Offeror has inspected and satisfied themselves as to the condition of the Assets, 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.

---

<b>Parcel</b>	<b>Offer in Canadian dollars (excluding any applicable taxes)</b>
Offer Price – Parcel #1	\$
Offer Price – Parcel #2	\$
En bloc (i.e. both parcel #1 and #2)	\$
Deposit enclosed (20%)*	\$

---

\* 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 \_\_\_\_\_, 2021.

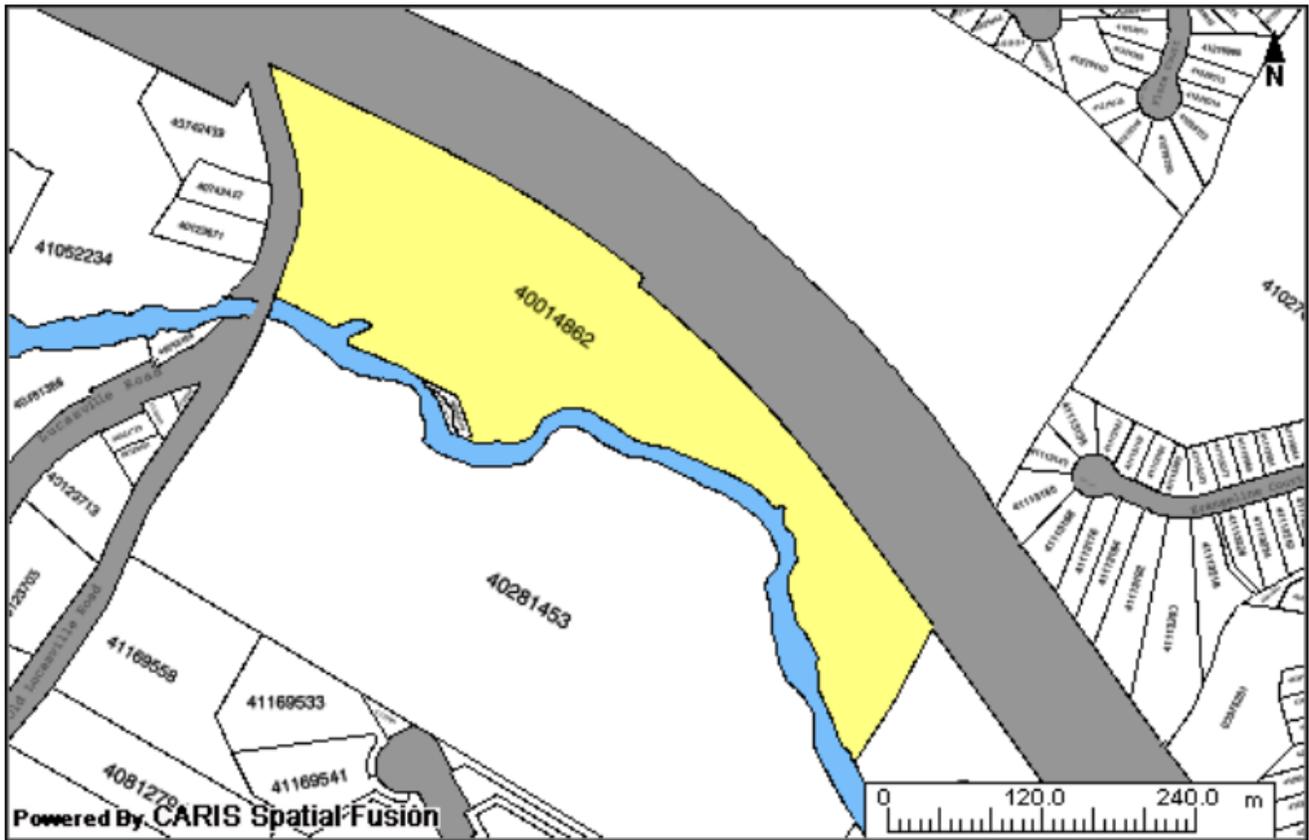
Signature of Offeror: \_\_\_\_\_

# Appendix C – Asset overview

## Parcel #1: Land, buildings, equipment and power purchase agreement

### Land:

Description	
Civic address	230 Lucasville Road, Middle Sackville, Nova Scotia
Parcel Identification Number	PID 40014862
Frontage or Area	16.9 Acres
County	Halifax



**Buildings:**



**Legend (left to right):**

- 1. Office
- 2. Warehouse
- 3. Planer mill
- 4. Filing (i.e. sharpening) workshop
- 5. Garage
- 6. Kiln/Boiler Room
- 7. Sawmill
- 8. Biomass power plant
- 9. Fuel storage dome

**Planer Mill/Filing Workshop asset list:**

Description	Serial Number	Quantity
General 50-200R-M1 Table Saw	#53766112	1
Package Infeed Deck 12ft x 10ft		1
3 Arm Tilt Hoist w/drive		1
Spill Deck w/drive 11ft x 10ft		1
Pineapple Infeed Rollcase		1
Newman M68 Planer Trim Saw		1
Slow Down Belt 1ft x 23ft		1
Landing Table 12.5ft x 11ft		1
Green Chain W/drive		1
Outfeed Deck		1
Infeed Conveyor		1
3 Arm Tilt Hoist w/drive		1
Spill Deck w/drive 12.5ft x 9.5ft		1
Pineapple Infeed Rollcase		1
Yates A20 Planer w/drive		1
Slow Down Belt		1
Landing Table 13ft x 14ft		1
Green Chain w/drive		1
Outfeed Deck		1
Infeed Deck		1
3 Arm Tilt Hoist w/drive		1
Yates V54 Vertical Resaw		1
Sawdust Blower w/drive		1
Ingersoll Rand Vertical Air Compressor SS5 5hp	#NAR10043824	1
Outdoor Shavings Hopper		1
Dewalt DS782 12in Sliding Compound Miter Saw	#7247	1
International Double Tool Box		1
Lumber Cart 3ft x 6ft		2
King 8385N 10in Sliding Miter Saw Ser	#168660110	1
Bench Vice		1
Bench Grinder		1
Hanchett 129 Blade Sharpener		1
Pedestal Grinder		1
Dual Head Resurfacer	#2881	1
2ft x 18in Granite Surface Plate		1
Wright Machine W-150 Top & Face Sharpener		1
Armstrong Truesizer Automatic Dual Slide Grinder	#16766	1
Armstrong 3-60C Stretch Roller		1
Hanchett LH Sharpener		1
Hanchett Band Saw Sharpener Roller	#631	1
Yates 137 Cutter Head Grinder	#ME909	1
Custom Made Sharpener		1
Armstrong 54-C Hand Sharpener	#18237	1
Turn Table		1
Armstrong Carbide Side Grinder 645	#13002	1
Waage Solder Pot MP20A-61		1
Ritehete Solder Pot		1
Dust Collector		1
Multi Purpose Ladder		1

**Sawmill asset list:**

Description	Serial Number	Quantity
Infeed Log Deck w/drive 18ft x17ft		1
Infeed Chain Conveyor		1
Forano RVF-26HD Debarker	#ZB-12177	1
Outfeed Debarker Conveyor w/drive		1
Infeed Log Deckw/drive 18ft x 17ft		1
Step Feeder		1
Infeed Chain Conveyor w/drive		1
VK Floating Infeed Conveyor		1
1986 Valon Kone 600 Debarker		1
Outfeed Debarker Conveyor w/drive		1
Twin Saw Unit 36in w/infeed & Control Unit		1
Slab Transfer to Gang Edger		1
Cant Transfer to Gang Edger		1
Linebar Band Resaw w/drive & in/out feed		1
Carriage Infeed Log Deck w/stop & load		1
Cardinal 4 Bunk Carriage w/track & drive		1
Slab Transfer to Band Resaw w/drive		1
Cant Transfer to Gang Edger		1
Valley 54in Double Arbour Edger w/infeed & outfeed	#99019A	1
Landing Table		1
Trimmer Infeed Deck		1
Canadian Style Trimmer w/saws		1
Green Chain w/drive		1
Misc. Waste Conveyors		1
Misc. Hydraulic Power Units		1
Chipper Slab Conveyor		1
Vibrating Infeed Conveyor		1
60in Forano Chipper w/drive		1
Chipper Outfeed Coveyor w/drive		1
Main Chip Conveyor		1
Chip Screen		1
30 Unit Chip Bin		1
Waste Bin		1
Sullair ES-8 Screw Compressor		1
Air Pro AP130 Dryer		1
Miller Dialarc 250 Mig Welder		1
Armstrong Blade Sharpener		1
Husqvarna 455 Rancher Chain Saw		1
Dewalt D28710 Metal Cut Off Saw		1
6ft x4ft Metal Work Table w Bench Vise		1
60in x30in 4 Wheel Metal Cart		1
Bolt Bin With Contents		3
International Mobile Tool Box		1
Rockwell Drill Press 50-085		1
Wabco 15Hp Compressor		1
Twin Head Screw Compessor		1
Ultra Twin Tower Air Dryer		1
Sullair 125Hp Screw Compressor 12-B-50L (23,873 hrs)	#003-67518	1
Air Pro AP130 Dryer	#99036	1
Industrial 44in Fan		1

**Kiln asset list:**

Description	Serial Number	Quantity
Kiln Carts		12
Boilersmith EF3LS-1125SF-XWC-15 (oil converted)*	#51013570	1
*Includes electrical panel, computer monitoring system & kiln controls		

**Biomass power plant asset list:**

Descriptions	Specifications
1) Biomass Loading Bay with Hydraulic Reclaim Floor	<b>Dimensions:</b> 75' x 150' 16 hydraulic reclaim rams
2) Biomass reclaim conveyor	<b>Dimensions:</b> 115' (length)
3) KMW Combustion Furnace	<b>Design output :</b> 66,000,000 btu/hr <b>Fuel Input :</b> 6.25 – 7.5 tonnes/hr (seasonal dependent)
4) Rentech boiler with economizer - A-type watertube design with superheater	<b>Maximum Working Pressure:</b> 850 psi <b>Maximum Steam Outlet Temperature:</b> 925°F <b>Maximum Steam Capacity:</b> 50,000 lbs/hr
5) Howden/KK&K Turbine	<b>Shaft power output:</b> 4110 kW <b>Steam conditions at turbine inlet:</b> 730 psi at 700°F
6) Hyundai Generator	<b>Output:</b> 13,800 V
7) Ash Handling System (with multi-cyclone ash separator)	<b>Main ash screws:</b> two <b>Secondary ash screws:</b> five <b>Fly ash screws:</b> three
8) Wet Surface Air Condenser (Niagara Blower Company)	<b>Operating pressure :</b> 3.9" Hg <b>Maximum Steam Capacity:</b> 38,000 lbs/hr <b>Maximum Heat Transfer Capacity:</b> 38,882,234 btu/hr <b>Circulating water pumps : 3</b> Two stage ejector set with hogging ejector
9) Boiler Water Recovery/Treatment	<b>Hotwell tank:</b> 1 <b>Hotwell transfer pumps:</b> 2 <b>Condensate tank:</b> 1 <b>Condensate transfer pumps:</b> 2 <b>Boiler feedwater pumps:</b> 2 <b>Carbon filters:</b> 2 <b>Reverse osmosis units:</b> 2 <b>Cleaver Brooks deaerator:</b> 1 <b>Condensate polishers:</b> 3
10) Export transformer	5000 kVA 24940V/14400V

**Fuel storage dome:**

Dimensions: 80' x 150'

Maximum capacity: 2,200 tonnes of biomass

**Parcel #2: Vehicles, miscellaneous equipment/tools and office furniture****Vehicles:**

Description	Serial Number	Quantity
1988 International S2600 Tandem Dump (240,701 miles)	1HTZVADT2JH586337	1
Cote OH 4000 12ft Angle Blade Plow		1
2014 Dodge Ram SLT Quad Cab 1500 5.7 Litre 4x4 (233,052km)	1C6RR7GT5ES141624	1
Fisher Aluminum Salt Spreader	#6903	1
Fisher 8ft 6in V Plow	#19010	1
2000 Ford F350 Super Duty Crew Cab Dually Diesel 4x4 (86,781km)	1FTWW33F8YED90242	1
Goose Neck Flat Deck Only 20ft x 8ft		1
1999 JCB 940 Rough Terrain Lift (13,247hrs)	5IP94002XF0664871	1
Craig CP5 35 /VUL Forks	#T17120123	1
Craig Grapple	#98060301	1
4 Cu Yd Dump Bin		1
Ford L9000 Tandem Flat Deck (303,706miles)	T-14702	1
Robotec 80-15061-20103-38041 Log Grapple		1
2001 Timmons APLW24-34 TAL Tridem Log Trailer 25ft	2P932S5G81T017058	1
1998 Mack E7-427 Model CH613 Day Cab Wet Line (203,021 km)	1M2AA18Y7XW094253	1
1987 Trailmobile End Dump Trailer 34,000Kg	2TCD262B6HA477601	1
2004 Hyundai HL757-7 Loader (24,627hrs) with NM 175GP-300 Bucket	#LD0110180/#175GP1709	1
1999 Sellick S80 Yard Lift (3,186 hrs)	#6212508582-4	1

**Miscellaneous equipment/tools:**

Description	Serial Number	Quantity
Dewalt DW 717 10in Sliding Compound Mitre Saw		1
10ft Fiberglass Ladder		1
Husqvarna ST227P Snowblower	#102914M010327	1
Yardman 10.5 hp Snowblower	#1J032I30191	1
Poulan 10 hp Snowblower	#1185H0514456A	1
Forklift Safety Cage		1
Powermate 5.75 hp Lawn Mower		1
Motorized Double Tilt Stacking Conveyor 27ft x 5ft with 2 Extra 15ft Sections		1
Baker A Horizontal Band Saw		1
2017 DTE Industries 3859 Litre Gas Tank With Pump	#2649	1
40ft Storage Container		2
57KVA Cummings Diesel Gen Set T590P with all accessories including control box transformer, etc	#21757/BM#52727	1
Stanley Metal Double Tool Box on Wheels		1
Acetylene Cart With Torches		1
King Parts Washer 20 Gal.		1
Matercraft Mig & Flux Welder		1
APS 5 HP Compressor		1
Bolt Bins With Contents		3
Metal Tool Cabinet 3ft x 6ft 2 Door with Contents		1
Delta 14in Table Top Drill Press		1
Bench Grinder		1
Imperial Eastman Kwick Krimp K24 Hydraulic Crimper		1
6ft Steel Work Table with Vice		1
2 Wheel Cart		1
Karcher Gas Pressure Washer		1
Sand Blasting Pot		1
Stihl Whipper Snipper Gas		1
Landa Hot Sense HOT4-2000A Pressure Washer	#11090980 - 100769	1
King 14in Band Saw		1
Small Tools in Lots		1

**Note :** As at the date of this Sales and Information Package, the Receiver is still working to inventory miscellaneous items including, but not limited to, tools and office furniture.

# Deloitte.

**[www.deloitte.ca](http://www.deloitte.ca)**

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FIRST REPORT DELOITTE RESTRUCTURING INC.  
COURT NO: 2021 HFX NO. 503367  
ESTATE NO: 51-126312  
FEBRUARY 3, 2021

## **Appendix D**

### **Security Opinion**

January 29, 2021

VIA EMAIL [jforan@deloitte.ca](mailto:jforan@deloitte.ca)

#67840-MD

James Foran, CPA, CA, CIRP, LIT  
Deloitte Restructuring Inc.  
Purdy's Wharf Tower II  
1969 Upper Water Street, Suite 1500  
Halifax NS B3J 3R7

Dear Mr. Foran,

**Re: Security Opinion – 3304051 Nova Scotia Limited**

This letter is our independent legal opinion prepared in accordance with Section 13.4(1) of the *Bankruptcy and Insolvency Act* (“BIA”) with respect to the validity and enforceability of security in favour of Canadian Imperial Bank of Commerce (“CIBC”) with respect to 3304051 Nova Scotia Limited (the “Company”).

### Documents

We reviewed the Closing Book associated with the March 30, 2017 credit agreement between CIBC and the Company and in particular the following documents (the “Security”):

1. March 30, 2017 Commercial Collateral Mortgage between CIBC and the Company in the principal amount of \$9,000,000 (the “Collateral Mortgage”) charging lands identified as 230 Lucasville Road, Middle Sackville, Nova Scotia, PID 40014862 (the “Property”), registered in the Nova Scotia Land Registry on April 5, 2017 as document # 110562692;
2. March 30, 2017 Security Agreement between CIBC and the Company (the “Security Agreement”) granting CIBC a security interest in all of the Company’s present and after acquired property and certain serial numbered collateral, registered in the Nova Scotia Personal Property Registry System (“PPRS”) on March 29, 2017 as registration #27388917;

3. March 30, 2017 Assignment of Contracts between CIBC and 3304051 Nova Scotia Limited (the “Assignment of Contracts”), assigning to CIBC the company’s right, title and interest in the following:
  - a) November 28, 2013 Power Purchase Agreement for Renewable Energy (the “PPA”) with Nova Scotia Power Incorporated (“NSPI”);
  - b) COMFIT Approval, as defined in the PPA; and
  - c) October 30, 2014 Standard Small Generator Interconnection Agreement (“SSGIA”), amended by Amending Agreement dated May 14, 2015.

We reviewed a March 30, 2017 Certificate of Corporate Authority of the Company that included a copy of a resolution of directors of the Company authorizing the execution of the Security.

### **Searches and Investigations**

We conducted or caused to be conducted searches of the Company in the Nova Scotia PPRS and Nova Scotia Land Registry as of January 22, 2021.

### **Assumptions**

For the purpose of our opinion we have assumed:

1. the legal capacity of all individuals executing documents;
2. the conformity to authentic original documents of all documents submitted to us as copies; and
3. the currency, accuracy and completeness of all facts set forth in official public records and certificates and other documents supplied by public officials pursuant thereto, including, without limitation the indices and records maintained at the public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made.

### **Jurisdiction**

This opinion is limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable thereto. We express no opinion as to the laws of any other jurisdiction.

### **Opinions**

Based upon and relying on the foregoing, and subject to the qualifications, limitations and restrictions hereinafter expressed, we are of the opinion that the Security forms a

valid and binding charge on the personal and real property described therein, enforceable against the parties thereto and the estate of the Company in bankruptcy.

Note the following:

- the Security Agreement refers to a 1999 JCB 940 Forklift, serial number O664871 but the PPRS registration lists the serial number as 0664871 and depending on which serial number is correct this registration may not have priority over a subsequent serial numbered registration for this equipment;
- VSF Canada Inc. has a priority charge over a 2016 Volvo L90H, serial number VCE0L90HK0S623304, registered in the PPRS on May 15, 2017 as registration # 27623495;
- Maritime Pressureworks Limited registered a Claim of Lien on the Property in the amount of \$154,113.32 on January 15, 2021 but the Collateral Mortgage has priority over the lien.

### **Qualifications**

The foregoing opinions with respect to the Security are subject to the following qualifications, limitations, and restrictions:

1. We provide no opinion on the existence of any personal property over which the Security grants security including serial numbered goods;
2. the enforceability of the Security is subject to applicable law, including bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights in general;
3. equitable remedies, including, without limitation, specific performance and injunctive relief, may be granted only in the discretion of a Court of competent jurisdiction;
4. we are not sufficiently familiar with the details of the relationship between the Company and CIBC to know whether any funds were advanced or whether the Company is indebted to CIBC;
5. all rights, duties or obligations arising under any of the Security must be exercised and discharged in good faith and in a commercially reasonable manner;
6. we express no opinion as to the clauses in the Security which purport to enable CIBC to recover any costs of enforcement;
7. we express no opinion about the validity of any loans secured by the Security;

8. we express no opinion regarding the existence or priority of municipal liens including for municipal taxes;
9. we express no opinion regarding the creation or perfection of any security interest or other interest in any property to the extent that a security interest or other interest therein is governed by any federal legislation which is paramount to the Personal Property Security Act (Nova Scotia) including, without limitation, any vessel registered under the *Canada Shipping Act* and any rolling stock, patents, trade-marks, copyrights and other intellectual property rights;
10. to the extent that the property purported to be charged by the Security includes motor vehicles, trailers, motor homes, boats, outboard motors, aircraft air frames, aircraft engines or propellers (“serial numbered goods”) and is not described by serial number in the registration the property may be subject to the right of third parties registered by serial number and in priority to CIBC;
11. we express no opinion as to the priorities as between the security held by CIBC and any other security or any other competing claims and we express no opinion as to the validity of any enforcement steps taken or contemplated;
12. without limiting the generality of the foregoing, the priority of the security interests created by the Security are subject to the operation of the laws of Canada and Nova Scotia in effect from time to time creating statutory liens and trusts having priority over registered mortgages, charges and security interests such as those contained in the Security;
13. notwithstanding that registration under the Personal Property Registry Security Act (Nova Scotia) will perfect a security interest in all forms of collateral to which the Act applies, perfection by possession of certain types of collateral may provide additional rights to a secured party; and
14. in order to maintain the effectiveness of the registration under the Personal Property Security Act (Nova Scotia) and Bank Act (Canada) referred to herein, CIBC may be required to undertake certain actions required under the Act including renewing registrations before they expire.

We are not aware of any facts that would permit annulment of the Security under s. 95 of the BIA. In particular, we are not aware of information indicating that the persons granting the Security were insolvent at the time they purported to grant security or that the Security was otherwise entered into in fraud of creditor’s rights.

This opinion is prepared solely for the benefit of the person to whom this letter is addressed and may not be used or relied on by any other person for any other purposes and may not be quoted from or referred to in any other document or manner without our prior written consent.

We trust you will find the above in order. Should you require anything further please contact me at your convenience.

Yours very truly,

**WICKWIRE HOLM**



Enclosure: RJSC printout  
PPSA search  
Land Registry printouts

## Profile

 [Printer Version](#)

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## PROFILE - 3304051 NOVA SCOTIA LIMITED - as of: 2021-01-22 12:41 PM

<b>Business/Organization Name:</b>	3304051 NOVA SCOTIA LIMITED
<b>Registry ID:</b>	3304051
<b>Type:</b>	N.S. Limited Company
<b>Nature of Business:</b>	
<b>Status:</b>	Active
<b>Jurisdiction:</b>	Nova Scotia
<b>Registered Office:</b>	1300-1969 Upper Water Street Halifax NS Canada B3J 3R7
<b>Mailing Address:</b>	1300-1969 Upper Water Street Halifax NS Canada B3J 3R7

## PEOPLE

Sorry there are no people on file for this company.

## ACTIVITIES

Activity	Date
Unappoint Agent	2021-01-20
Change of Directors	2021-01-18
Change of Directors	2020-07-20
Annual Renewal	2020-02-27
Annual Statement Filed	2020-02-27
Change of Directors	2019-12-12
Annual Renewal	2019-02-21
Annual Statement Filed	2019-02-21

Annual Renewal	2018-01-17
Annual Statement Filed	2018-01-17
Special Resolution	2017-01-16
Special Resolution	2017-01-16
Change of Directors	2017-01-10
Address Change	2017-01-10
Appoint an Agent	2017-01-10
Incorporated and Registered	2017-01-10

Show All [Collapse](#)

## RELATED REGISTRATIONS

<b>This Company ...</b>	
HEFLER FOREST PRODUCTS	Registered

This report lists registrations in the Personal Property Registry that match the following search criteria:

<b>Province or Territory Searched:</b>	Nova Scotia
<b>Type of Search:</b>	Debtors (Enterprise)
<b>Search Criteria:</b>	3304051 Nova Scotia Limited
<b>Date and Time of Search (YYYY-MM-DD hh:mm):</b>	2021-01-22 12:37 (Atlantic)
<b>Transaction Number:</b>	21195740
<b>Searched By:</b>	M192411

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	27388917	3304051 NOVA SCOTIA LIMITED	DARTMOUTH
*	*	27388917	3304051 NOVA SCOTIA LIMITED	MIDDLE SACKVILLE
*	*	27623495	3304051 NOVA SCOTIA LIMITED	MIDDLE SACKVILLE

An '\*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

#### Included Column Legend

- An asterisk (\*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

#### Registration Counts

- 3 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to [www.acol.ca](http://www.acol.ca)

### Registration Details for Registration Number: 27388917

**Province or Territory:** Nova Scotia  
**Registration Type:** PPSA Financing Statement

#### Registration History

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	27388917	2017-03-29 14:14	2022-03-29	10000108.00671

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

#### Debtors

Type: Enterprise

3304051 NOVA SCOTIA LIMITED  
 4 MACDONALD AVENUE  
 DARTMOUTH NS B3B 1C5  
 Canada

Type: Enterprise  
 3304051 NOVA SCOTIA LIMITED  
 230 LUCASVILLE ROAD  
 MIDDLE SACKVILLE NS B4B 1S1  
 Canada

### **Secured Parties**

Type: Enterprise  
 CANADIAN IMPERIAL BANK OF COMMERCE  
 595 BAY STREET, 5TH FLOOR  
 TORONTO ON M5G 2C2  
 Canada

### **General Collateral**

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

### **Serial Numbered Collateral**

<b>Serial Number</b>	<b>Collateral Type</b>	<b>Description</b>	<b>Added By</b>	<b>Deleted By</b>
154776	Motor Vehicle	2001 MANITOU FORKLIFT M 50-4	27388917	
405FG2519250	Motor Vehicle	1996 TOYOTA 425 FORKLIFT T25	27388917	
0664871	Motor Vehicle	1999 JCB 940 FORKLIFT 940	27388917	
4028909832	Motor Vehicle	1999SELLICK FORKLIFT SD-80	27388917	
6212508S824	Motor Vehicle	2005 SELICK S80	27388917	
LD0110180	Motor Vehicle	2004 HYUNDAI LOADER 757-7	27388917	
793724	Motor Vehicle	1988 TIMBERJ. PORTER W/SERCO 125 GR. 230	27388917	
1C6RR7GT5ES141624	Motor Vehicle	2014 DODGE TRUCK RAM	27388917	
2GCEK19C681256856	Motor Vehicle	2008 CHEV SERV. TRUCK SILVERADO	27388917	
1HTZVADT2JH586337	Motor Vehicle	1988 INTERNATIONAL S-SERIES	27388917	
1HTTGAETOXJ002002	Motor Vehicle	1999 INTERNATIONAL 5000	27388917	
1FTWW33F8YED90242	Motor Vehicle	2000 FORD TRUCK W FISH. PLOW F350	27388917	
1M2AA18Y7XW094253	Motor Vehicle	199 MACK W/	27388917	
2TCD262B6HA477601	Motor Vehicle	1987 TRAILMOBILE DUMP TRAILER	27388917	
2P932S5G81T017058	Motor Vehicle	PUP TRAILER APLW24-3A-TAL	27388917	

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### **Registration Details for Registration Number: 27623495**

Province or Territory: Nova Scotia  
 Registration Type: PPSA Financing Statement

### **Registration History**

Registration Activity	Registration Number	Date/Time (Atlantic) (YYYY-MM-DD hh:mm)	Expiry Date (YYYY-MM-DD)	File Number
Original	27623495	2017-05-15 15:56	2022-05-15	688649

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

### Debtors

Type: Enterprise  
 3304051 NOVA SCOTIA LIMITED  
 230 LUCASVILLE ROAD  
 MIDDLE SACKVILLE NS B4B1S1  
 CANADA

### Secured Parties

Type: Enterprise  
 VFS CANADA INC.  
 238 WELLINGTON ST. E. 3RD FLR.  
 AURORA ON L4G 1J5  
 CANADA

### General Collateral

2016 VOLVO L90H S/N VCE0L90HK0S623304 C/W CRAIG 7YD HIGHTIP BUCKET SN T17040168 LOADRITE L2180 SYSTEM, ENGINE SN 11811450 //  
 THE GOODS DESCRIBED ABOVE TOGETHER WITH (1) ALL PRESENT AND AFTER-ACQUIRED PARTS, ACCESSIONS, ATTACHMENTS AND REPLACEMENTS THERETO; AND (2) ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, OR MONEY NOW OR HEREAFTER FORMING PROCEEDS OF THE COLLATERAL DESCRIBED ABOVE.

### Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
VCE0L90HK0S623304	Motor Vehicle	2016 VOLVO L90H	27623495	

***END OF REPORT***

## Land Registration View

\* Indicates interests inherited on subdivision or re-configuration of parcel

<b>PID</b>	<b>40014862</b>	<b>Parcel Type</b>	STANDARD PARCEL	<b>Status</b>	ACTIVE
<b>Area</b>	16.9 ACRE(S)	<b>Parcel Access</b>	PUBLIC	<b>Manag. Unit</b>	MU0821
<b>Lot</b>		<b>Created</b>	May 23, 1978 12:00:00AM		
<b>PDCA Status</b>	APPROVED	<b>Municipal Unit</b>	HALIFAX REGIONAL MUNICIPALITY	<b>Manner of Tenure</b>	NOT APPLICABLE
<b>LR Status</b>	LAND REGISTRATION	<b>LR Date</b>	Sep 23, 2013 11:03:45AM		

<b>Location</b>	<b>County</b>	<b>Primary Location</b>	<b>Source</b>
230 LUCASVILLE ROAD MIDDLE SACKVILLE	HALIFAX COUNTY	Yes	Assigned by Municipality

### Comments

<b>Assessment Account</b>	<b>Value</b>	<b>Tax District</b>	<b>Tax Ward</b>	<b>Tax Sub</b>
<b>01968084</b>	\$927,600 (2021 COMMERCIAL TAXABLE)	140	000	

[Back to Results](#)   [Details View](#)   [Parcel Archive View](#)   [Map View](#)

## Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	NS Non-Res?
3304051 NOVA SCOTIA LIMITED	FEE SIMPLE	1969 UPPER WATER STREET HALIFAX NS CA B3J 3R7	DEED	2017	<b>110562643</b> <a href="#">View Doc</a>		Apr 05, 2017	No

## Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
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No Records Found

## Benefits to the Registered Interests

Benefit Details	Interest Holder Type	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

## Burdens on the Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
NOVA SCOTIA POWER INC.	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	1223 LOWER WATER STREET UNIT B FLOOR 6 POST OFFICE BOX 910 HALIFAX NS CA B3J 2W5	EASEMENT/RIGHT OF WAY	2007	<b>89433289</b> <a href="#">View Doc</a>		Nov 30, 2007
BRAGG COMMUNICATIONS INCORPORATED	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	4881 MAIND STREET OXFORD NS CA B0M 1P0	EASEMENT/RIGHT OF WAY	2012	<b>100707471</b> <a href="#">View Form</a> <a href="#">View Doc</a>		May 18, 2012
40663114	EASEMENT/ROW HOLDER (BURDEN) - DOMINANT PID	UNKNOWN	EASEMENT/RIGHT OF WAY	1993	<b>44156</b> <a href="#">View Doc</a>	Book 5482 Page 802	Oct 22, 1993
NOVA SCOTIA POWER INC.	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	1223 LOWER WATER STREET UNIT B FLOOR 6 POST OFFICE BOX 910 HALIFAX NS CA B3J 2W5	EASEMENT/RIGHT OF WAY	2012	<b>102019198</b> <a href="#">View Form</a> <a href="#">View Doc</a>		Nov 26, 2012
NOVA SCOTIA POWER INC.	EASEMENT / RIGHT OF WAY HOLDER (BURDEN)	POST OFFICE BOX 910 HALIFAX NS CA B3J 2W5	EASEMENT/RIGHT OF WAY	2014	<b>105106737</b> <a href="#">View Doc</a>		May 23, 2014

## Textual Qualifications on Title

Qualifications Text

**Tenants in Common not registered pursuant to the *Land Registration Act***

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
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No Records Found

**Recorded Interests**

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
CANADIAN IMPERIAL BANK OF COMMERCE	MORTGAGEE	POST OFFICE BOX 115 COMMERCE COURT TORONTO ON CA M5L 1E5	MORTGAGE	2017	<b>110562692</b> <a href="#">View Doc</a>		Apr 05, 2017
MARITIME PRESSUREWORKS LIMITED	CLAIMANT / PLAINTIFF	41 ESTATES ROAD DARTMOUTH NS CA B2Y 4K3	BUILDERS' / MECHANICS' LIEN	2021	<b>117816505</b> <a href="#">View Form</a> <a href="#">View Doc</a>		Jan 15, 2021

**Parcel Description**

PID 40014862

ALL that certain lot, piece or parcel of land situate, lying and being at Middle Sackville, in the County of Halifax and Province of Nova Scotia more particularly bounded and described as follows:

BORDERED on the north by Highway 101;

BORDERED on the west by the Lucasville Road;

BORDERED on the south by the Sackville River; and

BORDERED on the east by lands now or formerly owned or occupied by Armco Capital Inc. (PID 40807380), and which Armco Capital Inc. lands are shown on and identified as "Parcel E-2" on a survey plan filed at the Registry of Deeds for the County of Halifax on January 31, 2005 as Plan No. 81289606.

SAVING AND EXCEPTING from the foregoing described lands that lot of land conveyed by and described in a deed from Hefler Forest Products Limited to Her Majesty the Queen (Canada) dated June 28, 1993 and recorded at the Registry of Deeds for the County of Halifax on October 22, 1993 in book 5482 at page 799, Document No. 44155.

SUBJECT TO an easement/right-of-way in favor of Her Majesty the Queen (Canada) described in book 5482 at page 802.

AND FURTHER SUBJECT HOWEVER TO a utility interest in favor of Nova Scotia Power Inc. described in 2007 Document No. 89433289.

AND FURTHER SUBJECT HOWEVER TO an easement/right-of-way in favor of Bragg Communications Incorporated described in 2012 Document No. 100707471.

AND FURTHER SUBJECT HOWEVER TO a utility interest in favor of Nova Scotia Power Inc. described in 2012 Document No. 10201998.

AND FURTHER SUBJECT HOWEVER to a utility easement in favour of Nova Scotia Power Inc. more particularly described in the Grant of Easement recorded at the Halifax County Land Registration Office as Document No. 105106737.

\*\*\* Municipal Government Act, Part IX Compliance \*\*\*

Exemption:

The parcel is exempted from subdivision approval under the Municipal Government Act because the parcel was created by a subdivision  
Reason for exemption:

Section 268A that is a Deemed Consolidation - (De Facto Consolidation).

**Non-Enabling Documents**

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
Document	<b>103752912</b> <a href="#">View Form</a> <a href="#">View Doc</a>	2013	DEFACTO CONSOLIDATION		REGISTRY OF DEEDS	Sep 11, 2013

**Non-Enabling Plans**

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
Plan	<b>110274330</b>	2017	RETRACEMENT PLAN	PLAN OF SURVEY OF PID 40014862 (CIVIC 230) LANDS OF HEFLER FOREST PRODUCTS LTD		Jan 31, 2017

## AFR Bundles

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
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*No AFR Bundles Found*

## Parcel Relationships

Related PID

**00633198**

**40014797**

**40663114**

Type of Relationship

CONSOLIDATED - RELATED TO

CONSOLIDATED - RELATED TO

INFANT PARCEL

[Back to Results](#)

[Details View](#)

[Parcel Archive View](#)

[Map View](#)

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to any discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this parcel register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act* subsection 21(1)].

[Boundary/Area Problem](#)

[General Problem](#)

[Municipal Tax Query](#)

### Property Online version 2.0

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If you have comments regarding our site please direct them to: [propertyonline@gov.ns.ca](mailto:propertyonline@gov.ns.ca)

Please feel free to [Submit Problems](#) you find with the Property Online web site.

Compression: Off

[Back to Results](#)

Document Query - Printer Friendly Version

**Names** Last Name:  
 First Name:  
 Middle Name:  
 Query exact? NO  
 Enterprise Name: 3304051  
 Query exact? NO  
 Search for: GRANTORS (AGAINST)  
 Registration System: REGISTRY OF DEEDS

**Select Search Category(s)**  
 Grantor/Grantee Index: YES  
 General Powers of Attorney: YES  
 Judgments: YES  
 Code:  
 Include Name Changes: YES

**Documents** Document #:  
 Prefix:  
 Suffix:  
 Book:  
 Page:

**Search Options** County: HALIFAX COUNTY  
 Date Range: 1749-01-01 to 2021-01-22  
 Mode: Replace

**Document Search Results (for HALIFAX COUNTY - Data current from 1749 to Doc. 117858119 registered on 2021/01/21 16:43)  
 (for GRANTORS searched as of 2021/01/22 12:41)**

0 Records, 0 Selected, Query Type - Replace

Sel	Grantor (Against)	Grantee (ATS)	Reg Date	Book/Page	Document #	Instr Type	Exp Date	Location
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The following sort rules are used for Parcel and GGI Name Searches:									
			Person Names: - Spaces and Apostrophes in last names are ignored. - Searches for either Mc or Mac will return either	Company Names: - All spaces and other non-alpha or non-numeric characters (#, (, ), &, -etc.) are ignored.					

variation.

FIRST REPORT DELOITTE RESTRUCTURING INC.  
COURT NO: 2021 HFX NO. 503367  
ESTATE NO: 51-126312  
FEBRUARY 3, 2021

## **Appendix E**

### **Consent to Act**

February 2, 2021

Kyle Lane  
Senior Director, Special Loans  
CIBC  
25 King Street West, 16<sup>th</sup> Floor  
Toronto, ON M5L 1A2

Dear Kyle,

**Subject: 3304051 Nova Scotia Limited ("Hefler")**

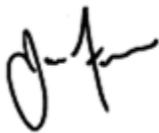
We understand that CIBC intends to make an application to the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") for an order (the "**Receivership Order**") appointing Deloitte Restructuring Inc. ("**Deloitte**") as the receiver and manager (the "**Receiver**") of Hefler.

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: Bruce Clarke, Q.C. (Burchell's)