

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF CONCORD, IN THE PROVINCE OF ONTARIO**

MOTION RECORD

(Returnable August 13, 2018)

AUGUST 3, 2018

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Lawyers for HB Solar Canada Inc.

TO: SERVICE LIST (attached)

SERVICE LIST
(as of August 3, 2018)

TO:	This Honourable Court	
AND TO:	<p>Dodick Landau Inc. 4646 Dufferin Street, Suite 6 Toronto, Ontario M3H 5S4</p> <p>Attention: Rahn Dodick</p> <p>Tel: 416-645-0552 Fax: 416-649-7725 www.dodick.ca</p> <p><i>Proposal Trustee</i></p>	Email: rahn.dodick@dodick.ca
	<p>McCarthy, Tetrault 66 Wellington Street West Suite 5300, TD Bank Tower Box 48 Toronto ON M5K 1E6</p> <p>Attention: Heather Meredith</p> <p>Tel: 416-601-8342 Fax: 416-868-0673</p> <p><i>Counsel for the Proposal Trustee</i></p>	Email: hmeredith@mccarthy.ca
AND TO:	<p>Ministry of Finance Legal Services Branch 777 Bay Street, 11th Floor Toronto, Ontario M5G2C8</p> <p>Attention: Kevin O'Hara</p> <p>Tel: 905-433-6934 Fax: 905-436-4510</p>	E-mail: kevin.ohara@ontario.ca
AND TO:	<p>Department of Justice Ontario Regional Office The Exchange Tower 130 King Street West, Suite 3400 Toronto, Ontario M5X 1K6</p> <p>Attention: Diane Winters</p>	E-mail: diane.winters@justice.gc.ca

	<p>Tel: 416-973-3172 Fax: 416-973-0810</p>	
AND TO:	<p>Shawinigan – Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan-Sud, Quebec G9P 5H9</p> <p>Tel: 1-866-248-1576 Fax: 1-866-229-0839</p>	<p>Email: cra-arc_tax-fisc_ins_t-f_g@cra-arc.gc.ca</p>
AND TO:	<p>Royal Bank of Canada</p> <p>c/o Alloway And Associates Professional Corporation 64 Prince Andrew Place Toronto, ON M3C 2H4</p> <p>Attention: James Davies</p> <p>Tel: 416-971-9293 Ext. 231 Fax: 416-971-9349</p> <p><i>Counsel for Royal Bank of Canada</i></p>	<p>Email: jdavies@alloway.net</p>
AND TO:	<p>NRG Metalworks Inc. c/o Giffen LLP P.O. Box 2396 Kitchener, Ontario N2H 6M3</p> <p>Attention: Cynthia Davis Tel: 519-578-4150 Ext. 165</p>	<p>Email: cd@giffenlawyers.com</p>

AND TO:	<p>SAPA Canada Inc. c/o Norton Rose Fulbright Canada LLP Royal Bank Plaza, South Tower, Suite 3800 Toronto, Ontario M5J 2Z4</p> <p>Attn: Virginie Gauthier Tel: 416 216-4853</p>	<p>Email: virginie.gauthier@nortonrosefulbright.com</p>
AND TO:	<p>Lipman, Zener & Waxman LLP Barristers and Solicitors 1220 Eglinton Avenue West Toronto, Ontario M6C 2E3</p> <p>Attention: Jason D. Spetter Tel.: 416-789-0652 Fax: 416-789-9015</p> <p><i>Counsel for the Purchaser</i></p>	<p>Email: jspetter@lzwlaw.com</p>
AND TO:	<p>Office of the Superintendent of Bankruptcy Canada- Innovation, Science and Economic Development Canada / Government of Canada 151 Yonge St. 4th Floor, Toronto, ON M5C 2W7</p> <p>Brian Haley brian.haley@canada.ca Tel: 647-200-5596 Fax: 416-973-7440</p>	<p>Motion Record E-filed by Trustee with OR in accordance with Superintendent's Directive 9R3</p>

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF CONCORD, IN THE PROVINCE OF ONTARIO**

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL
OF HB SOLAR CANADA INC. OF THE CITY OF VAUGHAN IN
THE PROVINCE OF ONTARIO**

Applicants

**NOTICE OF MOTION
(Returnable August 13, 2018)**

HB Solar Canada Inc. (“**HB**”), will make a motion to the Ontario Superior Court of Justice (Commercial List) on Monday, August 13, 2018 at 10:00 a.m., or as soon thereafter as the motion can be heard, at the Courthouse located at 330 University Avenue, Toronto, Ontario, Canada.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

1. **THE MOTION IS FOR** Orders substantially in the forms attached at Tabs 3 and 4 of this Motion Record, *inter alia*,
 - (a) Abridging the time for service of the Notice of Motion and Motion Record, if necessary, and declaring that this motion is properly returnable on Monday, August 13, 2018, and dispensing with further service thereof;
 - (b) approving the sale transaction contemplated by an agreement of purchase and sale between HB (executed by Dodick Landau Inc., the trustee of the proposal (in such capacity, the “**Proposal Trustee**”) in its capacity as Proposal Trustee) and Craig Chornby on behalf of a company to be incorporated (the “**Purchaser**”), dated July 3, 2018 (the “**APS**”) and vesting the Purchased Assets (as defined in the APS) of HB in the Purchaser (the “**Sale Approval and Vesting Order**”);

- (c) approving the Proposal of HB Solar Canada (the “**Proposal**”) and the releases contained therein;
- (d) declaring that the Proposal Trustee is not required to make payment of a levy pursuant to section 147 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) with respect to payments made directly by the Purchaser to secured creditors of HB, which are unaffected creditors in the Proposal, as described in the Proposal;
- (e) approving the Report of Trustee on Proposal by the Proposal Trustee dated July 27, 2018 (the “**Report**”), the Second Report to Court of the Proposal Trustee dated June 14, 2018 and the First Report of the Proposal Trustee dated May 8, 2018 and the activities of the Proposal Trustee as more particularly described in such reports; and
- (f) such further and other relief as this Court deems just and/or equitable.

2. **THE GROUNDS FOR THE MOTION ARE:**

- (a) On April 10, 2018, HB filed a Notice of Intention to Make a Proposal under section 50.4(1) of the BIA;
- (b) On May 14, 2018 the Honourable Justice McEwen issued a Sale Process Approval Order (the “**Sale Process Order**”) approving a sale and investment solicitation process (“**SISP**”) to identify one or more purchasers of, or investors in, the business and assets of HB, together with enhanced powers for the Proposal Trustee, including authorization for the Proposal Trustee to carry out the SISP;
- (c) The Proposal Trustee conducted a marketing process (as described in greater detail in the Report) for the assets of HB in accordance with the terms of the SISP and Sale Process Orders that included:
 - (i) identifying prospective strategic and financial purchasers/investors;

- (ii) preparing and distributing a “teaser” document (the “Teaser”) to approximately 58 recipients;
 - (iii) creating a Confidential Information Memorandum;
 - (iv) placing 10 insertions in the “Solar Wake Up” daily e-mail blast (a solar industry daily email newsletter with thousands of subscribers throughout North America);
 - (v) establishing a virtual data room and placing over 35 documents on the site for review by interested parties who had executed a confidentiality agreement (there being 15 such parties who executed confidentiality agreements, who logged into the virtual data room on 83 different occasions);
 - (vi) placing calls to certain prospective purchasers/investors who have been identified as strong acquisition or investment candidates;
 - (vii) coordinating in person and by phone meetings with prospective purchasers and the Debtor’s management;
 - (viii) answering numerous due diligence questions from a number of interested parties by email, phone and in person throughout the due diligence process.
 - (ix) reviewing the offers to purchase some or all of the assets received by the June 29, 2018 offer deadline;
 - (x) negotiating and accepting, on behalf of HB, the amended APS from the Purchaser, conditional upon the conditions in that APS, which include obtaining a Sale Approval and Vesting Order, in a form acceptable to the Purchaser, and that the Creditors approve the Proposal and the transaction contemplated in the APS;
- (d) On July 9, 2018, HB lodged with the Proposal Trustee the Proposal. For purposes of the Proposal the creditors of HB are comprised of a single class consisting of creditors

with unsecured claims (the “**Creditors**”). Creditors entitled to vote on the proposal consist of unsecured trade creditors, preferred creditors and claims of Her Majesty in right of Canada and any province for all amounts other than certain priority claims.

- (e) The Proposal was filed with the Official Receiver on July 9, 2018 and accepted by the Official Receiver;
- (f) On July 13, 2018, the Proposal Trustee gave notice to HB, the Superintendent of Bankruptcy, and to every known creditor affected by the Proposal of the calling of a meeting of creditors to consider the Proposal to be held on July 25, 2018;
- (g) On July 25, 2018, the meeting of the Creditors of HB was held and presided over by the Proposal Trustee;
- (h) At the meeting of Creditors, the Proposal was accepted by 100% in number and 100% in value of the Creditors entitled to vote at the meeting of creditors of HB;
- (i) The Proposal provides for the priority of the payments required to be made under s.60 of the BIA;
- (j) The terms of the Proposal are reasonable;
- (k) The terms of the Proposal are calculated to benefit the general body of creditors of HB;
- (l) The Proposal Trustee knows of no proof of claim having been filed in the Proposal against the directors and officers of HB;
- (m) It is expected that creditors of HB will derive a greater benefit under the terms of the Proposal than would be realized from a bankruptcy of HB with no purchase transaction;
- (n) The Proposal provides for an estimated distribution to the Creditors of HB that exceeds the estimated dividend that would otherwise be available from the bankruptcy of HB with no purchase transaction, after payment of the claims of secured creditors holding valid comprehensive security over all of the assets of HB;

- (o) The Proposal Trustee is of the view that the Proposal, based on the implementation of the purchase transaction, will produce a more favourable result for the Creditors of HB than would a bankruptcy;
- (p) The August 13, 2018 appointment for the hearing of the application for the court's approval of the Proposal was obtained on July 13, 2018;
- (q) On July 27, 2018, the Proposal Trustee caused to be sent to HB, every creditor of HB who has filed a Proof of Claim, the Superintendent of Bankruptcy and the Official Receiver, a notice of the time and place of the hearing of the application to the Court to approve the Proposal;
- (r) On July 27, 2018, the Proposal Trustee forwarded a copy of the Report to the Official Receiver;
- (s) The Proposal is conditional upon closing of the transaction contemplated by the APS and granting of a Sale Approval and Vesting Order selling the assets of HB and using the proceeds to fund the Proposal;
- (t) The Sale Approval and Vesting Order is appropriate. The process leading to the APS was reasonable in the circumstances and was in accordance with the SISP and conducted chiefly by the Proposal Trustee. The Report states that the Proposal based on implementation of the APS will produce a more favourable result for creditors of HB than would a bankruptcy;
- (u) Secured creditors are not affected creditors for purposes of the Proposal, are not entitled to vote on the Proposal and do not receive distributions thereunder. It is contemplated that the secured creditors will receive payment from the Purchaser directly and HB seeks a declaration that the superintendent's levy does not apply to such a payment. HB has granted comprehensive valid security over all of its assets to Royal Bank of Canada;

General

- (v) The relief sought is appropriate in the circumstances;
- (w) All statutory requirements for the approval of the Proposal by the Court have been met;
- (x) The provisions of the BIA and this Court's equitable and statutory jurisdiction thereunder, including for the approval of transactions under the provisions of 65.13 of the BIA;
- (y) Rules 1.04, 2.03, 3.02, 16, 37 and 40 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (z) such further and other grounds as counsel may advise and this Court may permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

- (a) The Report of Trustee on Proposal dated July 27, 2018; and
- (b) Such further material as counsel may advise and this Court may permit.

DATE: AUGUST 3, 2018

PALLET VALO LLP

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IN THE MATTER OF THE PROPOSAL OF HB SOLAR CANADA INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

(PROCEEDING COMMENCED AT TORONTO)

**NOTICE OF MOTION
(Returnable August 13, 2018)**

PALLET VALO LLP
Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario L5B 1M5

Alex Ilchenko C.S. (LSO # 33944Q)
Tel: (905) 273-3300
Fax: (905) 273-6920

Lawyers for HB Solar Canada Inc.

TAB 2

District of Ontario
Division No. 31-Toronto
Court No. 31-2364769
Estate No. 31-2364769

IN THE MATTER OF THE PROPOSAL OF

**HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN
IN THE PROVINCE OF ONTARIO**

REPORT OF TRUSTEE ON PROPOSAL AND SALE

Dodick Landau Inc.
4646 Dufferin Street, Suite 6
Toronto, ON M3H 5S4

Rahn Dodick, CA, CIRP, LIT

Tel. #416-645-0552
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District of Ontario
Division No. 31-Toronto
Court No. 31-2364769
Estate No. 31-2364769

**IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.**

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN
IN THE PROVINCE OF ONTARIO

REPORT OF TRUSTEE ON PROPOSAL AND SALE

July 27, 2018

INTRODUCTION

1. The purpose of this report (the "**Report**") of Dodick Landau Inc. ("**DLI**") in its capacity as proposal trustee (the "**Proposal Trustee**") of hb solar Canada Inc. ("**HB**", the "**Debtor**" or the "**Company**"), which includes the report in the form prescribed in section 59(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), is to support the request for orders, among other things:
 - a) approving the proposal (the "**Proposal**") filed by HB;
 - b) authorizing the Proposal Trustee and HB to take all steps necessary to implement the Proposal;
 - c) approving the Proposal Trustee, on behalf of HB, entering into the agreement of purchase and sale with Craig Chornaby, on behalf of a company to be incorporated (the "**Purchaser**") and declaring that the Superintendent's levy does not need to be paid in respect of amounts paid to secured creditors directly by the Purchaser; and
 - d) issuing an order vesting the purchased assets (the "**Purchased Assets**") in favour of the Purchaser.
2. The Proposal has been developed to effect a restructuring by way of a sale of the business and affairs of HB with the expectation that all existing creditors will derive a greater benefit from the completion of the Purchase Transaction (as defined in the Proposal) and the continued operation of the business and affairs of HB than would result from a liquidation of HB's assets in a bankruptcy proceeding.

DISCLAIMER

3. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records, discussions with the Company's management ("**Management**"), Creditors and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report:
 - a) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
 - b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
 - c) the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on DLI's website at www.dodick.ca. Parties using this Report, other than for the purpose of evaluating the Proposal, are cautioned that it may not be appropriate for their purposes. DLI will continue to maintain on its website copies of any court orders, reports and other material public filings it considers relevant to this proceeding.
4. The capitalized terms not defined in this report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, Creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.
5. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

REPORT ON PROPOSAL

6. DLI, the trustee acting in the Proposal of HB, hereby reports to the Court as follows:
- a) On April 10, 2018, HB filed a Notice of Intention to Make a Proposal ("**NOI**") to its creditors pursuant to subsection 50.4 (1) of the *BIA* and DLI was named Proposal Trustee.
 - b) On May 10, 2018 and on June 19, 2018, in accordance with Section 50.4(9) of the *BIA*, the Debtor sought and obtained approval from the Superior Court of Justice (the "**Court**") to extend the time for filing the Proposal, and the stay of proceedings herein, to and including August 6, 2018.
 - c) On July 9, 2018, pursuant to section 62 of the *BIA*, HB filed with the Official Receiver the Proposal, a copy of which is attached hereto as **Appendix "A"**.
 - d) On July 13, 2018, the Proposal Trustee gave notice to the debtor, the division office and to every known creditor (whose names and addresses appear in such notice) or their duly appointed representative of the calling of a meeting of creditors (the "**Creditors' Meeting**") to be held on July 25, 2018 to consider the Proposal.
 - e) With such notice was included a condensed statement of the assets and liabilities of HB, a list of creditors affected by the Proposal and having claims of \$250 or more and showing the amount of their claims, a copy of the Proposal, proof of claim form, proxy and voting letter, as well as the Trustee's Report on Proposal ("**Trustee's Report to Creditors**"). A copy of the complete notice and creditors' package is attached hereto as **Appendix "B"**.
 - f) Prior to the Creditors' Meeting, the Proposal Trustee made a detailed and careful inquiry into the liabilities of the Company, the Company's assets and the causes of the Company's insolvency.
 - g) The Creditors' Meeting was held on the 25th day of July, 2018 at the office of the Proposal Trustee, 4646 Dufferin St., Suite 6, Toronto, Ontario, at 2:00 p.m., and was presided over by Mr. Rahn Dodick of the Proposal Trustee.
 - h) As described further below under the heading "Creditors' Meeting", the Proposal was accepted by the required majority of creditors at the meeting.

- i) A copy of the minutes of the Creditor's Meeting (without appendices) are attached as **Appendix "C"**.
- j) The Proposal Trustee is of the opinion that the liabilities and the assets of the Company, and their estimated realizable values, are as set out in this Report and the Trustee's Report to Creditors included in the Creditors' Package (Appendix "B"), which included background information on HB, causes of its financial difficulties, information on secured and unsecured debt and crown claims, the sale and investor solicitation process undertaken by the Trustee, a description of the Proposal, a liquidation analysis, as well as information on the conduct of the Company.
- k) The Proposal Trustee is also of the opinion that:
 - i) The causes of the insolvency of the Debtor are as set out in the Trustee's Report to Creditors;
 - ii) The conduct of the Debtor, including as described below under the heading "Conduct of the Debtor", is not subject to censure; and
 - iii) There are no known facts, as described in section 173 of the Act, which may be proved against the Debtor.
- l) It is the Proposal Trustee's further opinion that, through the SISP, it broadly canvassed the market to obtain the most favourable offer for the Company and that the approval of the Purchase Transaction will yield a greater recovery for the creditors of the Company than they would receive in a liquidation of the Company.
- m) The Proposal Trustee forwarded a copy of this report to the official receiver on this day.

SECURED CREDITORS AND SECURITY REVIEW

- 7. Secured creditors are not affected creditors for purposes of the Proposal, were not entitled to vote on the Proposal and do not receive distributions thereunder. It is contemplated that the secured creditors will receive payment from the Purchaser directly and HB seeks a declaration that the superintendent's levy does not apply to such a payment.
- 8. The Proposal Trustee was provided with copies of a loan agreement dated as of December 15, 2015 and executed by HB on April 8, 2016, as borrower, and RBC on April 12, 2016 as lender (the "**Loan Agreement**") and a general security agreement dated as of September 4, 2014

executed by HB, as debtor, in favour of RBC (the "**GSA**" and together with the Loan Agreement, the "**Documents**").

9. Counsel to the Proposal Trustee has reviewed the Documents and has confirmed to the Proposal Trustee that, subject to customary assumptions and qualifications including with respect to the application of the insolvency laws: the GSA is registered under the *Personal Property Security Act* (Ontario) ("**PPSA**") and creates a valid security interest in favour of RBC in the HB collateral described therein to which the PPSA applies; and each of the Documents is enforceable against HB in accordance with its terms.

CREDITORS' MEETING

10. For purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors were grouped in one class consisting of Creditors having unsecured Claims. Preferred Creditors and proven Claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims were entitled to vote in the Unsecured Creditor Class.
11. At the Creditors' Meeting, Mr. Dodick acted as the chair (the "**Chair**") and secretary, and Ms. Brenda McKnight acted as the scrutineer (the "**Scrutineer**").
12. The Scrutineer reported that a quorum was present at the Creditors' Meeting and accordingly, the Chair declared that the Creditors' Meeting was properly constituted.
13. A motion to consider a resolution to approve the Proposal was proposed at the Creditors' Meeting (the "**Resolution**"). The Resolution tabled at the meeting was as follows:

"Be and it is hereby resolved to accept the Proposal of hb solar Canada Inc. dated July 9, 2018, and, if approved, the Proposal Trustee and hb solar Canada Inc. take all necessary steps to implement the terms of the Proposal."
14. The Scrutineer tabulated the results of the vote, and the Chair reported the results at the Creditors' Meeting. The Creditors, or their proxy holders, entitled to vote at the Creditor's Meeting voted on the Resolution to approve the Proposal as follows:

	For		Against	
	#	\$	#	\$
Creditors having a voting claim voting in person, by proxy or by voting letter	16	\$1,197,294.45	0	0.00
Percentage of the total votes	100%	100%	0%	0%

15. In summary, a majority in number representing in excess of two-thirds in value of the Creditors holding proven claims and voting in person or by proxy at the Creditors' Meeting, or by voting letter, voted in favour of the Resolution to approve the Proposal.

CONDUCT OF THE DEBTOR

Preference Transactions and Transfers at Undervalue

16. The Proposal contemplates that Sections 95-101 of the BIA shall not apply in connection with this Proposal and as a result the Proposal Trustee shall have no responsibility, liability or authority whatsoever in connection herewith. Accordingly, the Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue.
17. If the Company was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be voided.

Conduct Post-Filing

18. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Company until the Proposal is approved by the Court.
19. During the NOI period, the Company worked diligently with the Proposal Trustee to prepare its Proposal, as well as to manage costs and continue operations. The Company is working diligently to complete the Proposal. The Company continues to actively solicit new business to improve its cash flow and meet its liquidity needs in order to be able to successfully implement the Proposal.

NOTICE OF HEARING OF THE APPLICATION

20. On July 27, 2018, the Proposal Trustee sent the Notice of Hearing of Application for Court Approval of Proposal (Form 40.1) (the "**Notice**") to the Debtor and to all known creditors of the Debtor who have proved a claim, whether secured or unsecured, and to the official receiver. Attached hereto as **Appendix "D"** is a true copy of the Affidavit of Mailing of Brenda McKnight, together with a copy of the Notice.

APPROVAL OF THE PROPOSAL & CLOSING PURCHASE TRANSACTION

21. As described above, the Proposal contemplates a restructuring by completion of the Purchase Transaction, which was identified pursuant to a Sale and Investor Solicitation Process, which allowed the Debtor to explore restructuring alternatives as described in the Trustee's Report to Creditors.
22. Subject to this Court's approval of the Proposal, the Trustee and the Purchaser believe that the closing date for the Purchase Transaction will be on or around August 15, 2018.
23. As such, the Proposal Trustee requests that the Court ratify and approve the Proposal Trustee entering into the Purchase Transaction on behalf of HB, approve the Proposal, authorize the Proposal Trustee and HB to take all steps necessary to implement the Proposal and declare that the Superintendent's levy does not need to be paid in respect of amounts paid to secured creditors directly by the Purchaser. Provided the foregoing relief is granted then the Trustee believes it appropriate that the Court issue an order vesting the right, title and interests in the assets of HB, and to, the Purchaser upon closing of the Purchase Transaction.
24. The Proposal Trustee is not aware of the Company having committed any of the offences set out in sections 198-200 of the BIA.

Yours very truly,

DODICK LANDAU INC.

Trustee *re* the Proposal of hb solar Canada Inc.
and not in its personal or corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT

APPENDIX "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

PROPOSAL

HB SOLAR CANADA INC. ("**HB**" or the "**Company**") hereby submits the following proposal ("**Proposal**") pursuant to the provisions of the *Bankruptcy and Insolvency Act*, (Canada), R.S.C. 1985, c. B-3.

**PART I
Interpretation**

Definitions

1. In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
 - (a) "**Act**" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as amended;
 - (b) "**Administrative Fees and Expenses**" means the proper fees and expenses of the Trustee and the Company incidental to the NOI, the sale process conducted pursuant to the SISP Order, the preparation, presentation, consideration and implementation of the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI, the sale process and the preparation of this Proposal;
 - (c) "**Affected Creditors**" means those Creditors of the Company forming the class of Unsecured Creditors;
 - (d) "**Anniversary Purchase Price Payments**" has the meaning given in paragraph 7 hereof;
 - (e) "**Anniversary Payment Pool**" has the meaning given in paragraph 12 hereof;

- (f) **"Approval Order"** means an Order of the Court approving (i) this Proposal pursuant to the provisions of the Act, and (ii) the Purchase Transaction contemplated by the Purchase Agreement;
- (g) **"Assets"** means the Purchased Assets;
- (h) **"Bankruptcy Reserve"** means a reserve amount of \$25,000.00 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt;
- (i) **"Business Day"** means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein on which banks are generally open for business in Toronto, Ontario;
- (j) **"Claim"** means any right of any person against the Company in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the NOI Filing Date, and **"Claims"** has a corresponding meaning;
- (k) **"Court"** means the Ontario Superior Court of Justice [Commercial List]
- (l) **"Creditor"** means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and **"Creditors"** has a corresponding meaning;
- (m) **"Creditors' Meeting"** means a meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (n) **"Crown Priority Claims"** means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (o) **"Effective Date"** means the date on which the Approval Order is issued;
- (p) **"Event of Default"** has the meaning given to it in Part XI of this Proposal;
- (q) **"Initial Payment"** has the meaning given in paragraph 7 hereof;
- (r) **"Initial Payment Pool"** has the meaning given in paragraph 11 hereof;
- (s) **"Inspector"** means an inspector appointed, if any pursuant to the Proposal in accordance with the provisions of the Act;
- (t) **"Levy"** means the levy imposed by the Superintendent of Bankruptcy under the Act;

- (u) **"Maturity Date"** means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (v) **"NOI"** means the Notice of Intention to Make a Proposal filed by the Company on April 10, 2018;
- (w) **"NOI Filing Date"** means April 10, 2018 the date on which the Company filed the NOI;
- (x) **"Payment GSA"** has the meaning given in paragraph 7 hereof;
- (y) **"Performance of the Proposal"** means full performance of this Proposal as set out in Part IV hereof;
- (z) **"Person"** means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (aa) **"Preferred Claim"** means any Claim that is afforded priority under Section 136(1) of the Act;
- (bb) **"Preferred Creditor"** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (cc) **"Proposal"** means this Proposal and any amendments thereto;
- (dd) **"Proof of Claim"** means the proof of claim required by the Act to be provided to each known creditor prior to the Creditors' Meeting;
- (ee) **"Proposal Period"** means the period between the Effective Date and the Maturity Date;
- (ff) **"Proven Claim"** of a Creditor means the amount of the Claim of such Creditor finally determined and allowed in accordance with the provisions of the Act;
- (gg) **"Purchase Agreement"** means the agreement of purchase and sale between the Company, by Dodick Landau Inc. solely in its capacity as Trustee under the terms of the SISP Order, and Craig Chornaby on behalf of a company to be incorporated made as of June 29, 2018, and amended as of July 3, 2018, substantively in the form attached to this Proposal as "Schedule "A"
- (hh) **"Purchase Price"** has the meaning given in paragraph 7 hereof;
- (ii) **"Purchase Transaction"** means the purchase and sale transaction contemplated by the Purchase Agreement;

- (jj) **"Purchased Assets"** means those assets purchased by the Purchaser, as described in the Purchase Agreement;
- (kk) **"Purchaser"** means Craig Chornaby on behalf of a company to be incorporated;
- (ll) **"Secured Creditor"** means any Creditor holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Company or any part thereof as security for a Claim, and **"Secured Creditors"** has a corresponding meaning;
- (mm) **"Trustee"** means Dodick Landau Inc. or its duly appointed successor, in its capacity as proposal trustee under the Act;
- (nn) **"Unsecured Creditor"** means any Creditor other than Preferred Creditors and Secured Creditors (except to the extent of their ordinary unsecured Proven Claims) with unsecured Proven Claims; and
- (oo) **"Voting Letter"** shall mean the voting letter required by subsection 51(1) of the Act to be mailed or sent by electronic transmission to each known Creditor prior to the Creditors' Meeting.

Headings

2. The division of this Proposal into Parts and Section and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms "this Proposal", "hereof", "hereunder" and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or contest is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

3. In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

4. If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day precluded by statute.

PART II

Purpose and Effect of This Proposal

Purpose of Proposal

5. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company by completion of the Purchase Transaction in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

Effect of Proposal

6. This Proposal restructures the indebtedness of the Company and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, and provided that no Event of Default has occurred that has not been cured or waived, all Creditors will be stayed from commencing or continuing any proceeding or exercising any remedy against the Company or any of its property or assets in respect of a Claim, including without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal legal proceeding against it other than as provided for under this Proposal.

PART III

Purchase Transaction

7. Pursuant to the Purchase Agreement, the consideration paid by the Purchaser for the purchase of the Purchased Assets will be equal to the aggregate sum set out in section 2.6 of the Purchase Agreement, in the amount of \$1,900,000 (the "**Purchase Price**"). The Purchase Price is comprised of the amount of \$810,000 payable at least two Business Days prior to closing of the Purchase Transaction (the "**Initial Payment**"), two additional payments of the Purchase Price in the amount of \$500,000 each payable on or before the first and second annual anniversaries of closing of the Purchase Transaction, respectively (the "**Anniversary Purchase Price Payments**") and a deposit of \$90,000 (the "**Deposit**") which has been received by the Trustee on behalf of the Company. The

Payment of the Anniversary Purchase Price Payments are to be secured by a General Security Agreement granted by the Purchaser over its assets and undertaking to the Trustee on behalf of the Company (the "Payment GSA"). The Deposit is held in trust by the Trustee pending closing of the Purchase Agreement and credited towards the Purchase Price on closing of the Purchase Transaction.

8. The Purchased Assets will be sold to the Purchaser on an "as is, where is" basis and the Company will not be liable or responsible in any way for the condition of the Purchased Assets or the delivery of such tangible assets to be purchased by the Purchaser.
9. The Purchased Assets remain at the risk of the Company until closing of the Purchase Agreement.
10. The closing date of the Purchase Transaction is the date that is five Business Days following the date the Approval Order is granted, or such earlier date as may be agreed.
11. Upon closing of the Purchase Transaction, the Company will direct the Purchaser to pay the Initial Payment as follows:
 - a) An amount equal to the Administrative Fees and Expenses, Bankruptcy Reserve and Crown Priority Claims less the Deposit, as calculated by the Company and approved by the Trustee, to the Trustee;
 - b) An amount equal to the respective Proven Claim of each Secured Creditor directly to such Secured Creditor; and
 - c) Any amounts remaining from the Initial Payment after payment of (a) and (b), to be paid to the Trustee (the amounts paid to the Trustee pursuant to (a) and (c) of this paragraph are collectively, the "Initial Payment Pool").
12. The Company will direct the Purchaser to pay the Anniversary Purchase Price Payments as follows:
 - a) If any Proven Claims of Secured Creditors were not paid in full from the Initial Payment, then such remaining amounts to provide for payment in full of the Proven Claims of Secured Creditors will be paid directly to such Secured Creditors; and
 - b) All other amounts to the Trustee on behalf of the Company (the "Anniversary Payment Pool").

PART IV Classification of Creditors

13. For the purpose of this Proposal, there shall be one class of Creditors consisting of a class of Unsecured Creditors. Claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims shall vote in the Unsecured Creditors class. Preferred Creditors shall also vote in the Unsecured Creditor Class.

PART V
Proposal and Treatment of Creditors

14. Pursuant to this Proposal, the Trustee will distribute the Initial Payment Pool and Anniversary Payment Pool when sufficient amounts have, in the Trustee's discretion, accumulated to warrant an distribution in the following order of priority, including a final distribution when the payment in full of the Anniversary Purchase Price Payments has been received:
- (a) First, to the Administrative Fees and Expenses, in full;
 - (b) Second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with this paragraph;
 - (c) Third, to any Crown Priority Claims, in full;
 - (d) Fourth, to pay the Proven Claims of Preferred Creditors (if any), in full; and
 - (e) Fifth, *pro rata* among all the Unsecured Creditors on account of Proven Claims.
15. In the event that the Proposal is not accepted by the Creditors or the Court refuses to issue the Approval Order, the Company will become a bankrupt and the Purchase Price will not be available to the Creditors in accordance with the respective priorities set out herein.
16. For greater clarity:

Crown Priority Claims

- a) All Proven pre-filing Crown Priority Claims will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof and will be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Secured Creditors

- b) Secured Creditors will be paid in full from the Purchase Price directly from the Purchaser and will receive no distributions pursuant to this Proposal. Accordingly, Secured Creditors are not Affected Creditors for the purposes of this Proposal, and therefore shall not be entitled to vote. For greater certainty, the Company acknowledges and agrees the Royal Bank of Canada ("RBC") is not an Affected Creditor in this Proposal.

Preferred Claims

- c) Preferred Creditors shall vote in the Unsecured Creditor class and the Proven Claims of Preferred Creditors will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof, which provides for payment of such Proven Claims in full, in priority to all claims of Unsecured Creditors with ordinary unsecured claims, in accordance with the scheme of distribution set forth in the Act. This includes payment to employees of amounts equal to the amounts that employees would be qualified to receive under s.136(1)(d) if the employer became bankrupt on the NOI Filing Date as well as wages, salaries, commissions or compensation for services rendered after that date and before the Effective Date, together with disbursements properly incurred by any travelling salesperson during that period.

Unsecured Creditors

- d) The Unsecured Creditors shall vote as a class and will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof and in accordance with the scheme of distribution set out in the Act.

PART VI

Procedure for Validation and Valuation of Claims

17. Upon receipt of a completed Proof of Claim, the Trustee will examine the Proof of Claim and deal with each Claim in accordance with the provisions of the Act.
18. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Company and/or Trustee reserves the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VII

Meeting of Creditors

Creditors' Meeting

19. On July 25, 2018, the Company shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

Notice of Creditors Meeting

20. The Trustee will provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim must be delivered in

accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

Conduct of Meeting

21. The Official Receiver, or any nominee thereof, will preside as the chair of the Creditors Meeting and will decide all matters relating to the conduct of the Creditors Meeting. The only persons entitled to attend the Creditors Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting and the officers, directors and legal counsel of the Company together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors Meeting or with the consent of the Creditors.

Adjournment of Meetings

22. The Creditors' Meeting may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

23. To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor and each Preferred Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Preferred Creditor.

Approval by Creditors

24. In order for the Proposal to be binding on the Creditors, it must first be accepted by the Unsecured Creditors at the Creditors' Meeting by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by Proxy) at the meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by Proxy) at the Creditors' Meeting or by a Voting Letter.

Appointment of Inspectors

25. At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
 - (a) Advising the Trustee concerning any dispute which may arise as to the validity of Claims;

- (b) Waiving any default in performance of any provisions of the Proposal; and
- (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

PART VIII

Conditions Precedent to Implementation of the Proposal

26. As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) All approvals and consents to the Proposal that may be required have been obtained;
 - (b) The Approval Order has been issued and the Effective Date has passed;
 - (c) No order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued;
 - (d) All agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor and the Purchaser in a form satisfactory to the Debtor and Purchaser;
 - (e) The Purchase Transaction shall have been completed; and
 - (f) All and any orders of the Court have been obtained which are required to facilitate the transactions referred to herein.

PART IX

Release

27. As at 12:01 a.m. on the Maturity Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.
28. As of 12:01 a.m. on the Maturity Date, each and every present and former officer and director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director or officer of the Company

from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART X Miscellaneous

Consents, Waivers and Agreements

29. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Effective Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Effect of Payment

30. Creditors will accept the payments provided for in this Proposal in complete satisfaction of all of their Claims, and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Company including the Assets. On the Effective Date, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Company.

Preferential Payments

31. Sections 95 to 101 of the Act shall not apply to any dealings by the Company to at time prior to the NOI Filing Date. The releases contemplated in paragraph 26 of this Proposal include releases in favour of the Released Parties from all claims, actions, or remedies available to Creditors or others pursuant to sections 95 to 101 of the Act, provided nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Amendment to Proposal

32. This Proposal may be amended by the Company with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment, and

provided further that any and all amendments shall be deemed to be effective as of the NOI Filing Date.

Performance Certificate

33. The Trustee will give the Company and the Official Receiver the certificate provided for in section 65.3 of the Act within 5 Business Days following the Trustee being satisfied that all of the conditions set out in this Proposal, and all payments of the Purchase Price, including the Anniversary Purchase Price Payments, have been met, paid or waived.

Court Approval

34. After the Creditors acceptance of the Proposal, the Trustee will proceed to seek the Approval Order from the Court, on or about, August 13, 2018 and to have the Court make any ancillary orders that may be necessary or desirable to permit the transfer of the Purchased Assets to the Purchaser free and clear from all encumbrances as contemplated by the Purchase Transaction or Purchase Agreement, including an order releasing any existing encumbrances from the Purchased Assets other than the Permitted Encumbrances as referred to in the Purchase Agreement (and continuing such encumbrances in the proceeds of sale only). Creditors' acceptance of the Proposal shall constitute their consent to such ancillary Court orders.

Binding Effect

35. The provisions of this Proposal will be binding on the Creditors, the Company and their respective heirs, executors, administrators, successors, and assigns, upon issuance of the Approval Order. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

PART XI Event of Default

36. The following events will constitute Events of Default for purposes of Section 63 of the Act and otherwise under this Proposal:
 - (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this

Paragraph 36, which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

- (c) The failure of the Purchaser to satisfy its obligations under the Purchase Agreement to the Trustee, which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

PART XII

Trustee

- 37. Dodick Landau Inc. shall be the Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 38. Dodick Landau Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of Dodick Landau Inc. shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Company.
- 39. Any payments made by the Trustee to the Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 40. Upon payment by the Trustee of the amounts contemplated in this Proposal, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Company and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

SIGNATURE PAGE TO FOLLOW

SIGNATURE PAGE TO PROPOSAL FILED BY HB SOLAR CANADA INC.

Dated at Toronto this 6th day of July, 2018.

HB SOLAR CANADA INC.

Per: _____

Name: ERIC STEPHENSON

Title: DIRECTOR

I have authority to bind the corporation.

SCHEDULE "A"

AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the 3rd day of July, 2018, between

Formatted: Superscript

HB SOLAR CANADA INC.
(the "Vendor" or "Solar")

and

Craig Chornaby on behalf of a company to be incorporated
(the "Purchaser")

RECITALS

1. On April 10, 2018, Solar filed a Notice of Intention to make a Proposal (the "NOI") under the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "BIA");
2. Dodick Landau Inc., solely in its capacity as the Proposal Trustee of Solar (the "Proposal Trustee") was appointed as proposal trustee of Solar;
3. On May 14, 2018, the Ontario Superior Court of Justice (Commercial List) (the "Court") issued an order (the "SISP Order"), among other things, approving the Two-Stage Sale and Investment Solicitation Process attached thereto (the "SISP") to identify one or more purchasers of, or investors in, the business and assets of Solar;
4. Pursuant to the SISP Order, the Proposal Trustee was granted enhanced powers in relation to the SISP, including that the Proposal Trustee was exclusively authorized and empowered, but not required, to take actions and steps and execute any and all documents and writings on behalf of, and in the name of, Solar, to carry out its duties under the SISP Order, including to execute all documents relating to the SISP, and to execute and deliver any documents on behalf of Solar to implement the transactions contemplated under the SISP approved by the Court;
5. Pursuant to the SISP Order, the Proposal Trustee has assisted in carrying out the SISP while Solar has continued to operate its business; and
6. The SISP provides that the Proposal Trustee will evaluate offers and that any offer submitted must be subject to the approval of Solar's creditors and the Court (including (i) approval of a BIA proposal to Solar's creditors, by affected creditors in the requisite numbers in accordance with the BIA, in which the sale of assets to the successful bidder(s) is proposed, and (ii) an order of the Court sanctioning that proposal) (collectively, the "Approvals"). Subject to such Approvals and on the terms set out herein, the Vendor wishes to sell to the Purchaser and the Purchaser wishes to purchase from the Vendor, substantially all of the assets which make up the business of Solar.

IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREIN CONTAINED, the Parties agree as follows:

SECTION 1 - INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "Agreement" means this Agreement of Purchase and Sale;
- (b) "Approvals" has the meaning set out in the Recitals;
- (c) "Assumed Obligations" has the meaning set out in section 2.4(b);
- (d) "Balance" has the meaning set out in section 2.7(b)(iii);
- (e) "BIA" has the meaning set out in the Recitals;
- (f) "Business Day" means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (g) "Court" has the meaning set out in the Recitals;
- (h) "Court Approval Date" has the meaning set out section 4.3(a);
- (i) "Closing" means the successful completion of the Transaction;
- (j) "Closing Date" means the date on which the Closing occurs, which shall be the date that is five (5) Business Days following the date on which the Approvals are granted, or such earlier date as may be agreed upon by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) or the Proposal Trustee on behalf of the Vendor, and the Purchaser;
- (k) "Contracts" means those contracts to which Solar is a party listed on Schedule 1.1(k)(4) hereto;
- (l) "Deposit" has the meaning set out in subsection 2.7(b)(i);
- (m) "Employees" means persons who are employed by Solar;
- (n) "ETA" means the *Excise Tax Act* (Canada);
- (o) "Excluded Assets" means cash on hand at the time of Closing save and except any pre-paid amounts for work-in-progress or work not yet commenced at Closing which amount shall be subject to a post-closing

adjustment to be verified by the Proposal Trustee; these listed on Schedule 1.1(p) hereto;

- (p) "GST/HST" means goods and services tax/harmonized sales tax under the ETA and includes any provincial equivalents thereof;
- (q) "Intellectual Property" means all intellectual and industrial property and any and all forms of protection having equivalent or similar effect anywhere in the world and all rights therein as recognized under the laws of Canada and/or other countries or jurisdictions, whether registered or unregistered and including applications for the registration or grant of any such rights, including rights in and to: (a) trademarks; (b) patents; (c) copyrights and works of authorship; (d) mask works; (e) trade secrets, know-how, and proprietary and confidential technical or business information; (f) any technology; (g) industrial designs; (h) customer lists and databases; (i) supplier lists and databases; and (j) the trade names "●" and "●", and including the Intellectual Property listed on Schedule 1.1(q)(r);
- (r) "NOI" has the meaning set out in the Recitals;
- (s) "Outside Date" means ●, 2018;
- (t) "Parties" means the Vendor and the Purchaser;
- (u) "Premises" means the premises located at ◊;
- (v) "Proposal Trustee" has the meaning set out in the Recitals;
- (w) "Purchase Price" has the meaning set out in section 2.6;
- (x) "Purchased Assets" means all of the assets, properties and undertakings of Solar including, without limitation, but does not include the Excluded Assets:
 - (i) those located on the Premises, including all records of employment for Transferred Employees;
 - (ii) inventory;
 - (iii) all book debts and accounts receivable owing to Solar;
 - (iv) equipment;
 - (v) Intellectual Property;
 - (vi) all of Solar's rights, entitlements and obligations under the Contracts;
 - (vii) choses in action;

- (viii) "Goodwill" meaning all goodwill, together with the ability of the Purchaser to represent itself as carrying on the Solar business in succession to Solar and the right to use any words indicating that the Solar business is so carried on, including the use if otherwise permitted by law of the corporate name "HB Solar Canada Inc" and the domain name "www.hbsolar.ca"; and
- (ix) those listed on Schedule 1.1(x)(y) hereto.
- (y) "SISP" has the meaning set out in the Recitals.
- (z) "SISP Order" has the meaning set out in the Recitals.
- (aa) "Solar" has the meaning set out in the Recitals.
- (bb) "Time of Closing" means 12:00 a.m. (EST) on the Closing Date or such other time on the Closing Date as the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser may mutually agree;
- (cc) "Transaction" means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (dd) "Transferred Employees" has the meaning set out in section 2.4(a); and
- (ee) "Vendor" has the meaning set out in the Recitals.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings, and the term "third party" means any person other than the Vendor and the Purchaser.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule 1.1(k)(l)-(t) – Contracts

Schedule 1.1(o)(1)-(p) – Excluded Assets

Schedule 1.1(x)-1.1(y) – Purchased Assets

Schedule 2.6 – Purchase Price Allocation

Schedule 5.2(d) – Form of bill of sale, assignment and assumption

Schedule 5.2(e) – Form of Intellectual Property Assignment

1.5 Calculation of Time

In this Agreement, unless something in the subject matter is inconsistent therewith, or unless otherwise herein provided, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from but excluding” and the words “to” and “until” each mean “to and including”. If the last day of any such period is not a Business Day, such period will end on the next Business Day. When calculating the period of time “within” which, “prior to” or “following” which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.

1.6 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.7 Proposal Trustee Acting on Behalf of Vendor

The Purchaser acknowledges that the Proposal Trustee may act on behalf of the Vendor in relation to the SISF, this Agreement and the transactions contemplated hereby, including signing this Agreement and delivering notices hereunder. The Purchaser acknowledges that in no event shall the Purchaser hold the Proposal Trustee liable as a result of the Proposal Trustee's performance on behalf of the Vendor unless arising from the Proposal Trustee's own willful misconduct, gross negligence, fraud or bad faith.

SECTION 2 – SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Purchased Assets

Subject to the terms and conditions hereof, on the Closing Date, the Vendor shall sell to the Purchaser, and the Purchaser shall purchase, all of the Vendor's right, title and interest in and to the Purchased Assets, as of and with effect from the Time of Closing. The Purchaser acknowledges that it is not purchasing any Excluded Assets.

2.2 Assignment and Assumption of Contracts

- (a) Subject to the conditions and terms hereof and in accordance with applicable law, on the Closing Date, the Vendor shall assign to the Purchaser all of the Vendor's right, title and interest in and to the Contracts, and the Purchaser shall assume the obligations and liabilities of the Vendor, if any, under the Contracts, as of and with effect from the Time of Closing.
- (b) Notwithstanding anything else contained herein, the Purchaser shall be responsible for any and all costs required to be paid in connection with the assignment of any Contract to the Purchaser, including amounts required to be paid under the terms of any such Contract in the context of the assignment of such Contract, and fees of any third party advisors in connection therewith.
- (c) This Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party if such consent has not been obtained.

2.3 "As is, Where is"

- (a) THE PURCHASER ACKNOWLEDGES THAT THE VENDOR IS SELLING THE ASSETS ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST AS OF THE TIME OF CLOSING. THE PURCHASER FURTHER ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT ON THE BASIS THAT THE VENDOR DOES NOT GUARANTEE TITLE TO THE ASSETS AND THAT THE PURCHASER HAS CONDUCTED SUCH INSPECTIONS OF THE CONDITION OF AND TITLE TO THE ASSETS AS IT DEEMED APPROPRIATE AND HAS SATISFIED ITSELF WITH REGARD TO THESE MATTERS. NO REPRESENTATION, WARRANTY OR CONDITION IS EXPRESSED OR CAN BE IMPLIED AS TO TITLE, ENCUMBRANCES, DESCRIPTION, FITNESS FOR PURPOSE, MERCHANTABILITY, CONDITION, QUANTITY OR QUALITY OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER CONCERNING THE ASSETS OR THE RIGHT OF THE VENDOR TO SELL OR ASSIGN SAME SAVE AND EXCEPT AS EXPRESSLY REPRESENTED OR WARRANTED HEREIN.
- (b) Without limiting the generality for the foregoing, and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. Any description of the Purchased Assets contained herein or in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

2.4 Employees and other Assumed Obligations

- (a) The Purchaser may, in its sole discretion, conditional upon Closing, offer to employ, effective as of immediately following the Time of Closing, any of the Employees who remain employed by Solar as of immediately prior to the Time of Closing. Not less than three (3) Business Days prior to Closing, the Purchaser shall deliver to the Proposal Trustee a list of Employees to whom the Purchaser intends to offer to employ. By no later than two (2) Business Days prior to the Closing Date, the Purchaser will provide written confirmation to the Proposal Trustee of all such Employees who accept offers of employment with the Purchaser (the "Transferred Employees"). Following the receipt of the list of the Transferred Employees, and in any event no later than one (1) Business Day prior to the Closing Date, the Vendor (either by actions taken directly or on its behalf by the Proposal Trustee) will provide each such Transferred Employee with a memorandum confirming that effective as of the Time of Closing, their employment with Solar will cease and their employment agreement with Solar will be null and void.
- (b) All obligations arising after the Time of Closing in relation to the Transferred Employees, together with the obligations and liabilities of Solar arising after the Time of Closing under the Contracts, are herein collectively referred to as "Assumed Obligations".
- (c) In connection with its acquisition of the Purchased Assets, the Purchaser shall assume the Assumed Obligations as of the Time of Closing. If so required by the Vendor, the Purchaser shall enter into such specific assumption agreement(s) as the Vendor may reasonably require with respect to any Assumed Obligations.

2.5 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendor including, in particular, any liabilities to or in respect of Employees who are not Transferred Employees.

2.6 Purchase Price

The purchase price for the Purchased Assets shall be a total of \$CDN ~~1,900,000.00~~ (the "Purchase Price") to be allocated amongst the Purchased Assets as follows:

~~to be determined prior to closing~~

2.7 Payment of the Purchase Price

- (a) Upon execution of this Agreement, the sum of \$CDN 90,000.00 shall be paid by the Purchaser to the Proposal Trustee, on behalf of the Vendor, as a deposit (the "Deposit") by wire transfer of immediately

available funds to an account of the Proposal Trustee specified in writing by the Vendor. The Deposit shall to be held by the Proposal Trustee, in trust, until the Time of Closing and credited toward the Purchase Price upon Closing.

(b) Subject to this Agreement, on or prior to the Time of Closing, the Purchaser shall satisfy the payment of the Purchase Price as follows:

- (i) the assumption by the Purchaser of the Assumed Obligations;
- (ii) the application of the Deposit against the Purchase Price; and

(iii) the payment by the Purchaser of the sum of \$CDN ~~1,810,000.00~~ to the Proposal Trustee, on behalf of the Vendor, by wire transfer of immediately available funds to an account of the Proposal Trustee specified in writing by the Vendor as follows, which payments shall collectively be defined as the "Balance":

1. ~~\$810,000.00~~ to the Proposal Trustee, on behalf of the Vendor, representing the balance of the Purchase Price (the "Balance"), by wire transfer of immediately available funds to an account of the Proposal Trustee specified in writing by the Vendor at least two (2) Business Days prior to Closing;

2. ~~\$500,000.00~~ on or before the period ending 12 months after Closing; and

(iii) 3. ~~\$500,000.00~~ on or before the period ending 24 months after closing.

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2.8 Taxes

- (a) The Purchaser shall pay upon Closing, in addition to the Purchase Price, all applicable federal, provincial, state or other taxes exigible in connection with the purchase and sale of the Purchased Assets including, without limitation, GST/HST and retail sales tax. Alternatively, where applicable, the Purchaser shall have the option to furnish the Vendor with appropriate exemption certificates.
- (b) The Purchaser agrees to and hereby indemnifies and saves the Vendor and the Proposal Trustee harmless from and against all claims and demands for payment of the above-mentioned taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such taxes when due.

SECTION 3 – REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of TBC;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transactions contemplated and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced;
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been, or will be as at the Time of Closing,

duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;

- (f) the Purchaser is registered for GST/HST purposes under Part IX of the ETA, and its registration number is ~~4-123~~; and
- (g) the Purchaser has available to it, or the Purchaser has a firm written commitment from a lending institution for, and will have available to it on the Closing Date above noted payment dates, sufficient funds to pay the Purchase Price, any fees and expenses of the Purchaser related to the transactions contemplated by this Agreement and to consummate all other transactions contemplated by this Agreement to be so consummated by the Purchaser.

3.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approvals; and
- (b) the Vendor is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

SECTION 4 – CONDITIONS

4.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Purchaser, being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Vendor shall have performed or complied with in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Purchaser shall have been furnished with a certificate signed by an officer of the Vendor (not in their personal capacity and without personal liability) dated the Closing Date, to the effect that sections 4.1(a) and 4.1(b) have been complied with; and
- (d) no action or proceedings shall be pending to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

4.2 Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Vendor, being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed and complied with in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Vendor shall have been furnished with a certificate signed by an officer of the Purchaser (not in their personal capacity and without personal liability) dated the Closing Date, to the effect that sections 4.2(a) and 4.2(b) have been complied with;
- (d) no action or proceedings shall be pending to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (e) the Vendor shall not have lost its ability to convey the Purchased Assets or any part thereof.

4.3 Approvals

- (a) The obligations of the Vendor and the Purchaser to complete the Transaction are subject to having received the Approvals on or before ~~2018~~ ^{STOCKS August 17} (the "Court Approval Date").
- (b) The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

4.4 Commercially Reasonable Efforts

Each of the Vendor and the Purchaser shall use its commercially reasonable efforts to satisfy the conditions set out in this ~~3.2(a) Section 4~~ prior to the Outside Date.

4.5 Non-Satisfaction of Conditions

If any condition set out in this section 4 is not satisfied or performed on or prior to the dates specified in sections 4.1 through 4.3, the party for whose benefit the condition is inserted may (in the case of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee)):

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights

of termination in the event of non-fulfilment of any other condition in whole or in part; or

- (b) elect on written notice to the other party to terminate this Agreement before Closing.

SECTION 5 – CLOSING

5.1 Closing

The completion of the Transaction shall take place with effect as of the Time of Closing at the offices of < on the Closing Date or as otherwise determined by mutual agreement of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser in writing.

5.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute and/or deliver, as applicable, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Deposit in accordance with section 2.7(a);
- (b) payment of the Balance in accordance with section 2.7(b)(iii);
- (c) payment or evidence of payment of applicable federal, state and provincial taxes or alternatively, appropriate exemption certificates, as required by section 2.8;
- (d) a bill of sale, assignment and assumption executed by the Purchaser, substantially in the form attached as Schedule 5.2(d);
- (e) a specific assignment of Intellectual Property executed by the Purchaser (if applicable), substantially in the form attached as Schedule 5.2(e);
- (f) the certificate referred to in section 4.1(c); and
- (g) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

5.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a bill of sale, assignment and assumption executed by the Vendor (if applicable) substantially in the form attached as Schedule 5.25.2(d);

- (b) a specific assignment of Intellectual Property executed by the Vendor substantially in the form attached as Schedule 5.25.2(e);
- (c) the certificate referred to in section 4.2(c);
- (d) the Trustee's Certificate, as referred to in the Approvals; and
- (e) all Approvals.

5.4 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the Vendor's right, title and interest in and to the Purchased Assets pursuant to the Approvals. The Purchaser agrees to purchase and accept the right, title and interest of the Vendor in and to the Purchased Assets pursuant to and in accordance with the terms of this Agreement, the bill of sale, assignment and assumption, the assignment of Intellectual Property and the Approvals.

5.5 Possession of Purchased Assets

- (a) The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets where situated at the Time of Closing. The Purchaser acknowledges that, subject to the terms of this section 5.5, the Vendor has no additional obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approvals have been satisfied and the Purchaser has satisfied all delivery requirements outlined in section 5.2. The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, and shall promptly release such Excluded Assets to the Vendor, or to such other person as the Vendor may direct in writing.
- (b) The Vendor agrees that the Purchaser shall have access to the Premises for the purposes of removing the Purchased Assets located therein for a period of 30 days following the Closing Date. At its own cost and expense, the Purchaser will be responsible for the checkout, dismounting, dismantling and removal of the Purchased Assets from the Premises, which checkout, dismounting, dismantling and removal shall be done with the care that a prudent tenant would use, by reputable and competent personnel, in a good and workmanlike manner, and in compliance with all laws. At its own cost and expense, the Purchaser shall leave the Premises in an orderly, clean, sanitary and broom swept condition and shall be required to remedy or repair any physical damage or other condition resulting from the checkout, dismounting, dismantling and removal of the Purchased Assets. The Purchaser shall not be obligated to remove any Excluded Assets and shall not be required to remedy any condition existing prior to the Closing.

5.6 Risk

The Purchased Assets shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 days after notification to the Purchaser by the Vendor of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this Agreement shall be terminated automatically and the Purchaser shall be entitled only to a return of the Deposit paid under section 2.7(a) but without any other compensation. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this section 5.6 as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined in accordance with section 5.7.

5.7 Dispute Resolution

If any dispute arises (a) under section 5.6 as to whether any damage or destruction is substantial or with respect to the amount of any abatement, or (b) with respect to any other matter related to the Transaction, such dispute will be determined by the Court in the current proceedings relating to Solar, or by such other person or in such other manner as the Court may direct.

5.8 Termination

- (a) This Agreement may, in the case of section 5.8(a)(iv) will, be terminated as follows and in no other manner:
 - (i) by written agreement of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser;
 - (ii) by either the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) or the Purchaser pursuant to section 4.5
 - (iii) by the Purchaser pursuant to section 5.6: or
 - (iv) automatically if the Closing does not occur by the Outside Date, provided that the right to terminate this Agreement under this clause shall not be available to any Party whose act or failure to act has been a principal cause of, or resulted in, the failure of the Closing to occur on or before the Outside Date.
- (b) If this Agreement is validly terminated pursuant to section 5.8(a):

- (i) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (ii) subject to section 5.9, the Purchaser shall be entitled to have the Deposit paid hereunder to the Proposal Trustee returned with interest earned thereon (if any) but without deduction; and
- (iii) subject to section 5.9, neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

5.9 Breach by Purchaser

If the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor. In addition, the Purchaser shall pay on demand to the Vendor (i) the deficiency, if any, arising upon such resale, being the amount that the net sale proceeds on resale (after deducting the expenses of resale) together with the forfeited Deposit are less than the Purchase Price, and (ii) interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

SECTION 6 – GENERAL

6.1 Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

6.2 Preservation of Records

The Purchaser shall preserve and keep the records relating to the Purchased Assets for a period of seven years following the Closing Date, and shall make such records and personnel available to Vendor as may be reasonably required by such party in connection with, among other things, any insurance claims by, actions or tax audits against, or governmental investigations of the Vendor or any of their respective affiliates or in order to enable the Vendor to comply with its obligations under this Agreement and each other agreement, document, or instrument contemplated hereby or thereby. In the event the Purchaser wishes to destroy such records before or after that time, such party shall first give 90 days prior written notice to the Vendor, and the Vendor shall have the right at its option and expense, upon prior written notice given to Purchaser within such 90 day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

6.3 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchaser, as follows:

[Insert Purchaser's address]

Attention: _____ Craig Chomaby
Telephone No.: _____ 519-240-4193
Fax No.: _____

with a copy to:

{Law firm}Lipman, Zener & Waxman LLP
{address-line-1}220 Eglinton Avenue West
{address-line-2}
{address-line-3}
{city, province, postal code}Toronto, Ontario, M6C 2E3

Attention: {lawyer}Jason Spetter
Tel: XXX-XXX-XXXX416-789-0652 x367
Fax: XXX-XXX-XXXX416-789-9015
Email: email@email.comjspetter@jzwlaw.com

and in the case of the Vendor, as follows:

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with a copy to:

Pallett Valo LLP
77 City Centre Drive, West Toronto
Suite 300
Mississauga, ON L5B1M5

Attention: Alex Ilchenko
Facsimile: (905) 273-6920
Email: ailchenko@pallettvalo.com

with a copy to:

Dodick Landau Inc.
4646 Dufferin St.
Suite 6
Toronto, ON M3H 5S4

Attention: Rahn Dodick

Facsimile: (416) 649-7725
Email: rahn.dodick@dodick.ca

with a copy to:

McCarthy Tétrault LLP
Suite 5300
TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, ON M6K 1E6

Attention: Heather Meredith
Email: hmeredith@mccarthy.ca

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

6.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser or by their respective solicitors.

6.5 Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

6.5 Survival

No covenants, representations or warranties of any Party contained in this Agreement or any certificate provided pursuant to this Agreement will survive the Closing, except for the covenants, if any, that by their terms are to be satisfied or survive after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

6.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, provided that the Purchaser shall not assign its rights, entitlements or obligations under this Agreement without the prior written consent of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee).

6.7 Entire Agreement

This Agreement (including the agreements and orders contemplated hereby) and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser.

6.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

6.9 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

6.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

6.11 Commission

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction, and the Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.

6.12 Fees and Expenses

Each of the Vendor and the Purchaser will pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

6.13 Public Announcement

Except as required by applicable law or by the Court, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser.

6.14 Relationship with Proposal Trustee

In this Agreement, references to a required consent from the Proposal Trustee are in reference to obligations of the Vendor only and, as they relate to the Purchaser, such references are only for informational purposes.

6.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature page follows]

The Parties have executed this Agreement.

HB SOLAR CANADA INC. [by Dodick
Landau Inc., solely in its capacity as the
Proposal Trustee under the terms of the SISP
Order, and not in any other capacity]

Per:



Name: Rahn Dodick
Title: President

I have authority to bind the Corporation.

[NAME OF PURCHASER] CRAIG
CHORNABY ON BEHALF OF A
COMPANY TO BE INCORPORATED

Per:



Name:
Title:

I have authority to bind the Corporation.

CRAIG CHORNABY
PRESIDENT

APPENDIX "B"

DODICK LANDAU

July 13, 2018

CREDITOR PACKAGE

To the Creditors of HB Solar Canada Inc. (“HB” or the “Company”)

Please be advised that on July 9, 2018, Dodick Landau Inc., in its capacity as Proposal Trustee (the “**Proposal Trustee**”) of the Estate of HB Solar Canada Inc., filed with the Official Receiver a proposal in the name, and on behalf, of HB Solar Canada Inc.

The reason you are receiving this letter and the enclosed creditor information (“**Creditor Package**”) is because HB Solar Canada Inc. advised the Proposal Trustee that you are a creditor of HB Solar Canada Inc. and may be eligible to vote in the Proposal. The purpose of the Creditor Package is to provide you with the information you require to evaluate, and vote on, the Proposal.

Enclosed in this Creditor Package are the following documents:

- 1) Notice of Proposal to Creditors;
- 2) Proposal;
- 3) Trustee’s Report on Proposal;
- 4) Statement of Affairs;
- 5) Proof of Claim form with instructions;
- 6) Proxy;
- 7) Voting Letter

A Meeting of the Creditors to consider the Proposal will be held at the office of the Proposal Trustee, located at 4646 Dufferin Street, Suite 6, Toronto, Ontario M3H 5S4 on July 25, 2018 at 2:00 p.m.

In order to be eligible to attend and vote at the meeting of creditors, creditors must have filed with the Proposal Trustee before the meeting, a proof of claim form signed and witnessed as required and accompanied by a statement of account. Those Creditors who do not intend to have a personal representative at the meeting held on July 25, 2018, may complete and submit the voting letter which is enclosed in this Creditor Package prior to the meeting indicating their vote for or against the acceptance of the Proposal. The Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the meeting. Additional details relating to the filing of claims prior to the meeting of creditors are outlined in the Report of the Trustee on the Proposal.

DODICK LANDAU

Completed proofs of claim, and other documents may be sent to the Trustee to the attention of Brenda McKnight by fax (416-649-7725) or electronic mail (brenda.mcknight@dodick.ca). Should you need further assistance, you may contact our office by telephone at 416-645-0542.

To access further information pertaining to the HB Solar Canada Inc. proceedings, including an electronic copy of the Creditor Package, please visit the Trustee's website (<http://dodick.ca/public-documents/>).

DODICK LANDAU INC.,
Proposal Trustee of the estate of
HB Solar Canada Inc.
and not in its personal or corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT
President

NOTICE OF PROPOSAL

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Take notice that HB Solar Canada Inc. of the city of Concord in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 4646 Dufferin St., Suite 6, Toronto, ON on the 25th day of July 2018 at 2:00 PM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the city of Toronto in the Province of Ontario, this 13th day of July 2018.

Dodick Landau Inc. - Licensed Insolvency Trustee



4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 736-4357

PROPOSAL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

PROPOSAL

HB SOLAR CANADA INC. ("HB" or the "Company") hereby submits the following proposal ("Proposal") pursuant to the provisions of the *Bankruptcy and Insolvency Act*, (Canada), R.S.C. 1985, c. B-3.

**PART I
Interpretation**

Definitions

1. In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
 - (a) "Act" means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as amended;
 - (b) "Administrative Fees and Expenses" means the proper fees and expenses of the Trustee and the Company incidental to the NOI, the sale process conducted pursuant to the SISP Order, the preparation, presentation, consideration and implementation of the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI, the sale process and the preparation of this Proposal;
 - (c) "Affected Creditors" means those Creditors of the Company forming the class of Unsecured Creditors;
 - (d) "Anniversary Purchase Price Payments" has the meaning given in paragraph 7 hereof;
 - (e) "Anniversary Payment Pool" has the meaning given in paragraph 12 hereof;

- (f) **"Approval Order"** means an Order of the Court approving (i) this Proposal pursuant to the provisions of the Act, and (ii) the Purchase Transaction contemplated by the Purchase Agreement;
- (g) **"Assets"** means the Purchased Assets;
- (h) **"Bankruptcy Reserve"** means a reserve amount of \$25,000.00 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt;
- (i) **"Business Day"** means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein on which banks are generally open for business in Toronto, Ontario;
- (j) **"Claim"** means any right of any person against the Company in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the NOI Filing Date, and **"Claims"** has a corresponding meaning;
- (k) **"Court"** means the Ontario Superior Court of Justice [Commercial List]
- (l) **"Creditor"** means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and **"Creditors"** has a corresponding meaning;
- (m) **"Creditors' Meeting"** means a meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (n) **"Crown Priority Claims"** means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (o) **"Effective Date"** means the date on which the Approval Order is issued;
- (p) **"Event of Default"** has the meaning given to it in Part XI of this Proposal;
- (q) **"Initial Payment"** has the meaning given in paragraph 7 hereof;
- (r) **"Initial Payment Pool"** has the meaning given in paragraph 11 hereof;
- (s) **"Inspector"** means an inspector appointed, if any pursuant to the Proposal in accordance with the provisions of the Act;
- (t) **"Levy"** means the levy imposed by the Superintendent of Bankruptcy under the Act;

- (u) **"Maturity Date"** means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (v) **"NOI"** means the Notice of Intention to Make a Proposal filed by the Company on April 10, 2018;
- (w) **"NOI Filing Date"** means April 10, 2018 the date on which the Company filed the NOI;
- (x) **"Payment GSA"** has the meaning given in paragraph 7 hereof;
- (y) **"Performance of the Proposal"** means full performance of this Proposal as set out in Part IV hereof;
- (z) **"Person"** means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (aa) **"Preferred Claim"** means any Claim that is afforded priority under Section 136(1) of the Act;
- (bb) **"Preferred Creditor"** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (cc) **"Proposal"** means this Proposal and any amendments thereto;
- (dd) **"Proof of Claim"** means the proof of claim required by the Act to be provided to each known creditor prior to the Creditors' Meeting;
- (ee) **"Proposal Period"** means the period between the Effective Date and the Maturity Date;
- (ff) **"Proven Claim"** of a Creditor means the amount of the Claim of such Creditor finally determined and allowed in accordance with the provisions of the Act;
- (gg) **"Purchase Agreement"** means the agreement of purchase and sale between the Company, by Dodick Landau Inc. solely in its capacity as Trustee under the terms of the SISP Order, and Craig Chornaby on behalf of a company to be incorporated made as of June 29, 2018, and amended as of July 3, 2018, substantively in the form attached to this Proposal as "Schedule "A"
- (hh) **"Purchase Price"** has the meaning given in paragraph 7 hereof;
- (ii) **"Purchase Transaction"** means the purchase and sale transaction contemplated by the Purchase Agreement;

- (jj) **"Purchased Assets"** means those assets purchased by the Purchaser, as described in the Purchase Agreement;
- (kk) **"Purchaser"** means Craig Chornaby on behalf of a company to be incorporated;
- (ll) **"Secured Creditor"** means any Creditor holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Company or any part thereof as security for a Claim, and **"Secured Creditors"** has a corresponding meaning;
- (mm) **"Trustee"** means Dodick Landau Inc. or its duly appointed successor, in its capacity as proposal trustee under the Act;
- (nn) **"Unsecured Creditor"** means any Creditor other than Preferred Creditors and Secured Creditors (except to the extent of their ordinary unsecured Proven Claims) with unsecured Proven Claims; and
- (oo) **"Voting Letter"** shall mean the voting letter required by subsection 51(1) of the Act to be mailed or sent by electronic transmission to each known Creditor prior to the Creditors' Meeting.

Headings

2. The division of this Proposal into Parts and Section and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms "this Proposal", "hereof", "hereunder" and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or contest is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

3. In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

4. If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day precluded by statute.

PART II Purpose and Effect of This Proposal

Purpose of Proposal

5. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company by completion of the Purchase Transaction in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

Effect of Proposal

6. This Proposal restructures the indebtedness of the Company and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, and provided that no Event of Default has occurred that has not been cured or waived, all Creditors will be stayed from commencing or continuing any proceeding or exercising any remedy against the Company or any of its property or assets in respect of a Claim, including without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal legal proceeding against it other than as provided for under this Proposal.

PART III Purchase Transaction

7. Pursuant to the Purchase Agreement, the consideration paid by the Purchaser for the purchase of the Purchased Assets will be equal to the aggregate sum set out in section 2.6 of the Purchase Agreement, in the amount of \$1,900,000 (the "**Purchase Price**"). The Purchase Price is comprised of the amount of \$810,000 payable at least two Business Days prior to closing of the Purchase Transaction (the "**Initial Payment**"), two additional payments of the Purchase Price in the amount of \$500,000 each payable on or before the first and second annual anniversaries of closing of the Purchase Transaction, respectively (the "**Anniversary Purchase Price Payments**") and a deposit of \$90,000 (the "**Deposit**") which has been received by the Trustee on behalf of the Company. The

Payment of the Anniversary Purchase Price Payments are to be secured by a General Security Agreement granted by the Purchaser over its assets and undertaking to the Trustee on behalf of the Company (the "Payment GSA"). The Deposit is held in trust by the Trustee pending closing of the Purchase Agreement and credited towards the Purchase Price on closing of the Purchase Transaction.

8. The Purchased Assets will be sold to the Purchaser on an "as is, where is" basis and the Company will not be liable or responsible in any way for the condition of the Purchased Assets or the delivery of such tangible assets to be purchased by the Purchaser.
9. The Purchased Assets remain at the risk of the Company until closing of the Purchase Agreement.
10. The closing date of the Purchase Transaction is the date that is five Business Days following the date the Approval Order is granted, or such earlier date as may be agreed.
11. Upon closing of the Purchase Transaction, the Company will direct the Purchaser to pay the Initial Payment as follows:
 - a) An amount equal to the Administrative Fees and Expenses, Bankruptcy Reserve and Crown Priority Claims less the Deposit, as calculated by the Company and approved by the Trustee, to the Trustee;
 - b) An amount equal to the respective Proven Claim of each Secured Creditor directly to such Secured Creditor; and
 - c) Any amounts remaining from the Initial Payment after payment of (a) and (b), to be paid to the Trustee (the amounts paid to the Trustee pursuant to (a) and (c) of this paragraph are collectively, the "Initial Payment Pool").
12. The Company will direct the Purchaser to pay the Anniversary Purchase Price Payments as follows:
 - a) If any Proven Claims of Secured Creditors were not paid in full from the Initial Payment, then such remaining amounts to provide for payment in full of the Proven Claims of Secured Creditors will be paid directly to such Secured Creditors; and
 - b) All other amounts to the Trustee on behalf of the Company (the "Anniversary Payment Pool").

PART IV Classification of Creditors

13. For the purpose of this Proposal, there shall be one class of Creditors consisting of a class of Unsecured Creditors. Claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims shall vote in the Unsecured Creditors class. Preferred Creditors shall also vote in the Unsecured Creditor Class.

PART V
Proposal and Treatment of Creditors

14. Pursuant to this Proposal, the Trustee will distribute the Initial Payment Pool and Anniversary Payment Pool when sufficient amounts have, in the Trustee's discretion, accumulated to warrant an distribution in the following order of priority, including a final distribution when the payment in full of the Anniversary Purchase Price Payments has been received:
- (a) First, to the Administrative Fees and Expenses, in full;
 - (b) Second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with this paragraph;
 - (c) Third, to any Crown Priority Claims, in full;
 - (d) Fourth, to pay the Proven Claims of Preferred Creditors (if any), in full; and
 - (e) Fifth, *pro rata* among all the Unsecured Creditors on account of Proven Claims.
15. In the event that the Proposal is not accepted by the Creditors or the Court refuses to issue the Approval Order, the Company will become a bankrupt and the Purchase Price will not be available to the Creditors in accordance with the respective priorities set out herein.
16. For greater clarity:

Crown Priority Claims

- a) All Proven pre-filing Crown Priority Claims will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof and will be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Secured Creditors

- b) Secured Creditors will be paid in full from the Purchase Price directly from the Purchaser and will receive no distributions pursuant to this Proposal. Accordingly, Secured Creditors are not Affected Creditors for the purposes of this Proposal, and therefore shall not be entitled to vote. For greater certainty, the Company acknowledges and agrees the Royal Bank of Canada ("RBC") is not an Affected Creditor in this Proposal.

Preferred Claims

- c) Preferred Creditors shall vote in the Unsecured Creditor class and the Proven Claims of Preferred Creditors will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof, which provides for payment of such Proven Claims in full, in priority to all claims of Unsecured Creditors with ordinary unsecured claims, in accordance with the scheme of distribution set forth in the Act. This includes payment to employees of amounts equal to the amounts that employees would be qualified to receive under s.136(1)(d) if the employer became bankrupt on the NOI Filing Date as well as wages, salaries, commissions or compensation for services rendered after that date and before the Effective Date, together with disbursements properly incurred by any travelling salesperson during that period.

Unsecured Creditors

- d) The Unsecured Creditors shall vote as a class and will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof and in accordance with the scheme of distribution set out in the Act.

PART VI

Procedure for Validation and Valuation of Claims

17. Upon receipt of a completed Proof of Claim, the Trustee will examine the Proof of Claim and deal with each Claim in accordance with the provisions of the Act.
18. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Company and/or Trustee reserves the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VII

Meeting of Creditors

Creditors' Meeting

19. On July 25, 2018, the Company shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

Notice of Creditors Meeting

20. The Trustee will provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim must be delivered in

accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

Conduct of Meeting

21. The Official Receiver, or any nominee thereof, will preside as the chair of the Creditors Meeting and will decide all matters relating to the conduct of the Creditors Meeting. The only persons entitled to attend the Creditors Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting and the officers, directors and legal counsel of the Company together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors Meeting or with the consent of the Creditors.

Adjournment of Meetings

22. The Creditors' Meeting may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

23. To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor and each Preferred Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Preferred Creditor.

Approval by Creditors

24. In order for the Proposal to be binding on the Creditors, it must first be accepted by the Unsecured Creditors at the Creditors' Meeting by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by Proxy) at the meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by Proxy) at the Creditors' Meeting or by a Voting Letter.

Appointment of Inspectors

25. At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
 - (a) Advising the Trustee concerning any dispute which may arise as to the validity of Claims;

- (b) Waiving any default in performance of any provisions of the Proposal; and
- (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

PART VIII

Conditions Precedent to Implementation of the Proposal

26. As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) All approvals and consents to the Proposal that may be required have been obtained;
 - (b) The Approval Order has been issued and the Effective Date has passed;
 - (c) No order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued;
 - (d) All agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor and the Purchaser in a form satisfactory to the Debtor and Purchaser;
 - (e) The Purchase Transaction shall have been completed; and
 - (f) All and any orders of the Court have been obtained which are required to facilitate the transactions referred to herein.

PART IX

Release

27. As at 12:01 a.m. on the Maturity Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.
28. As of 12:01 a.m. on the Maturity Date, each and every present and former officer and director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director or officer of the Company

from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART X Miscellaneous

Consents, Waivers and Agreements

29. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Effective Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Effect of Payment

30. Creditors will accept the payments provided for in this Proposal in complete satisfaction of all of their Claims, and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Company including the Assets. On the Effective Date, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Company.

Preferential Payments

31. Sections 95 to 101 of the Act shall not apply to any dealings by the Company to at time prior to the NOI Filing Date. The releases contemplated in paragraph 26 of this Proposal include releases in favour of the Released Parties from all claims, actions, or remedies available to Creditors or others pursuant to sections 95 to 101 of the Act, provided nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Amendment to Proposal

32. This Proposal may be amended by the Company with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment, and

provided further that any and all amendments shall be deemed to be effective as of the NOI Filing Date.

Performance Certificate

33. The Trustee will give the Company and the Official Receiver the certificate provided for in section 65.3 of the Act within 5 Business Days following the Trustee being satisfied that all of the conditions set out in this Proposal, and all payments of the Purchase Price, including the Anniversary Purchase Price Payments, have been met, paid or waived.

Court Approval

34. After the Creditors acceptance of the Proposal, the Trustee will proceed to seek the Approval Order from the Court, on or about, August 13, 2018 and to have the Court make any ancillary orders that may be necessary or desirable to permit the transfer of the Purchased Assets to the Purchaser free and clear from all encumbrances as contemplated by the Purchase Transaction or Purchase Agreement, including an order releasing any existing encumbrances from the Purchased Assets other than the Permitted Encumbrances as referred to in the Purchase Agreement (and continuing such encumbrances in the proceeds of sale only). Creditors' acceptance of the Proposal shall constitute their consent to such ancillary Court orders.

Binding Effect

35. The provisions of this Proposal will be binding on the Creditors, the Company and their respective heirs, executors, administrators, successors, and assigns, upon issuance of the Approval Order. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

PART XI Event of Default

36. The following events will constitute Events of Default for purposes of Section 63 of the Act and otherwise under this Proposal:
 - (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this

Paragraph 36, which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

- (c) The failure of the Purchaser to satisfy its obligations under the Purchase Agreement to the Trustee, which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

PART XII
Trustee


- 37. Dodick Landau Inc. shall be the Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 38. Dodick Landau Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of Dodick Landau Inc. shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Company.
- 39. Any payments made by the Trustee to the Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 40. Upon payment by the Trustee of the amounts contemplated in this Proposal, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Company and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

SIGNATURE PAGE TO FOLLOW

SIGNATURE PAGE TO PROPOSAL FILED BY HB SOLAR CANADA INC.

Dated at Toronto this 6th day of July, 2018.

HB SOLAR CANADA INC.

Per: 

Name: ERIC STEPHENSON

Title: DIRECTOR

I have authority to bind the corporation.

SCHEDULE "A"

AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the 3rd day of July, 2018, between

Formatted: Superscript

HB SOLAR CANADA INC.
(the "Vendor" or "Solar")

and

Craig Chornaby on behalf of a company to be incorporated
(the "Purchaser")

RECITALS

1. On April 10, 2018, Solar filed a Notice of Intention to make a Proposal (the "NOI") under the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "BIA");
2. Dodick Landau Inc., solely in its capacity as the Proposal Trustee of Solar (the "Proposal Trustee") was appointed as proposal trustee of Solar;
3. On May 14, 2018, the Ontario Superior Court of Justice (Commercial List) (the "Court") issued an order (the "SISP Order"), among other things, approving the Two-Stage Sale and Investment Solicitation Process attached thereto (the "SISP") to identify one or more purchasers of, or investors in, the business and assets of Solar;
4. Pursuant to the SISP Order, the Proposal Trustee was granted enhanced powers in relation to the SISP, including that the Proposal Trustee was exclusively authorized and empowered, but not required, to take actions and steps and execute any and all documents and writings on behalf of, and in the name of, Solar, to carry out its duties under the SISP Order, including to execute all documents relating to the SISP, and to execute and deliver any documents on behalf of Solar to implement the transactions contemplated under the SISP approved by the Court;
5. Pursuant to the SISP Order, the Proposal Trustee has assisted in carrying out the SISP while Solar has continued to operate its business; and
6. The SISP provides that the Proposal Trustee will evaluate offers and that any offer submitted must be subject to the approval of Solar's creditors and the Court (including (i) approval of a BIA proposal to Solar's creditors, by affected creditors in the requisite numbers in accordance with the BIA, in which the sale of assets to the successful bidder(s) is proposed, and (ii) an order of the Court sanctioning that proposal) (collectively, the "Approvals"). Subject to such Approvals and on the terms set out herein, the Vendor wishes to sell to the Purchaser and the Purchaser wishes to purchase from the Vendor, substantially all of the assets which make up the business of Solar.

IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREIN CONTAINED, the Parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) “**Agreement**” means this Agreement of Purchase and Sale;
- (b) “**Approvals**” has the meaning set out in the Recitals;
- (c) “**Assumed Obligations**” has the meaning set out in section 2.4(b);
- (d) “**Balance**” has the meaning set out in section 2.7(b)(iii);
- (e) “**BIA**” has the meaning set out in the Recitals;
- (f) “**Business Day**” means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (g) “**Court**” has the meaning set out in the Recitals;
- (h) “**Court Approval Date**” has the meaning set out section 4.3(a);
- (i) “**Closing**” means the successful completion of the Transaction;
- (j) “**Closing Date**” means the date on which the Closing occurs, which shall be the date that is five (5) Business Days following the date on which the Approvals are granted, or such earlier date as may be agreed upon by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) or the Proposal Trustee on behalf of the Vendor, and the Purchaser;
- (k) “**Contracts**” means those contracts to which Solar is a party listed on Schedule 1.1(k)(f) hereto;
- (l) “**Deposit**” has the meaning set out in subsection 2.7(b)(i);
- (m) “**Employees**” means persons who are employed by Solar;
- (n) “**ETA**” means the *Excise Tax Act* (Canada);
- (o) “**Excluded Assets**” means cash on hand at the time of Closing save and except any pre-paid amounts for work-in-progress or work not yet commenced at Closing which amount shall be subject to a post-closing

adjustment to be verified by the Proposal Trustee; these listed on Schedule 1.1(p) hereto;

- (p) **"GST/HST"** means goods and services tax/harmonized sales tax under the ETA and includes any provincial equivalents thereof;
- (q) **"Intellectual Property"** means all intellectual and industrial property and any and all forms of protection having equivalent or similar effect anywhere in the world and all rights therein as recognized under the laws of Canada and/or other countries or jurisdictions, whether registered or unregistered and including applications for the registration or grant of any such rights, including rights in and to: (a) trademarks; (b) patents; (c) copyrights and works of authorship; (d) mask works; (e) trade secrets, know-how, and proprietary and confidential technical or business information; (f) any technology; (g) industrial designs; (h) customer lists and databases; (i) supplier lists and databases; and (j) the trade names "●" and "●", and including the Intellectual Property listed on Schedule 1.1(q)(r);
- (r) **"NOI"** has the meaning set out in the Recitals;
- (s) **"Outside Date"** means ●, 2018;
- (t) **"Parties"** means the Vendor and the Purchaser;
- (u) **"Premises"** means the premises located at ◊;
- (v) **"Proposal Trustee"** has the meaning set out in the Recitals;
- (w) **"Purchase Price"** has the meaning set out in section 2.6;
- (x) **"Purchased Assets"** means all of the assets, properties and undertakings of Solar including, without limitation, but does not include the Excluded Assets:
 - (i) those located on the Premises, including all records of employment for Transferred Employees;
 - (ii) inventory;
 - (iii) all book debts and accounts receivable owing to Solar;
 - (iv) equipment;
 - (v) Intellectual Property;
 - (vi) all of Solar's rights, entitlements and obligations under the Contracts;
 - (vii) choses in action;

- (viii) "Goodwill" meaning all goodwill, together with the ability of the Purchaser to represent itself as carrying on the Solar business in succession to Solar and the right to use any words indicating that the Solar business is so carried on, including the use if otherwise permitted by law of the corporate name "HB Solar Canada Inc" and the domain name "www.hbsolar.ca"; and
- (ix) those listed on Schedule 1.1(x)(y) hereto.
- (y) "SISP" has the meaning set out in the Recitals.
- (z) "SISP Order" has the meaning set out in the Recitals.
- (aa) "Solar" has the meaning set out in the Recitals.
- (bb) "Time of Closing" means 12:00 a.m. (EST) on the Closing Date or such other time on the Closing Date as the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser may mutually agree;
- (cc) "Transaction" means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (dd) "Transferred Employees" has the meaning set out in section 2.4(a); and
- (ee) "Vendor" has the meaning set out in the Recitals.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings, and the term "third party" means any person other than the Vendor and the Purchaser.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule 1.1(k)(l)(m) – Contracts

Schedule 1.1(o)(p) – Excluded Assets

Schedule ~~1.1(x)~~1.1(y) – Purchased Assets

Schedule 2.6 – Purchase Price Allocation

Schedule 5.2(d) – Form of bill of sale, assignment and assumption

Schedule 5.2(e) – Form of Intellectual Property Assignment

1.5 Calculation of Time

In this Agreement, unless something in the subject matter is inconsistent therewith, or unless otherwise herein provided, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from but excluding" and the words "to" and "until" each mean "to and including". If the last day of any such period is not a Business Day, such period will end on the next Business Day. When calculating the period of time "within" which, "prior to" or "following" which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.

1.6 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.7 Proposal Trustee Acting on Behalf of Vendor

The Purchaser acknowledges that the Proposal Trustee may act on behalf of the Vendor in relation to the SISIP, this Agreement and the transactions contemplated hereby, including signing this Agreement and delivering notices hereunder. The Purchaser acknowledges that in no event shall the Purchaser hold the Proposal Trustee liable as a result of the Proposal Trustee's performance on behalf of the Vendor unless arising from the Proposal Trustee's own willful misconduct, gross negligence, fraud or bad faith.

SECTION 2 – SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Purchased Assets

Subject to the terms and conditions hereof, on the Closing Date, the Vendor shall sell to the Purchaser, and the Purchaser shall purchase, all of the Vendor's right, title and interest in and to the Purchased Assets, as of and with effect from the Time of Closing. The Purchaser acknowledges that it is not purchasing any Excluded Assets.

2.2 Assignment and Assumption of Contracts

- (a) Subject to the conditions and terms hereof and in accordance with applicable law, on the Closing Date, the Vendor shall assign to the Purchaser all of the Vendor's right, title and interest in and to the Contracts, and the Purchaser shall assume the obligations and liabilities of the Vendor, if any, under the Contracts, as of and with effect from the Time of Closing.
- (b) Notwithstanding anything else contained herein, the Purchaser shall be responsible for any and all costs required to be paid in connection with the assignment of any Contract to the Purchaser, including amounts required to be paid under the terms of any such Contract in the context of the assignment of such Contract, and fees of any third party advisors in connection therewith.
- (c) This Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party if such consent has not been obtained.

2.3 "As is, Where is"

- (a) THE PURCHASER ACKNOWLEDGES THAT THE VENDOR IS SELLING THE ASSETS ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST AS OF THE TIME OF CLOSING. THE PURCHASER FURTHER ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT ON THE BASIS THAT THE VENDOR DOES NOT GUARANTEE TITLE TO THE ASSETS AND THAT THE PURCHASER HAS CONDUCTED SUCH INSPECTIONS OF THE CONDITION OF AND TITLE TO THE ASSETS AS IT DEEMED APPROPRIATE AND HAS SATISFIED ITSELF WITH REGARD TO THESE MATTERS. NO REPRESENTATION, WARRANTY OR CONDITION IS EXPRESSED OR CAN BE IMPLIED AS TO TITLE, ENCUMBRANCES, DESCRIPTION, FITNESS FOR PURPOSE, MERCHANTABILITY, CONDITION, QUANTITY OR QUALITY OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER CONCERNING THE ASSETS OR THE RIGHT OF THE VENDOR TO SELL OR ASSIGN SAME SAVE AND EXCEPT AS EXPRESSLY REPRESENTED OR WARRANTED HEREIN.
- (b) Without limiting the generality for the foregoing, and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. Any description of the Purchased Assets contained herein or in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

2.4 Employees and other Assumed Obligations

- (a) The Purchaser may, in its sole discretion, conditional upon Closing, offer to employ, effective as of immediately following the Time of Closing, any of the Employees who remain employed by Solar as of immediately prior to the Time of Closing. Not less than three (3) Business Days prior to Closing, the Purchaser shall deliver to the Proposal Trustee a list of Employees to whom the Purchaser intends to offer to employ. By no later than two (2) Business Days prior to the Closing Date, the Purchaser will provide written confirmation to the Proposal Trustee of all such Employees who accept offers of employment with the Purchaser (the "Transferred Employees"). Following the receipt of the list of the Transferred Employees, and in any event no later than one (1) Business Day prior to the Closing Date, the Vendor (either by actions taken directly or on its behalf by the Proposal Trustee) will provide each such Transferred Employee with a memorandum confirming that effective as of the Time of Closing, their employment with Solar will cease and their employment agreement with Solar will be null and void.
- (b) All obligations arising after the Time of Closing in relation to the Transferred Employees, together with the obligations and liabilities of Solar arising after the Time of Closing under the Contracts, are herein collectively referred to as "Assumed Obligations".
- (c) In connection with its acquisition of the Purchased Assets, the Purchaser shall assume the Assumed Obligations as of the Time of Closing. If so required by the Vendor, the Purchaser shall enter into such specific assumption agreement(s) as the Vendor may reasonably require with respect to any Assumed Obligations.

2.5 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendor including, in particular, any liabilities to or in respect of Employees who are not Transferred Employees.

2.6 Purchase Price

The purchase price for the Purchased Assets shall be a total of \$CDN ~~1,900,000.00~~ (the "Purchase Price") to be allocated amongst the Purchased Assets as follows:

~~to be determined prior to closing~~

2.7 Payment of the Purchase Price

- (a) Upon execution of this Agreement, the sum of \$CDN 90,000.00 shall be paid by the Purchaser to the Proposal Trustee, on behalf of the Vendor, as a deposit (the "Deposit") by wire transfer of immediately

available funds to an account of the Proposal Trustee specified in writing by the Vendor. The Deposit shall to be held by the Proposal Trustee, in trust, until the Time of Closing and credited toward the Purchase Price upon Closing.

(b) Subject to this Agreement, on or prior to the Time of Closing, the Purchaser shall satisfy the payment of the Purchase Price as follows:

- (i) the assumption by the Purchaser of the Assumed Obligations;
- (ii) the application of the Deposit against the Purchase Price; and

(iii) the payment by the Purchaser of the sum of \$CDN _____
1,810,000.00 to the Proposal Trustee, on behalf of the Vendor, by wire transfer of immediately available funds to an account of the Proposal Trustee specified in writing by the Vendor as follows, which payments shall collectively be defined as the "Balance":

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1. \$810,000.00 to the Proposal Trustee, on behalf of the Vendor, representing the balance of the Purchase Price (the "Balance"), by wire transfer of immediately available funds to an account of the Proposal Trustee specified in writing by the Vendor at least two (2) Business Days prior to Closing;

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2. \$500,000.00 on or before the period ending 12 months after Closing; and

(iii) 3. \$500,000.00 on or before the period ending 24 months after closing.

2.8 Taxes

- (a) The Purchaser shall pay upon Closing, in addition to the Purchase Price, all applicable federal, provincial, state or other taxes exigible in connection with the purchase and sale of the Purchased Assets including, without limitation, GST/HST and retail sales tax. Alternatively, where applicable, the Purchaser shall have the option to furnish the Vendor with appropriate exemption certificates.
- (b) The Purchaser agrees to and hereby indemnifies and saves the Vendor and the Proposal Trustee harmless from and against all claims and demands for payment of the above-mentioned taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such taxes when due.

SECTION 3 – REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of TBC;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transactions contemplated and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced;
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been, or will be as at the Time of Closing,

duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;

- (f) the Purchaser is registered for GST/HST purposes under Part IX of the ETA, and its registration number is ~~4~~; ~~the~~; and
- (g) the Purchaser has available to it, or the Purchaser has a firm written commitment from a lending institution for, and will have available to it on the ~~Closing Date~~ above noted payment dates, sufficient funds to pay the Purchase Price, any fees and expenses of the Purchaser related to the transactions contemplated by this Agreement and to consummate all other transactions contemplated by this Agreement to be so consummated by the Purchaser.

3.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approvals; and
- (b) the Vendor is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

SECTION 4 – CONDITIONS

4.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Purchaser, being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Vendor shall have performed or complied with in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Purchaser shall have been furnished with a certificate signed by an officer of the Vendor (not in their personal capacity and without personal liability) dated the Closing Date, to the effect that sections 4.1(a) and 4.1(b) have been complied with; and
- (d) no action or proceedings shall be pending to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

4.2 Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Vendor, being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed and complied with in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Vendor shall have been furnished with a certificate signed by an officer of the Purchaser (not in their personal capacity and without personal liability) dated the Closing Date, to the effect that sections 4.2(a) and 4.2(b) have been complied with;
- (d) no action or proceedings shall be pending to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (e) the Vendor shall not have lost its ability to convey the Purchased Assets or any part thereof.

4.3 Approvals

- (a) The obligations of the Vendor and the Purchaser to complete the Transaction are subject to having received the Approvals on or ~~before~~ ^{or on} August 17, 2018 (the "Court Approval Date").
- (b) The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

4.4 Commercially Reasonable Efforts

Each of the Vendor and the Purchaser shall use its commercially reasonable efforts to satisfy the conditions set out in this ~~3.2(a) Section 4~~ prior to the Outside Date.

4.5 Non-Satisfaction of Conditions

If any condition set out in this section 4 is not satisfied or performed on or prior to the dates specified in sections 4.1 through 4.3, the party for whose benefit the condition is inserted may (in the case of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee)):

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights

of termination in the event of non-fulfilment of any other condition in whole or in part; or

- (b) elect on written notice to the other party to terminate this Agreement before Closing.

SECTION 5 – CLOSING

5.1 Closing

The completion of the Transaction shall take place with effect as of the Time of Closing at the offices of \diamond on the Closing Date or as otherwise determined by mutual agreement of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser in writing.

5.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute and/or deliver, as applicable, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Deposit in accordance with section 2.7(a);
- (b) payment of the Balance in accordance with section 2.7(b)(iii);
- (c) payment or evidence of payment of applicable federal, state and provincial taxes or alternatively, appropriate exemption certificates, as required by section 2.8;
- (d) a bill of sale, assignment and assumption executed by the Purchaser, substantially in the form attached as Schedule 5.2(d);
- (e) a specific assignment of Intellectual Property executed by the Purchaser (if applicable), substantially in the form attached as Schedule 5.2(e);
- (f) the certificate referred to in section 4.1(c); and
- (g) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

5.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a bill of sale, assignment and assumption executed by the Vendor (if applicable) substantially in the form attached as Schedule 5.25.2(d);

- (b) a specific assignment of Intellectual Property executed by the Vendor substantially in the form attached as Schedule 5.25.2(e);
- (c) the certificate referred to in section 4.2(c);
- (d) the Trustee's Certificate, as referred to in the Approvals; and
- (e) all Approvals.

5.4 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the Vendor's right, title and interest in and to the Purchased Assets pursuant to the Approvals. The Purchaser agrees to purchase and accept the right, title and interest of the Vendor in and to the Purchased Assets pursuant to and in accordance with the terms of this Agreement, the bill of sale, assignment and assumption, the assignment of Intellectual Property and the Approvals.

5.5 Possession of Purchased Assets

- (a) The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets where situated at the Time of Closing. The Purchaser acknowledges that, subject to the terms of this section 5.5, the Vendor has no additional obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approvals have been satisfied and the Purchaser has satisfied all delivery requirements outlined in section 5.2. The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, and shall promptly release such Excluded Assets to the Vendor, or to such other person as the Vendor may direct in writing.
- (b) The Vendor agrees that the Purchaser shall have access to the Premises for the purposes of removing the Purchased Assets located therein for a period of 30 days following the Closing Date. At its own cost and expense, the Purchaser will be responsible for the checkout, dismounting, dismantling and removal of the Purchased Assets from the Premises, which checkout, dismounting, dismantling and removal shall be done with the care that a prudent tenant would use, by reputable and competent personnel, in a good and workmanlike manner, and in compliance with all laws. At its own cost and expense, the Purchaser shall leave the Premises in an orderly, clean, sanitary and broom swept condition and shall be required to remedy or repair any physical damage or other condition resulting from the checkout, dismounting, dismantling and removal of the Purchased Assets. The Purchaser shall not be obligated to remove any Excluded Assets and shall not be required to remedy any condition existing prior to the Closing.

5.6 Risk

The Purchased Assets shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 days after notification to the Purchaser by the Vendor of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this Agreement shall be terminated automatically and the Purchaser shall be entitled only to a return of the Deposit paid under section 2.7(a) but without any other compensation. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this section 5.6 as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined in accordance with section 5.7.

5.7 Dispute Resolution

If any dispute arises (a) under section 5.6 as to whether any damage or destruction is substantial or with respect to the amount of any abatement, or (b) with respect to any other matter related to the Transaction, such dispute will be determined by the Court in the current proceedings relating to Solar, or by such other person or in such other manner as the Court may direct.

5.8 Termination

- (a) This Agreement may, in the case of section 5.8(a)(iv) will, be terminated as follows and in no other manner:
 - (i) by written agreement of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser;
 - (ii) by either the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) or the Purchaser pursuant to section 4.5
 - (iii) by the Purchaser pursuant to section 5.6; or
 - (iv) automatically if the Closing does not occur by the Outside Date, provided that the right to terminate this Agreement under this clause shall not be available to any Party whose act or failure to act has been a principal cause of, or resulted in, the failure of the Closing to occur on or before the Outside Date.
- (b) If this Agreement is validly terminated pursuant to section 5.8(a):

- (i) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (ii) subject to section 5.9, the Purchaser shall be entitled to have the Deposit paid hereunder to the Proposal Trustee returned with interest earned thereon (if any) but without deduction; and
- (iii) subject to section 5.9, neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

5.9 Breach by Purchaser

If the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor. In addition, the Purchaser shall pay on demand to the Vendor (i) the deficiency, if any, arising upon such resale, being the amount that the net sale proceeds on resale (after deducting the expenses of resale) together with the forfeited Deposit are less than the Purchase Price, and (ii) interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

SECTION 6 - GENERAL

6.1 Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

6.2 Preservation of Records

The Purchaser shall preserve and keep the records relating to the Purchased Assets for a period of seven years following the Closing Date, and shall make such records and personnel available to Vendor as may be reasonably required by such party in connection with, among other things, any insurance claims by, actions or tax audits against, or governmental investigations of the Vendor or any of their respective affiliates or in order to enable the Vendor to comply with its obligations under this Agreement and each other agreement, document, or instrument contemplated hereby or thereby. In the event the Purchaser wishes to destroy such records before or after that time, such party shall first give 90 days prior written notice to the Vendor, and the Vendor shall have the right at its option and expense, upon prior written notice given to Purchaser within such 90 day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

6.3 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchaser, as follows:

[Insert Purchaser's address]

Attention: _____ Craig Chornaby
Telephone No.: _____ 519-240-4193
Fax No.: _____

with a copy to:

~~[Law firm]~~ Lipman, Zener & Waxman LLP
~~[address line 1]~~ 1220 Eglinton Avenue West
~~[address line 2]~~
~~[address line 3]~~
~~[city, province, postal code]~~ Toronto, Ontario, M6C 2E3

Attention: ~~[lawyer]~~ Jason Spetter
Tel: ~~XXX-XXX-XXXX~~ 416-789-0652 x367
Fax: ~~XXX-XXX-XXXX~~ 416-789-9015
Email: ~~email@email.com~~ jspetter@lzwlaw.com

and in the case of the Vendor, as follows:

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with a copy to:

Pallett Valo LLP
77 City Centre Drive, West Toronto
Suite 300
Mississauga, ON L5B 1M5

Attention: Alex Ilchenko
Facsimile: (905) 273-6920
Email: ailchenko@pallettvalo.com

with a copy to:

Dodick Landau Inc.
4646 Dufferin St.
Suite 6
Toronto, ON M3H 5S4

Attention: Rahn Dodick

Facsimile: (416) 649-7725
Email: rahn.dodick@dodick.ca

with a copy to:

McCarthy Tétrault LLP
Suite 5300
TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, ON M6K 1E6

Attention: Heather Meredith
Email: hmeredith@mccarthy.ca

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

6.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser or by their respective solicitors.

6.5 Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

6.5 Survival

No covenants, representations or warranties of any Party contained in this Agreement or any certificate provided pursuant to this Agreement will survive the Closing, except for the covenants, if any, that by their terms are to be satisfied or survive after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

6.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, provided that the Purchaser shall not assign its rights, entitlements or obligations under this Agreement without the prior written consent of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee).

6.7 Entire Agreement

This Agreement (including the agreements and orders contemplated hereby) and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser.

6.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

6.9 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

6.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

6.11 Commission

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction, and the Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.

6.12 Fees and Expenses

Each of the Vendor and the Purchaser will pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

6.13 Public Announcement

Except as required by applicable law or by the Court, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser.

6.14 Relationship with Proposal Trustee

In this Agreement, references to a required consent from the Proposal Trustee are in reference to obligations of the Vendor only and, as they relate to the Purchaser, such references are only for informational purposes.

6.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature page follows]

The Parties have executed this Agreement.

HB SOLAR CANADA INC. [by Dodick
Landau Inc., solely in its capacity as the
Proposal Trustee under the terms of the SISP
Order, and not in any other capacity]

Per:


Name: Rahn Dodick
Title: President

I have authority to bind the Corporation.

~~[NAME OF PURCHASER]~~ CRAIG
CHORNABY ON BEHALF OF A
COMPANY TO BE INCORPORATED

Per:


Name:
Title:

I have authority to bind the Corporation.

CRAIG CHORNABY
PRESIDENT

REPORT ON PROPOSAL

IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN
IN THE PROVINCE OF ONTARIO

REPORT OF TRUSTEE ON PROPOSAL

JULY 13, 2018

INTRODUCTION

1. On April 10, 2018 (the **"Filing Date"**), hb solar Canada Inc. (**"HB"**, the **"Debtor"** or the **"Company"**) filed with the Official Receiver a Notice of Intention to Make a Proposal (**"NOI"**) to its creditors and named Dodick Landau Inc. (**"DLI"**) as Proposal Trustee (the **"Proposal Trustee"**).
2. On May 10, 2018 and on June 19, 2018, in accordance with Section 50.4(9) of the Bankruptcy and Insolvency Act (the **"BIA"**), the Debtor sought and obtained approval from the Superior Court of Justice (the **"Court"**) to extend the time for filing the Proposal, and the stay of proceedings herein, to and including August 6, 2018.
3. On July 9, 2018, pursuant to section 62 of the BIA, the Debtor filed with the Official Receiver a proposal (the **"Proposal"**).
4. The purpose of this report (the **"Report"**) is to provide information to the creditors of the Company (the **"Creditors"**) to assist in their evaluation of the Proposal.
5. The Proposal has been developed to effect a restructuring by way of a sale of the business and affairs of the Debtor with the expectation that all existing creditors will derive a greater benefit from the completion of the Purchase Transaction (as defined herein) and the continued operation of the business and affairs of the Company than would result from a liquidation of the Company's assets in a bankruptcy proceeding.
6. **A meeting of the Creditors to consider the Proposal will be held at the office of the Proposal Trustee, Dodick Landau Inc., located at 4646 Dufferin St., Suite 6, Toronto, Ontario, M3H 5S4, on July 25, 2018 at 2:00 p.m.. Details relating to the filing of claims, and**

other documents, prior to the meeting of the creditors, are outlined in this report and will be mailed to each known Creditor, or their duly appointed representative.

DISCLAIMER

7. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records, discussions with the Company's management ("**Management**"), Creditors and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report:
 - a) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
 - b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
 - c) the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on DLI's website at www.dodick.ca. Parties using this Report, other than for the purpose of evaluating the Proposal, are cautioned that it may not be appropriate for their purposes. DLI will continue to maintain on its website copies of any court orders, reports and other material public filings it considers relevant to this proceeding.
8. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
9. The capitalized terms not defined in this report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, Creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.

10. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

BACKGROUND

Operations

11. Since its inception in 2009, HB has carried on business as a supplier of photovoltaic/solar energy array mounting systems and related equipment. HB conducts all its business from its leased premises in Concord, Ontario. HB supplies customers throughout North America and the Caribbean with a variety of solar mounting rack solutions and accessories.
12. HB currently employs 13 full-time employees and contractors. Since filing its NOI, HB has continued to service its customers in the normal course and maintain its ongoing business and will continue to do so until the closing of the proposed Purchase Transaction (as defined herein).
13. HB was founded by Mr. Eric Stephenson and Mr. Ingo Wolfer and was incorporated under the *Business Corporations Act* (Ontario) on October 2, 2009.

Financial Results

14. HB's unaudited financial statements indicate that for its fiscal years ended December 31, 2015, 2016 and 2017, it:
 - a) incurred net income (loss) of approximately \$392,000, \$168,000 and (\$1,400,000), respectively; and
 - b) had total debt of approximately \$1.9 million, \$2.4 million and \$2.9 million, respectively.
15. HB's internally prepared unaudited financial statements indicate that for the first quarter-ended March 31, 2018 it incurred an operating loss of approximately \$90,000 and had total debt of approximately \$2.5 million.

CAUSES OF FINANCIAL DIFFICULTIES

16. According to Management, due to numerous changes to the Ontario's Feed-in Tariff ("FIT") program and reductions of the FIT rates, the local market for photovoltaic ("PV") rooftop systems has contracted by an estimated 80% and most racking suppliers have either left the Ontario market or closed their businesses completely. Market conditions in the Ontario market became even more challenging with the introduction of the "Fair Hydro Plan", which was implemented on July 1, 2017, artificially lowering electricity costs. Due to cost pressures from reduced FIT rates,

prices for rooftop racking have deteriorated by roughly 80% since 2009 and, therefore, more systems needed to be sold for less money to achieve sufficient margins.

17. Other reasons for the Company's operating losses include, an increase in bad debts from a number of customers, which reduced its available working capital.
18. Beginning in 2017, the Company increased its efforts to attract additional capital from institutional lenders and equity investors, as well as from others in the solar business, whether by way of debt, equity or some other form of strategic alliance. While there was some interest in the market, it became apparent that HB would have to formally restructure its financial affairs before any party would invest further. Consequently, HB filed the NOI on April 10, 2018.

SECURED AND UNSECURED DEBT

Secured Creditors

19. The Company funded its operations from a combination of shareholder equity and a line of credit from its banking facility with the Royal Bank of Canada ("RBC"), its sole significant secured creditor. The Company granted RBC a security interest the terms of which were set out in a General Security Agreement dated December 15, 2015. Management has estimated that RBC is owed approximately \$732,000.

Crown Claims

20. As of the date of this Report, HB is current in remitting post-filing payroll source deductions as well as filing the respective returns. Management is working on bringing its HST filings current.

Unsecured Trade Creditors

21. According to Management, HB's unsecured trade debt totaled approximately \$2,110,000 at the date the NOI was filed. The unsecured indebtedness is owed to approximately 48 known unsecured trade creditors, of which 3 represent approximately 77% of the total unsecured trade debt.

SALE AND INVESTMENT SOLICITATION PROCESS

22. The objective of the Debtor's proposal proceedings was to preserve its business for the benefit of all stakeholders through a recapitalization, refinancing or a sale of the Debtor's business. To achieve this goal, the Debtor sought and obtained court approval on May 14, 2018 of a Sale and

Investor Solicitation Process (“SISP”) (together enhanced powers for the Proposal Trustee, including authorization to assist with the SISP), which allowed the Debtor to explore all restructuring alternatives.

23. The more significant milestones in the SISP were:

Sale Process Procedures	Date
Court approval of Sale Process by	May 14, 2018
STAGE 1	
Due Diligence by existing Interested Party	May 14, 2018 to May 20, 2018
Executed APS and deposit paid	By May 20, 2018
IF NO APS – STAGE 2	
Begin marketing to interested parties, distributing CIM and provide access to on-line data room	By May 21, 2018
Solicitation of potential purchasers/investors	By June 1, 2018
Due diligence completed	By June 29, 2018
Deadline for submission of binding offers	By June 29, 2018
Identification of successful offer	By July 4, 2018
Hold meeting of creditors to vote on Proposal	By July 25, 2018
Obtain Court approval of Proposal	By July 30, 2018
Closing of Transaction	By July 31, 2018

24. The SISP also provides that the Proposal Trustee has the right to extend any deadline in the SISP by up to two weeks in order to facilitate the SISP.

25. During the SISP, the Proposal Trustee, with the assistance of Management, carried out various SISP activities which included:

- a) identifying prospective strategic and financial purchasers/investors;
- b) preparing and distributing a “teaser” document (the “Teaser”) to approximately 58 recipients;
- c) creating a Confidential Information Memorandum;
- d) placing 10 insertions in the “Solar Wake Up” daily e-mail blast (a solar industry daily email newsletter with thousands of subscribers throughout North America);
- e) establishing a virtual data room and placing over 35 documents on the site for review by interested parties who have executed a confidentiality agreement;

- f) placing calls to certain prospective purchasers/investors who have been identified as strong acquisition or investment candidates;
 - g) coordinating in person and by phone meetings with prospective purchasers and the Debtor's management; and
 - h) answering numerous due diligence questions from a number of interested parties by email, phone and in person throughout the due diligence process.
26. As a result of its various solicitation efforts, the Proposal Trustee received 15 executed confidentiality agreements from interested parties and granted access to its virtual data room to 20 individuals who represented these interested parties. On 83 different occasions these individuals logged on to the virtual data room to review and download due diligence documents.
27. Offers to purchase the assets of the Debtor's business were received by the Proposal Trustee on June 29, 2018. The offers were reviewed in detail by the Proposal Trustee. The Proposal Trustee agreed to accept one offer subject to clarification of certain terms made in the offer, which in the view of the Proposal Trustee was the highest and best offer received.
28. Following a discussion between the Proposal Trustee and the prospective purchaser an amended offer was received on July 3, 2018, which clarified certain terms as requested by the Proposal Trustee. On July 6, 2018, the Proposal Trustee on behalf of the Debtor signed back the amended offer, conditional upon receipt of a General Security Agreement, completion/removal of missing/redundant schedules and addition of details of the purchaser following its incorporation (the "**Purchase Agreement**").
29. Accordingly, the Purchase Agreement dated July 3, 2018 was entered into between the Company (by DLI, in its capacity as Proposal Trustee), and Craig Chornaby, on behalf of a company to be incorporated, (the "**Purchaser**"). This purchase transaction (the "**Purchase Transaction**") remains subject to Creditor and Court approval.
30. The consideration to be paid by the Purchaser for the Debtor's assets purchased (the "**Purchased Assets**") is equal to the aggregate sum set out in section 2.6 of the Purchase Agreement, to be in the amount of \$1,900,000 (the "**Purchase Price**"). The payment of the Purchase Price is as follows: a) upon execution of the Purchase Agreement \$90,000 shall be paid by the Purchaser to the Proposal Trustee, as a deposit; b) \$810,000 at least two Business Days prior to closing (the "**Initial Payment**"); and c) two additional payments of \$500,000 each payable on or before the first and second anniversaries of closing of the Purchase Agreement respectively (the "**Anniversary**

Purchase Price Payments). Payment of the Anniversary Purchase Price Payments are to be secured by a General Security Agreement granted by the Purchaser over its assets and undertaking to the Proposal Trustee on behalf of the Company.

31. The Purchased Assets are comprised of all assets of the Debtor except cash-on-hand at closing of the transaction (the **"Closing Cash"**). Closing Cash is an excluded asset save and except for any prepaid amounts received from customers for work-in-progress, or work not yet commenced, at closing (**"Prepaid Customer Payments"**) which amount is subject to a post-closing adjustment to be verified by the Proposal Trustee. Prepaid Customer Payments will be paid to the Purchaser by the Company post-closing.
32. The consideration to be paid by the Purchaser also includes the assumption by the Purchaser of certain of the obligations of the Debtor. The deposit of \$90,000 included in the Purchase Transaction was received by the Proposal Trustee. A copy of the Agreement of Purchase and Sale is appended to the Proposal.

THE PROPOSAL

Purchase Transaction and Funding the Proposal

33. The Proposal contemplates a restructuring of the indebtedness of the Company by completion of the purchase and sale transaction contemplated by the Purchase Agreement.
34. Upon closing of the Purchase Transaction, the Company will direct the Purchaser to pay the Initial Payment as follows:
 - a) An amount equal to the Administrative Fees and Expenses, Bankruptcy Reserve and Crown Priority Claims less the Deposit, as calculated by the Company and approved by the Proposal Trustee, to the Proposal Trustee;
 - b) An amount equal to the respective Proven Claim of each Secured Creditor directly to such Secured Creditor; and
 - c) Any amounts remaining from the Initial Payment after payment of (a) and (b), to be paid to the Proposal Trustee (the amounts paid to the Proposal Trustee pursuant to (a) and (c) of this paragraph are collectively, the **"Initial Payment Pool"**).
35. The Company will then direct the Purchaser to pay the Anniversary Purchase Price Payments as follows:

- a) If any Proven Claims of Secured Creditors were not paid in full from the Initial Payment, then such remaining amounts to provide for payment in full of the Proven Claims of Secured Creditors will be paid directly to such Secured Creditors; and
 - b) All other amounts to the Proposal Trustee on behalf of the Company (the “**Anniversary Payment Pool**”).
36. Closing Cash that is not Prepaid Customer Payments will be used by the Debtor first to fund its remaining post-NOI and pre-closing obligations to its vendors. Any remaining Closing Cash after satisfying such obligations, if any, will be available for distribution in accordance with the terms of the Proposal, as described below.

Class

37. For the purpose of the Proposal, the Creditors of the Company are comprised of a single class, consisting of Creditors having unsecured claims (“**Class 1**”).
38. For greater certainty, the Creditors entitled to vote in Class 1 consist of unsecured trade creditors (i.e., holding claims without priority under the BIA), Preferred Creditors pursuant to the BIA, and claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims.

Treatment of Creditors

39. **Crown Priority Claims** are pre-filing claims of CRA, or any province, contemplated by section 60(1.1) of the BIA, which section relates to unremitted source deductions. Pursuant to the Proposal, proven Crown Priority Claims will be paid in full, with only payment of Administrative Fees and Expenses and the Bankruptcy Reserve being paid in priority to such amounts. The Proposal provides that proven Crown Priority Claims will be remitted by the Proposal Trustee from the Initial Payment Pool to the CRA, or the province, as applicable, within six (6) months of the Court Approval Date. These amounts may also be paid from the Closing Cash. As described above, unremitted source deductions are current.
40. **Secured Creditors** are not Affected Creditors for the purposes of the Proposal. As described above, upon closing of the Purchase Agreement, the Company will direct the Purchaser to pay the Secured Creditors directly (after paying to the Proposal Trustee an amount equal to the Administrative Fees and Expenses, Bankruptcy Reserve and Crown Priority Claims less the Deposit). The Secured Creditors are not entitled to vote on the Proposal. For greater certainty,

the Company acknowledges and agrees that the Royal Bank of Canada (“RBC”) is not an Affected Creditor in the Proposal.

41. **Preferred Claims**, if any, shall vote as part of the Unsecured Creditor class and will be paid from the Initial Payment Pool and the Anniversary Payment Pool, in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA.
42. **Unsecured Creditors** shall vote as a class and will be paid from the Initial Payment Pool and the Anniversary Payment Pool in the priority provided in paragraph 14 of the Proposal and summarized below.

Distribution

43. In accordance with the terms of the Proposal, the Proposal Trustee will make interim distributions of the Closing Cash, Initial Payment Pool and the Anniversary Payment Pool (collectively, the “**Distribution Funds**”) to the Creditors when sufficient amounts have, in the Proposal Trustee's discretion, accumulated to warrant a distribution, and will make a final distribution when the payment in full of the Anniversary Purchase Price Payments has been received.
44. All distributions made by the Proposal Trustee pursuant to the Proposal are subject to the Superintendent's Levy in accordance with the BIA. As the Secured Creditors will receive payments from the Purchaser directly, such payments are not distributions by the Proposal Trustee and not subject to the Superintendent's Levy.
45. The Distribution Funds will be distributed by the Proposal Trustee in the following order of priority:
 - a) *Administrative Fees and Expenses* - To fund all administrative fees and expenses of the Proposal Trustee, including the legal fees of the Trustee and the Debtor.
 - b) *Bankruptcy Reserve* - To establish a reserve of \$25,000 to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that the Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed to the Creditors.
 - c) *Crown Priority Claims* – if any, to be paid in full.
 - d) *Proven Claims of Preferred Creditors* – To pay all Proven Preferred Claims, if any.

- e) *Proven Claims of Unsecured Creditors* – The remainder will be distributed among all the Unsecured Creditors, who will share *pro rata* out of the funds available after payment of the foregoing.

OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

- 46. The Debtor, with the assistance of the Proposal Trustee, has prepared a cash flow forecast for the period from June 2, 2018 to August 10, 2018 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "A"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 9 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the ten-week forecast period in Canadian dollars.
- 47. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund their expenses and the Proposal proceeding through to August 10, 2018. The close of the Purchase Transaction is scheduled to take place during the week of August 13, 2018. As the Cash Flow Forecast includes forecast cash-on hand of approximately \$448,000 at August 10, 2018, Management has forecast that there will be sufficient cash-on-hand until closing of the Purchase Transaction the following week.
- 48. Since the filing of the NOI the Debtor has experienced a positive net cash flow variance. A copy of the Cash Flow Variance is attached hereto as **Appendix "B"**. The Cash Flow Variance was approximately \$98,000 for the period April 7, 2018 to June 1, 2018. This positive net cash flow variance is primarily a result of lower material purchases partially offset by lower receipts than forecast, which according to Management, relates primarily to timing of new sales and related material purchases. The Proposal Trustee has requested information from the Company in order to update the Cash Flow Variance to the end of June 2018; however, as at the date of this Report the Proposal Trustee has not received from the Company all the necessary information in order to complete the updated Cash Flow Variance.
- 49. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee

has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.

50. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - b) as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - c) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
51. As described in the Disclaimer above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast.
52. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

LIQUIDATION ANALYSIS / ESTIMATED RECOVERY IN BANKRUPTCY

Liquidation Analysis

53. In the event that the Proposal is not accepted by the Creditors and the Debtor is deemed bankrupt, the following liquidation analysis represents the estimated value of the Debtor's assets should there be a liquidation with no Purchase Transaction.
54. The Proposal Trustee has relied on representations of the Company in determining the estimated liquidation value of the assets. The liquidation analysis was prepared at a point in time, being the end of June 2018. However, the value of the cash-on-hand and accounts receivable are changing daily as receipts are collected and payments are made. Accordingly, in the event that the Company

were to become bankrupt and a liquidation was conducted, the realizable value of the assets at that time may be different than presented below.

Summary of Estimated Liquidation Value - HB

As at June 30, 2018

(000's)

	Notes	Total
Receipts		
Cash		354,346
Accounts Receivable	1	497,100
Tax Refunds	2	187,359
Inventory	3	277,900
furniture, fixtures, tools and dies, carport development	4	20,400
Total Receipts		1,337,105
Disbursements		
Administrative costs	5	32,000
Liquidator's fee	6	29,830
Occupancy costs	7	6,100
Total Disbursements		67,930
Net Cash Flow from Liquidation		\$ 1,269,175

Notes:

1. *Accounts Receivable collections are assumed to be at 75% of gross book value due to discounts expected to be offered to ensure timely collection and offsets due to damage claims that may be asserted by HB customers on account of supply interruption.*
2. *Tax refunds are owed in connection with HST refunds as well as a corporate tax refund.*
3. *Inventory consists primarily of raw material and components and is assumed to be sold at 35% of book value.*
4. *Administrative costs consist of the retention of two of the Company's employees for a period of two months to collect the accounts receivable and assist with the wind down of the business.*
5. *A liquidator is assumed to be paid at 10% of the net realizable value of the inventory and fixed assets.*
6. *Occupancy costs are assumed to be paid to occupy HB's leased premises for one month.*

Estimated Recovery – Bankruptcy vs. Proposal Scenario

55. The following chart (which is rounded to the nearest thousands' of dollars) sets out the expected recovery to CRA (Crown Priority Claims), the Secured Creditors and the Unsecured Creditors under a Bankruptcy scenario and the Proposal scenario. As can be seen below, the net estimated recovery to:

- a) the Unsecured Creditors in a bankruptcy scenario is approximately 23% versus approximately 49% under the Proposal scenario; and
- b) the Secured Creditor is 100% in both a Bankruptcy Scenario and Proposal Scenario.

The analysis under the Proposal scenario assumes that the Purchase Transaction successfully closes by the week of August 13th, 2018.

<u>Estimated Recovery in a Liquidation Scenario</u>		<u>Estimated Recovery in a Proposal Scenario</u>	
Liquidation Value of Assets	1,270	Estimated Proposal Payments net of payment to Secured Creditor (note 1)	1,168
Less: Crown Priority Claims - Deemed Trust Portion	-	Less: Crown Priority Claims - Deemed Trust Portion (note 1)	-
Less: Secured Claim to be filed by RBC (note 2)	<u>(732)</u>	Less: Secured Claim to be filed by RBC (note 2)	<u>n/a</u>
Gross amount available for Preferred and Unsecured Creditors	538	Gross amount available for Preferred and Unsecured Creditors	1,168
Less: Estimated Professional fees and expenses (note 3)	<u>(60)</u>	Less: Estimated Professional fees and expenses (note 3)	<u>(90)</u>
Less: Superintendent's Levy (note 4)	<u>(2)</u>	Less: Superintendent's Levy (note 4)	<u>(49)</u>
Net amount available for Preferred and Unsecured Creditors	476	Net amount available for Preferred and Unsecured Creditors	1,029
Estimated Claims of Preferred Creditors	<u>-</u>	Estimated Claims of Preferred Creditors	<u>-</u>
Net amount available for Unsecured Creditors	476	Net amount available for Unsecured Creditors	1,029
Estimated Claims of Unsecured Creditors	2,110	Estimated Claims of Unsecured Creditors	2,110
Estimated Recovery to Unsecured Creditors	<u>23%</u>	Estimated Recovery to Unsecured Creditors	<u>49%</u>
Estimated Recovery to Secured Creditors	<u>100%</u>	Estimated Recovery to Secured Creditors	<u>n/a</u>

Notes:

1. The estimated proposal payments amount is based on the Purchase Price less the amount to be paid by the Purchaser directly to RBC in settlement of its Secured Claim. The estimated proposal payment amount will include any remaining cash on hand, after that cash is used to pay unpaid wages, any CRA source remittances and other post NOI obligations of the Company. As the remaining cash, if any, is unknown it has not been included in this calculation.

2. *In a proposal scenario, RBC will be paid directly by the Purchaser and will receive no distributions pursuant to this Proposal. Accordingly, RBC is not an Affected Creditor and was listed as not applicable for the purpose of this analysis.*
3. *This amount represents a provision for the estimated professional fees triggered by the bankruptcy proceedings. In the case of a proposal professional fees include administering the proposal before and after Court approval.*
4. *The Superintendent's Levy is applicable to payments made to Preferred and Unsecured Creditors and is calculated as 5% of each payment. It is not applicable to payments made to satisfy deemed trust claims or to payments made to the Secured Creditors directly by the Purchaser.*

CREDITORS' MEETING/VOTING PROCEDURE AND CLASSES OF CREDITORS

Creditors' Meeting/Voting Procedure

56. The primary purpose of the Creditors' Meeting is to permit Creditors to consider the acceptance or rejection of the Proposal. For the Proposal to be accepted, at least two-thirds (66.67%) of each creditor class by dollar value, and more than 50% of each creditor class by number, must vote in favour of the Proposal at the meeting either in person, by proxy or by mailing a voting letter to the Proposal Trustee in advance of the meeting. Only Creditors who actually vote are counted for the purpose of determining whether the necessary thresholds have been reached. Creditors related to the Debtor may not vote for the Proposal.
57. **To be eligible to vote on the Proposal, Creditors must have filed with the Proposal Trustee, before the meeting, a proof of claim form signed and witnessed as required and accompanied by a statement of account or affidavit in support of the claim. Those Creditors who do not intend to have a personal representative at the meeting, to be held on July 25, 2018, may complete and submit the voting letter which is enclosed in the creditor package prior to the meeting indicating their vote for or against the acceptance of the Proposal. The Proposal Trustee has also enclosed a form of proxy should a Creditor wish to appoint a proxy to represent them at the meeting. If the Proposal is not accepted by the required majorities of unsecured creditors, the Company will be deemed bankrupt.**
58. If the Proposal is accepted by the required statutory majorities referenced above, the Proposal Trustee will then make an application to the Court for approval of the Proposal and the Purchase Transaction. If the Court provides such approvals (the "**Approval Order**"), the Proposal will be binding on all Creditors and such Creditors, and their respective heirs, executors, administrators, successors and assigns, shall have no further Claim against the Company other than for the

distributions provided in the Proposal (subject to the Purchase Transaction closing as contemplated in the Proposal).

Class of Creditors

59. As described above, for purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors are grouped in one (1) class consisting of Creditors having unsecured Claims. Preferred Creditors and proven Claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims are entitled to vote in the Unsecured Creditor Class.
60. The Proposal does not compromise the following Creditor Claims:
- a) Claims for goods and/or services delivered to the Company on or after the Date of Filing, April 10, 2018, including Administrative Fees and Expenses;
 - b) Crown Priority Claims, if any;
 - c) Proven Claims of Preferred Creditors, if any, payable in priority to all claims of Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA; and
 - d) Secured Creditor Claims.
61. Distributions to Creditors will be made as described in the "Distribution" section of this Report.

ALTERNATIVES TO THE PROPOSAL

62. At the Creditors' Meeting, the Creditors are being asked by the Proposal Trustee to choose between two alternatives, namely (1) accepting the Proposal and implementing the related Purchase Transaction as the source of funding for the Proposal, or (2) rejecting the Proposal, which would result in the Debtor being deemed bankrupt.
63. The Proposal Trustee believes that, through the SISP, it broadly canvassed the market to obtain the most favourable offer for the Company and that voting in favour of the Purchase Transaction will yield a greater net result for the Unsecured Creditors. If the Proposal is not approved by the Creditors, the most likely alternative would be a liquidation of the assets of the Company by the Trustee in Bankruptcy.
64. For the reasons described above, the Proposal Trustee is of the view that the Proposal Scenario, based on the implementation of the Purchase Transaction, will produce a more favourable result for the Creditors of the Debtor than would a bankruptcy.

CONDUCT OF THE DEBTOR

Preference Transactions and Transfers at Undervalue

65. The Proposal contemplates that Sections 95-101 of the BIA shall not apply in connection with this Proposal and, as a result, the Proposal Trustee shall have no responsibility, liability or authority whatsoever in connection herewith. Accordingly, the Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue.
66. If the Company was to become bankrupt, and either preference transactions or transfers at undervalue did exist, it is possible that some of these transactions could be found to be void through Court proceedings. The Proposal Trustee is not aware of any such transactions existing.

Conduct Post-Filing

67. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Company until the Proposal is approved by the Court.
68. During the NOI Period, the Company worked diligently with the Proposal Trustee to prepare its Proposal, as well as to manage costs and continue operations. The Company is working diligently to complete the Proposal. HB continues to be running its day to day operations and is meeting its liquidity needs in order to be able to successfully implement the Proposal.

CREDITORS' CLAIMS

69. To date, no provable claims in the Proposal have been received by the Proposal Trustee.

PREVIOUS BUSINESS DEALINGS WITH THE DEBTOR

70. The Proposal Trustee has not had any business dealings with the Debtor prior to its appointment as Proposal Trustee and is not in a conflict of interest.

SUMMARY COMMENTS/RECOMMENDATION

71. The Proposal provides for the following as required by the BIA:
- a) Payment of Preferred Claims in priority to ordinary unsecured claims (required by BIA s.60(1) – see Proposal at paragraphs 14(d) and 16(c));

- b) Payment of the fees and expenses of the Proposal Trustee on and incidental to the proceedings arising of the Proposal (required by BIA s.60(1) – see Proposal at paragraph 14(a));
- c) Payment of Crown Priority Claims within six months after Court approval of the Proposal (required by BIA s.60(1.1) – see Proposal at paragraphs 14(c) and 16(a));
- d) Payment to employees, immediately after court approval, of amounts required under BIA s.60(1.3(a) – see Proposal at paragraphs 14(d) and 16(c); and,
- e) For payment of all money payable under the Proposal to the Proposal Trustee; (required by BIA s.60(2) – see Proposal at paragraphs 11 and 12.)

The Company did not participate in a prescribed pension plan and the Proposal does not provide for payment of any equity claims.

72. For the reasons set out in this Report it is the Proposal Trustee's opinion that:

- a) the Proposal will allow for a greater recovery to the Creditors of the Company than they would receive in a bankruptcy proceeding; and
- b) acceptance of the Proposal is in the best interest of the Creditors. If the Proposal is rejected by the Creditors, the Company will be deemed automatically bankrupt and it is uncertain what the actual realizable values of the assets will ultimately be in a bankruptcy scenario. Accordingly, the Proposal Trustee recommends that the Creditors vote in favour of the Proposal.

Yours very truly,

DODICK LANDAU INC.

Trustee *re* the Proposal of hb solar Canada Inc.
and not in its personal or corporate capacity.

Per:



Rahn Dodick, CPA, CA, CIRP, LIT

APPENDIX "A"

HB Solar Canada Inc
Weekly Cash Flow Forecast
For the period from June 2, 2018 to August 10, 2018

Week Ending	Notes	08-Jun-18	15-Jun-18	22-Jun-18	29-Jun-18	06-Jul-18	13-Jul-18	20-Jul-18	27-Jul-18	03-Aug-18	10-Aug-18	TOTAL
Receipts												
Sales	2	561	110,368	122,908	607,190	55,068	67,676	142,009	327,832	31,948	43,100	1,508,659
AR Collections	3	-	231,256	89,221	209,904	168,015	92,049	33,038	77,205	-	-	900,688
Other	4	-	-	-	-	-	-	-	-	106,000	-	106,000
Total Receipts		561	341,624	212,129	817,094	223,083	159,725	175,047	405,037	137,948	43,100	2,515,347
Disbursements												
Material and Freight	4	426	83,880	93,410	461,464	192,629	202,211	258,704	399,930	130,888	139,363	1,962,904
Payroll	5	5,100	-	-	83,000	6,100	-	-	83,000	10,100	1,001	188,301
Occupancy Costs	6	-	1,540	700	4,425	4,840	1,515	-	5,125	5,080	-	23,225
G&A Expenses	7	760	6,570	760	760	12,065	2,760	4,570	760	11,240	1,211	41,456
Professional Fees	8	28,250	-	-	-	-	39,550	-	-	28,250	-	96,050
Total Disbursements		34,536	91,990	94,870	549,649	215,634	246,036	263,274	488,815	185,558	141,575	2,311,936
Net Cash Flow		(33,975)	249,634	117,259	267,445	7,449	(86,311)	(88,227)	(83,777)	(47,610)	(98,475)	203,411
Bank Balance												
Opening Bank Balance	9	244,761	210,786	460,420	577,679	845,123	852,573	766,262	678,035	594,257	546,647	244,761
Add: Net Cash Flow		(33,975)	249,634	117,259	267,445	7,449	(86,311)	(88,227)	(83,777)	(47,610)	(98,475)	203,411
Closing Bank Balance		210,786	460,420	577,679	845,123	852,573	766,262	678,035	594,257	546,647	448,172	448,172

This statement of forecast cash flow of HB Solar Canada Inc. is prepared in accordance with section 50.4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report to court dated July 13, 2018.

HB Solar Canada Inc. (“HB Solar” or the “Company”)
Major Assumptions
Cash Flow Forecast
For the Period June 2, 2018 to August 10, 2018 (the “Period”)

1. HB Solar’s financial projections have been prepared for the purpose of meeting the requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that HB Solar will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. HB Solar’s sales projections for the purposes of this cash flow are based on management’s best estimate for the Period. The cash flow forecast assumes that the Company will collect its sales based on historic collection terms.
3. The opening Accounts Receivable balance, net of known bad debts, is approximately \$1.0 million and approximately 90% of the accounts are estimated to be collected within the Period.
4. Other Receipts relate to collection of an HST receivable.

Disbursements:

5. Production material and freight includes raw materials, outsourced services to complete the manufacturing process as well as freight costs. Production costs are forecast based on the Company’s historical production costs.
6. Payroll includes amounts for salaried employees. Owners are not drawing any compensation from the Company during the Period. To reduce payroll costs over the Period two employees were terminated, and a contractor’s hours were reduced. Other payroll costs include source deduction remittances, employee benefits and WSIB payments in the Period.
7. Occupancy expenses include HB Solar’s insurance costs, utilities and office rent.
8. General and administrative expense include general office expenses, vehicle leases, travel expenses, and rent to a third party for inventory storage.
9. Professional fees include fees for the Company’s legal counsel the Proposal Trustee and its legal counsel for the Period.
10. The opening cash balance as of June 2, 2018 is \$244,761.

APPENDIX "B"

HB Solar Canada Inc
Weekly Cash Flow Forecast
For the period April 7, 2018 to June 1, 2018

	Cumulative Forecast	Cumulative Actual	Variance
Receipts	<u>1,262,811</u>	<u>958,198</u>	<u>(304,613)</u>
Disbursements			
Material and Freight	832,195	454,686	(377,509)
Payroll	171,600	178,399	6,799
Occupancy Costs	22,080	14,328	(7,752)
G&A Expenses	38,860	29,338	(9,522)
Professional Fees	50,850	36,686	(14,164)
Total Disbursements	<u>1,115,585</u>	<u>713,437</u>	<u>(402,148)</u>
Net Cash Flow	<u>147,226</u>	<u>244,761</u>	<u>97,536</u>
Bank Balance			
Opening Bank Balance	-	-	-
Add: Net Cash Flow Per Above	147,226	244,761	97,536
Closing Bank Balance	<u>147,226</u>	<u>244,761</u>	<u>97,536</u>

STATEMENT OF AFFAIRS

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

Original Amended

-- Form 78 --
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
 HB Solar Canada Inc.
 of the city of Concord, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 10th day of April 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

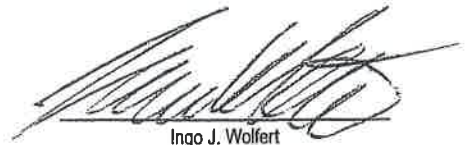
LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A"	1. Inventory
2,110,030.00	285,000.00
Balance of secured claims as per list "B"	2. Trade fixtures, etc.
0.00	0.00
Total unsecured creditors	3. Accounts receivable and other receivables, as per list "E"
2,110,030.00	Good
2. Secured creditors as per list "B"	340,000.00
800,002.00	Doubtful
3. Preferred creditors as per list "C"	0.00
18,000.00	Bad
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for	Estimated to produce
0.00	340,000.00
Total liabilities	4. Bills of exchange, promissory note, etc., as per list "F" ...
2,928,032.00	0.00
Surplus	5. Deposits in financial institutions
NIL	0.00
	6. Cash
	488,000.00
	7. Livestock
	0.00
	8. Machinery, equipment and plant
	20,000.00
	9. Real property or immovable as per list "G"
	0.00
	10. Furniture
	0.00
	11. RRSPs, RRIFFs, life insurance, etc.
	0.00
	12. Securities (shares, bonds, debentures, etc.)
	0.00
	13. Interests under wills
	0.00
	14. Vehicles
	2.00
	15. Other property, as per list "H"
	190,000.00
	If debtor is a corporation, add:
	Amount of subscribed capital
	0.00
	Amount paid on capital
	0.00
	Balance subscribed and unpaid
	0.00
	Estimated to produce
	0.00
	Total assets
	1,323,002.00
	Deficiency
	1,605,030.00

I, Ingo J. Wolfert, of the city of Kingston in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 5th day of July 2018 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the city of Toronto in the Province of Ontario, on this 5th day of July 2018.



Rahn Dodick, Commissioner of Oaths
 For the Province of Ontario
 Expires June 1, 2020



Ingo J. Wolfert

**Rahn Dodick, a Commissioner, etc.,
 Province of Ontario, for Dodick
 London Inc. and Dodick London
 Partnership. Expires June 1, 2020.**

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

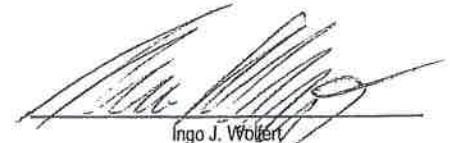
FORM 78 - Continued

List "A"
 Unsecured Creditors
 HB Solar Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Alectra Utilities Attn: Chris Meridith	P. O. Box 3700 Concord ON L4K 5N2	970.00	0.00	970.00
2	APPS Cartage Inc.	6495 Tomken Road Mississauga ON L5T 2X7	253.00	0.00	253.00
3	Bell Canada F-88 - Business Attn: Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3	250.00	0.00	250.00
4	Big Rock Supply	330 Meyer Road Bensenville IL 60106 USA	771.00	0.00	771.00
5	Canadian Parking Association	350-2255 St. Laurent Blvd. Ottawa ON L4K 5Y7	893.00	0.00	893.00
6	Canadian Solar Industries Association	450 Isabella Street, Suite 605 Ottawa ON K1A 1V7	3,390.00	0.00	3,390.00
7	CBC Engineers	125 Westpark Road Centerville OH 45459 USA	1,160.00	0.00	1,160.00
8	Century Concrete Products Ltd.	4170 Midland Avenue Scarborough ON M1V 4S6	39,868.00	0.00	39,868.00
9	Cintas	255 Harry Walker Parkway Newmarket ON L3Y 8Z5	1,208.00	0.00	1,208.00
10	Corlin	20 Speers Rd., Unit 603 Oakville ON L6K 3R5	1,932.00	0.00	1,932.00
11	CRA - Tax - Ontario Attn: Quebec Insolvency Intake Centre 844915652RT0001	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	25,409.00	0.00	25,409.00
12	Ecolibium Solar	244 W State Street Athens OH 45701 USA	1,562.00	0.00	1,562.00
13	EJOT Fastening Systems L.P.	9900 58th Place, Suite 100 Kenosha WI 53144 USA	23,249.00	0.00	23,249.00
14	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department	3401 Schmon Pkwy, PO Box 1051 Thorold ON L2V 5A8	964.00	0.00	964.00
15	Extrusion Profiles Inc.	8-110 Torbay Road Markham ON L3R 1G6	16,098.00	0.00	16,098.00
16	Farrow	2001 Huron Church Road Windsor ON N9C 2L6	0.00	0.00	0.00
17	Farrow (U.S.)	2001 Huron Church Road Windsor ON N9A 6L6	0.00	0.00	0.00
18	FATH Inc.	6533 Hazeltine National Drive, Ste. 3 Orlando FL 32822 USA	328,232.00	0.00	328,232.00
19	Hamilton Stamping Inc.	101 Morley Street Hamilton ON L8H 3R8	9,447.00	0.00	9,447.00
20	HD Supply Brafasco/CTF	100 Galcat Drive Woodbridge ON L4L 0B9	738.00	0.00	738.00
21	Henderson Fleischer Rolier	151 Lakeshore Road Oakville ON L6K 1E5	7,786.00	0.00	7,786.00
22	ILSCO of Canada	615B Orwell Street Mississauga ON L5A 2W4	9,978.00	0.00	9,978.00
23	JAZ Freight Inc.	12 Harcourt Crescent Kitchener ON N2P 1K9	2,113.00	0.00	2,113.00

05-Jul-2018

Date



Ingo J. Wolter

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

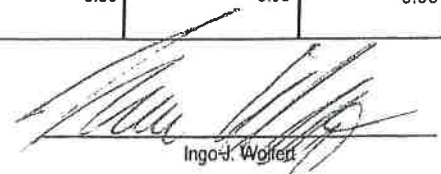
FORM 78 – Continued

List "A"
 Unsecured Creditors
 HB Solar Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Levac Supply Limited	25 Railway Street Kingston ON K7K 2L7	2,556.00	0.00	2,556.00
25	Lexusco 2010 Corporation Attn: Joanna Daoust	3275 Orlando Drive Mississauga ON L4V 1C5	99.00	0.00	99.00
26	M.A.K. Freight Systems	1000 Edgeley Blvd., Unit 3, Suite 200 Concord ON L4K 4V4	25,875.00	0.00	25,875.00
27	Matrix Scale Service Inc.	301 Watline Avenue Mississauga ON L4Z 1P3	367.00	0.00	367.00
28	Nimbus	112 Oakdale Road Toronto ON M3N 1V9	34.00	0.00	34.00
29	NRG Metalworks Inc.	244 Montrose St. N., Unit 6 Cambridge ON N3H 2H7	840,139.00	0.00	840,139.00
30	NRG Metalworks Inc. Attn: Cynthia Davis	c/o Giffen LLP PO Box 2396 Kitchener ON N2H 6M3	260.00	0.00	260.00
31	OMG	153 Bowles Road Agawam MA 01001-3824 USA	2,416.00	0.00	2,416.00
32	Optimum Structural Corp.	39 Kirk Drive Thornhill ON L3T 3K8	19,545.00	0.00	19,545.00
33	PTC (Canada) Inc.	P.O. Box 4290 Station A Toronto ON M5W 0E1	780.00	0.00	780.00
34	Purolator Inc.	PO Box 7006, 31 Adelaide St. E. Toronto ON M5C 3E2	2,269.00	0.00	2,269.00
35	RBC Royal Bank Visa c/o BankruptcyHighway.com Attn: Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	1,000.00	0.00	1,000.00
36	Ridout & Maybee LLP	11 Holland Avenue, Suite 601 Ottawa ON K1Y 4S1	2,094.00	0.00	2,094.00
37	Rowan Williams Davies & Irwin Inc. Attn: Wiesje Henderson	600 Southgate Drive Guelph ON N1G 4P6	1,695.00	0.00	1,695.00
38	Ruza & RDM Maintenance Inc.	60 Spruce Avenue Richmond Hill ON L4C 6W1	1,248.00	0.00	1,248.00
39	RWDI	600 Southgate Drive Guelph ON N1G 4P6	10.00	0.00	10.00
40	Samco Machinery	351 Passmore Ave. Toronto ON M1V 3N8	15,216.00	0.00	15,216.00
41	Samuel, Son & Co.	2360 Dixie Road Mississauga ON L4Y 1Z7	19,351.00	0.00	19,351.00
42	SAPA Canada Inc.	PO Box 11000, Station A Toronto ON M5W 2G5	565,770.00	0.00	565,770.00
43	Silicone Rubber Canada	551 Imperial Road North Guelph ON N1H 7M2	74,900.00	0.00	74,900.00
44	Tubeway	260186 Southgate Rd. 26 RR 1 Proton Station ON N0C 1L0	53,301.00	0.00	53,301.00
45	TUV Rheinland PTL LLC	1107 West Fairmount Dr., Bldg A Tempe AZ 85282 USA	3,274.00	0.00	3,274.00
46	UCC Steelwork Connections Inc.	895 Sandy Beach Rd. Unit 12 & 13 Pickering ON L1W 3N7	1,429.00	0.00	1,429.00
47	Vesta Networks	6-1500 Upper Middle Road, Ste. 321 Oakville ON L6M 0C2	0.00	0.00	0.00

05-Jul-2018

Date


 Ingo J. Wolff

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 78 - Continued


List "A"
Unsecured Creditors

HB Solar Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	Waste Collections of Canada	650 Creditstone Road Concord ON L4K 5C8	131.00	0.00	131.00
Total:			2,110,030.00	0.00	2,110,030.00

05-Jul-2018

Date


Ingo J. Wolfert

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

FORM 78 – Continued


List "B"
 Secured Creditors

HB Solar Canada Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Kennedy National Leasing Ltd	280 South Service Rd West Box 595 Oakville ON L6J 5B4	1.00	Motor Vehicles - Automobile - 2015 - Dodge - Ram - 1C6RR7LT8FS705564	27-Nov-2015	1.00		
2	Kennedy National Leasing Ltd	280 South Service Rd West Box 595 Oakville ON L6J 5B4	1.00	Motor Vehicles - Automobile - 2015 - Ford - Edge - 2FMTK3J97FBB97788	04-Dec-2015	1.00		
3	Royal Bank of Canada	36 York Mills Road, 4th Floor Toronto ON M2P 0A4	800,000.00	Cash on Hand - Cash	17-Jul-2014	488,000.00		
				Debts Due - Business - Accounts Receivable	17-Jul-2014	312,000.00	28,000.00	
				Business Assets - Stock In Trade - Inventory	17-Jul-2014	0.00	285,000.00	
				Other - Tax Refunds	17-Jul-2014	0.00	190,000.00	
				Business Assets - Machinery - Machinery, equipment and plant	17-Jul-2014	0.00	20,000.00	
Total:			800,002.00			800,002.00	523,000.00	0.00

05-Jul-2018

Date



Ingo J. Wolfert

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

FORM 78 – Continued

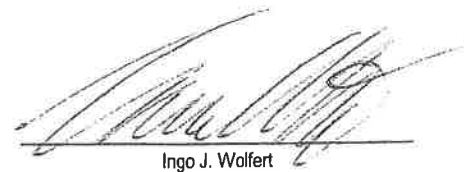
List "C"
 Preferred Creditors for Wages, Rent, etc.

HB Solar Canada Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
1	Abhay Shah	.		-	2,000.00	0.00	2,000.00
2	Alexander Gereb	.		-	2,000.00	0.00	2,000.00
3	Derek Wilson	.		-	2,000.00	0.00	2,000.00
4	Edward Hutchinson	.		-	2,000.00	0.00	2,000.00
5	Eric Stephenson	.		-	2,000.00	0.00	2,000.00
6	Graham Smith	.		-	2,000.00	0.00	2,000.00
7	Ingo Wolfert	.		-	2,000.00	0.00	2,000.00
8	Michael Jay Boychuk	.		-	2,000.00	0.00	2,000.00
9	Ryan Olejnik	.		-	2,000.00	0.00	2,000.00
Total:					18,000.00	0.00	18,000.00

05-Jul-2018

Date


 Ingo J. Wolfert

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 78 – Continued

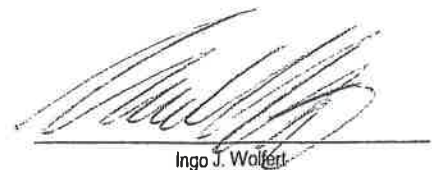
List "D"
Contingent or Other Liabilities

HB Solar Canada Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

05-Jul-2018

Date



Ingo J. Wolffert

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

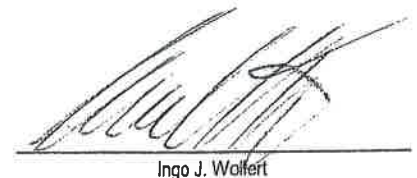
FORM 78 – Continued

List "E"
 Debts Due to the Debtor
 HB Solar Canada Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable		Accounts Receivable	340,000.00 0.00 0.00		01-Jan-2018	340,000.00	Accounts Receivable
Total:				340,000.00 0.00 0.00			340,000.00	

05-Jul-2018

Date



Ingo J. Wolfert

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 78 – Continued

List "F"

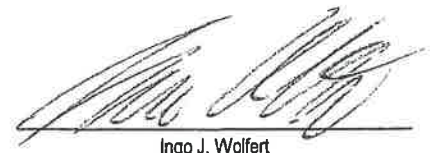
Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

HB Solar Canada Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
				Total: 0.00		0.00	

05-Jul-2018

Date



Ingo J. Wolfert

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

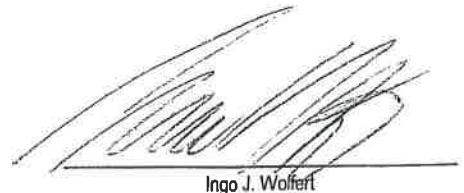
FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Debtor
HB Solar Canada Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

05-Jul-2018

Date



Ingo J. Wolfert

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-2364769
 Estate No. 31-2364769

FORM 78 – Concluded

List "H"
 Property

HB Solar Canada Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Inventory	1,137,511.00	285,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	488,000.00	488,000.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Machinery, equipment and plant	0.00	20,000.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile - 2015 - Dodge - Ram - 1C6RR7LT8FS705564	0.00	1.00
		Automobile - 2015 - Ford - Edge - 2FMTK3J97FBB97788	0.00	1.00
(l) Taxes			0.00	0.00
(m) Other		Tax Refunds	0.00	190,000.00
			Total:	983,002.00

05-Jul-2018

Date



Ingo J. Wolfert

Court No. 31-2364769

File No. 31-2364769

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Dodick Landau Inc. - Licensed Insolvency Trustee

4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 736-4357 Fax: (416) 649-7725

PROOF OF CLAIM WITH INSTRUCTIONS

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of HB Solar Canada Inc. of the city of Concord in the Province of Ontario and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 9th day of July 2018, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

FORM 31 — Concluded

- E. CLAIM BY WAGE EARNER OF \$ _____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____.
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____.
- G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

7. *(Applicable only in the case of the bankruptcy of an individual.)*

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____.

Witness

Creditor

Phone Number: _____

Fax Number: _____

E-mail Address: _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the proof of claim form and, if appropriate, the proxy form in a complete and accurate manner. Please check each requirement.

GENERAL

- The signature of a witness is required.
- The document must be signed by the individual completing the declaration.
- Provide the complete address where all notices or correspondence are to be forwarded along with your phone number, fax number and email address where appropriate.

Notes:

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors is at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote by an authorized agent or mandatary at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate box or boxes at the bottom of the proof of claim form, you may request that the trustee advise you of any material change in the financial situation of the bankrupt or the amount the bankrupt is required to pay into the bankruptcy, and a copy of the trustee's report on the discharge of the bankrupt.

PARAGRAPH 1

- Creditor must state full and complete legal name of the individual, company or firm.
- If the individual completing the proof of claim is a representative of the creditor, the individual's position or title must be identified.

PARAGRAPH 3

- The amount owing must be set out in paragraph 3.
- A detailed statement of account must be attached to the proof of claim and marked "Schedule A" and must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. The amount on the statement of account must correspond to the amount indicated on the proof of claim.

PARAGRAPH 4

Notes:

- Paragraph A applies to *ordinary unsecured claims*. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to section 136 of the Act.
- Paragraph B applies to *lessor claims* in a commercial proposal. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- Paragraph C applies to *secured claims*. Please indicate the dollar value of the security and attach copies of the security document. In addition, please attach copies of the security registration documents, where appropriate.
- Paragraph D applies to *inventory claims of farmers, fishermen and aquaculturists*. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreements and delivery slips.
- Paragraph E applies to *claims by wage earners*. Please note that such claims apply only for unpaid wages owed upon the bankruptcy of an employer or when the employer becomes subject to a receivership.

- Paragraph F applies to *claims by employees for unpaid amounts regarding pension plans*. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- Paragraph G applies to *claims against directors*. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- Paragraph H applies to *claims of customers of a bankrupt securities firm*. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.

PARAGRAPH 5

- All claimants must indicate whether or not they are related to the debtor, as defined in section 4 of the Act, or dealt with the debtor in a non-arm's-length manner.

PARAGRAPH 6

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - (a) within the three (3) months preceding the initial bankruptcy event (including the bankruptcy or the proposal);
 - (b) within the twelve (12) months preceding the initial bankruptcy event (including the bankruptcy or the proposal) in the case where the claimant and the debtor were not dealing at arm's length.

- PROXYHOLDER -

NOTE

The Act permits a proof of claim to be made by a duly authorized representative of a creditor but, in the absence of a properly executed proxy, does not give such an individual the power to vote at the first meeting of creditors nor to act as the proxyholder of the creditors.

GENERAL

- In order for duly authorized persons to have a right to vote, they must themselves be creditors or be the holders of a properly executed proxy. The name of the creditor must appear in the proxy.

Notes:

- A creditor may vote either in person or by proxyholder.
- A proxy may be filed at any time prior to a vote at a meeting of creditors.
- A proxy can be filed with the trustee in person, by mail or by any form of telecommunication.
- A proxy does not have to be under the seal of a corporation unless required by its incorporating documents or its bylaws.
- The individual designated in a proxy cannot be substituted unless the proxy provides for a power of substitution.
- Bankrupts/debtors may not be appointed as proxyholders to vote at any meeting of their creditors.
- The trustee may be appointed as a proxyholder for any creditor.
- A corporation cannot be designated as a proxyholder.

PROXY

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Dodick Landau Inc. - Licensed Insolvency Trustee

4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 649-7725
E-mail: brenda.mcknight@dodick.ca

VOTING LETTER

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

I, _____, creditor (or I, _____, representative
of _____, creditor), of _____, a creditor in the above matter
for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of HB Solar
Canada Inc., to record my vote _____ (for or against) the acceptance of the proposal as made on
the _____ day of _____.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____

Name and Title of Signing Officer

Return To:
Dodick Landau Inc. - Licensed Insolvency Trustee
Per:

Rahn Dodick - Licensed Insolvency Trustee
4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 649-7725
E-mail: brenda.mcknight@dodick.ca

APPENDIX "C"

COURT FILE NO.: 31-2364769

ESTATE NO.: 31-2364769

HB SOLAR CANADA INC.

**MINUTES OF THE FIRST MEETING OF CREDITORS
(the "Meeting")**

DATE, TIME AND LOCATION

Date: July 25, 2018

Time: 2:00 p.m.

**Location: 6-4646 Dufferin Street
Toronto, Ontario M3H 5S4**

**Chair: Rahn Dodick
Dodick Landau Inc. – Trustee in Bankruptcy (the "Trustee")**

**Secretary
& Scrutineer: Brenda McKnight – Dodick Landau Inc.**

QUORUM

The Chair established that a quorum existed.

CALL TO ORDER

The Chair declared the Meeting legally constituted and called the Meeting to order. The Attendance Sheet is attached as Exhibit "A".

- 1. Virginie Gauthier, Counsel for creditor Sapa Canada Inc., Pam Blagg and Rachel Salas, both of Sapa Canada Inc. attended by telephone. Alex Ilchenko, legal counsel of the debtor and Heather Meredith, legal counsel for the Proposal Trustee also attended by telephone.**

AFFIDAVIT OF MAILING

- 2. Virginie Gauthier, Counsel for Sapa Canada Inc. requested an adjournment as Sapa Canada Inc. claimed they had not been served with the creditors' package. Prior to the commencement of the Meeting, Sapa Canada Inc. and their Counsel were aware of the Meeting of Creditors' and had received a copy of the Creditors' Package by email. The Proposal Trustee reviewed the Affidavit of Mailing. It was determined that Sapa Canada Inc. was served, however the mailing address was the lock box for Sapa Canada Inc. payments. On receipt by Sapa Canada Inc., the mailing was not redirected to the appropriate person.**

3. Legal Counsel for Sapa and the Proposal Trustee agreed that the meeting would continue as planned with an adjournment to enable Counsel to go over the proposal with Ms. Blagg and Ms. Salas before the vote.

AFFIRM THE APPOINTMENT OF THE PROPOSAL TRUSTEE

4. A Motion was brought by Joanne Pavanelle as proxy holder for the creditor Silicone Rubber Canada, and seconded by Craig Chornaby as proxy holder for the creditor NRG Metalworks Inc. to affirm the appointment of the Proposal Trustee.

NOTICE OF MEETING

5. The Chair tabled, for inclusion in the minutes, the form Notice of Proposal to Creditors, Meeting of Creditors, the Proposal, the Statement of Affairs, the Report of Trustee on Proposal and the Affidavit of Mailing, all attached as Exhibit "B" to these minutes.

FUNDING OF PROPOSAL

6. The Proposal Trustee outlined the terms of the Proposal, the order of distribution and the recovery potential to creditors. The Proposal Trustee referred attendees to the Trustee's Report to the Creditors on the Proposal.

ADJOURNMENT

7. At 2:15 p.m., the Meeting was adjourned to allow Virginia Gauthier, Legal Counsel for Sapa Canada Inc. time to review the Proposal with her client. The meeting will re-commence at 2:30 p.m.

RE-CONVENED MEETING – July 25, 2018 at 2:30 p.m.

8. A Motion to consider a resolution to approve the Proposal by the unsecured creditors was proposed at the Creditors' Meeting (the "Resolution"). The Resolution tabled at the meeting was as follows:

"Be and it is hereby resolved to accept the Proposal of HB Solar Canada Inc. dated July 6, 2018, and, if approved, the Proposal Trustee and HB Solar Canada Inc. take all necessary steps to implement the terms of the Proposal".

A majority in number representing in excess of two-thirds in value of the unsecured creditors holding proven claims and voting in person or by proxy at the Creditors' Meeting, or by voting letter, voted in favour of the Resolution to approve the Proposal. A copy of the Voting Summary is attached as Exhibit "C".

APPOINTMENT OF INSPECTORS

9. The Chair asked the individuals present at the meeting of the unsecured creditors whether anyone would volunteer to act as Inspector. There were no volunteers.

TERMINATION OF MEETING

10. The Meeting was terminated at 2:50 p.m.

Dated at Toronto, Ontario, this 26th day of July, 2018.

A handwritten signature in black ink, appearing to read "Rahn Dodick". The signature is written in a cursive style with a large initial "R" and "D".

Per: Rahn Dodick, Chair

**Dodick Landau Inc.
Acting as Proposal Trustee for
HB Solar Canada Inc.
and not in its personal or corporate capacity.**

ATTENDANCE SHEET

Page 1 of 2

IN THE MATTER OF THE PROPOSAL OF

HB SOLAR CANADA INC.

CLAIMS PRESENT OR REPRESENTED AT THE FIRST MEETING OF CREDITORS

HELD ON JULY 25, 2018 AT 2 P.M.

PRINT NAME	REPRESENTING	CLAIM AMOUNT
Devek Wilson	Devek Wilson / hb.	
Rahn Dedick	Proposal Trustee	n/a
CRAIG CHOENABY	CRAIG CHOENABY (NRC)	\$689K
Tommy Kapchis	HB Solar employees	
Eric Stephenson	HB Solar	n/a
Joanne Pavanel	Silicone Rubber Canada	75 K.
Brenda McKnight	Proposal Trustee	
Pam Blagg	Sapa	Attend by phone, n/a
Rachel Salas	Sapa	Attend by phone n/a
Virginia Coeuthia	Counsel - Legal For Sapa	Attend by phone.

District of Ontario
Division No. 09-Toronto
Court No. 31-2364769
Estate No. 31-2364769

Affidavit of Mailing


In the matter of the proposal of
HB Solar Canada Inc., of the City of Concord,
in the Province of Ontario

I, Brenda McKnight, of the Trustee's office of Dodick Landau Inc., 4646 Dufferin Street, Suite 6, Toronto, Ontario, M3H 5S4, hereby make oath (or solemnly affirm) and say:

That on the 13th day of July 2018, I did cause to be sent by email and by prepaid ordinary mail to the known creditors of the above named debtor, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of:


- | | |
|-----------------------------------|-----------------------|
| -Notice of Proposal | -Proposal |
| -Report on Proposal | -Statement of Affairs |
| -Proof of Claim with instructions | -Proxy |
| -Voting Letter | |

Dated at the City of Toronto, this 13th day of July, 2018.



Brenda McKnight
Phone: (416) 645-0542
Fax: (416) 649-7725

SWORN (or SOLEMNLY DECLARED) before me in the City of Toronto, in the Province of Ontario, this 13th day of July, 2018.



Rahn Dodick, Commissioner of Oaths
For the Province of Ontario
Expires June 1, 2020

Rahn Dodick, a Commissioner, etc.,
Province of Ontario, for Dodick
Landau Inc. and Dodick Landau
Partnership. Expires June 1, 2020.

Creditor Mailing List

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Director	Ingo J. Wolfert - <i>mail</i>		141 Dalgleish Avenue Kingston ON K7K 7E5	
Preferred	Abhay Shah			2,000.00
	Alexander Gereb			2,000.00
	Derek Wilson			2,000.00
	Edward Hutchinson			2,000.00
	Eric Stephenson			2,000.00
	Graham Smith			2,000.00
	Ingo Wolfert			2,000.00
	Michael Jay Boychuk			2,000.00
	Ryan Olejnik			2,000.00
Secured	Kennedy National Leasing Ltd <i>email</i>		280 South Service Rd West Box 595 Oakville ON L6J 5B4 Fax: (905) 845-9588 snourse@kennedyford.ca	1.00
	Kennedy National Leasing Ltd		280 South Service Rd West Box 595 Oakville ON L6J 5B4 Fax: (905) 845-9588 snourse@kennedyford.ca	1.00
	Royal Bank of Canada		36 York Mills Road, 4th Floor Toronto ON M2P 0A4	800,000.00
Unsecured	Alectra Utilities - <i>mail</i>	Chris Meridith	P. O. Box 3700 Concord ON L4K 5N2	970.00
	APPS Cartage Inc. - <i>mail</i>		6495 Tomken Road Mississauga ON L5T 2X7	253.00
	Bell Canada F-88 - Business - <i>email</i>	Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca	250.00
	Big Rock Supply - <i>mail</i>		330 Meyer Road Bensenville IL 60106 USA	771.00
	Canadian Parking Association - <i>mail</i>		350-2255 St. Laurent Blvd. Ottawa ON L4K 5Y7	893.00
	Canadian Solar Industries Association - <i>mail</i>		240 Bank Street, Suite 400 Ottawa ON K2P 1X4	3,390.00

Creditor Mailing List

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	CBC Engineers - mail		125 Westpark Road Centerville OH 45459 USA	1,160.00
	Century Concrete Products Ltd. - email mail		4170 Midland Avenue Scarborough ON M1V 4S6 Fax: (416) 293-3414 centuryconcrete@on.aibn.com	39,868.00
	Cintas - mail		255 Harry Walker Parkway Newmarket ON L3Y 8Z5	1,208.00
	Corlin - mail		20 Speers Rd., Unit 603 Oakville ON L6K 3R5	1,932.00
	CRA - Tax - Ontario - email	Quebec Insolvency Intake Centre	844915652RT0001 Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 Fax: (866) 229-0839 cra-arc_tax-fisc_ins_t-f_g@cra-arc.gc.ca	25,409.00
	Ecolibium Solar - mail		244 W State Street Athens OH 45701 USA	1,562.00
	EJOT Fastening Systems L.P. - mail		9900 58th Place, Suite 100 Kenosha WI 53144 USA	23,249.00
	Enbridge Gas Distribution - Ontario - email	Back Office Collections Department	3401 Schmon Pkwy, PO Box 1051 Thorold ON L2V 5A8 Fax: (888) 882-5638 Collections@enbridge.com	964.00
	Extrusion Profiles Inc. - mail		8-110 Torbay Road Markham ON L3R 1G6	16,098.00
	Farrow - mail		2001 Huron Church Road Windsor ON N9C 2L6	
	Farrow (U.S.) - mail		2001 Huron Church Road Windsor ON N9A 6L6	
	FATH Inc. - mail		6533 Hazeltine National Drive, Ste. 3 Orlando FL 32822 USA	328,232.00
	Hamilton Stamping Inc. - mail		101 Morley Street Hamilton ON L8H 3R8	9,447.00
	HD Supply Brafasco/CTF - email		100 Galcat Drive Woodbridge ON L4L 0B9 canadianservice@hdsupply.com	738.00
	Henderson Fleischer Roller - email	Paul Kelley	151 Lakeshore Road West Oakville ON L6K 1E5 paul@hfrepa.ca	7,786.00
	ILSCO of Canada - mail		615B Orwell Street Mississauga ON L5A 2W4	9,978.00
	JAZ Freight Inc. - mail		12 Harcourt Crescent Kitchener ON N2P 1K9	2,113.00
	Levae Supply Limited - mail		25 Railway Street Kingston ON K7K 2L7	2,556.00
	Lexusco 2010 Corporation - mail	Joanna Daoust	3275 Orlando Drive Mississauga ON L4V 1C5	99.00
	M.A.K. Freight Systems - mail		1000 Edgeley Blvd., Unit 3, Suite 200 Concord ON L4K 4V4	25,875.00

Creditor Mailing List

In the matter of the proposal of
 HB Solar Canada Inc.
 of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Matrix Scale Service Inc.	- mail	301 Watline Avenue Mississauga ON L4Z 1P3	367.00
	Nimbus	- mail	112 Oakdale Road Toronto ON M3N 1V9	34.00
	NRG Metalworks Inc.	- mail	244 Montrose St. N., Unit 6 Cambridge ON N3H 2H7	840,139.00
	NRG Metalworks Inc.	- email Cynthia Davis	c/o Giffen LLP PO Box 2396 Kitchener ON N2H 6M3 cd@giffenlawyers.com	260.00
	OMG	- mail	153 Bowles Road Agawam MA 01001-3824 USA	2,416.00
	Optimum Structural Corp.	- mail	39 Kirk Drive Thornhill ON L3T 3K8	19,545.00
	PTC (Canada) Inc.	- mail	P.O. Box 4290 Station A Toronto ON M5W 0E1	780.00
	Purolator Inc.	- mail	PO Box 7006, 31 Adelaide St. E. Toronto ON M5C 3E2	2,269.00
	RBC Royal Bank Visa c/o BankruptcyHighway.com	- email Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net	1,000.00
	Ridout & Maybee LLP	- mail	11 Holland Avenue, Suite 601 Ottawa ON K1Y 4S1	2,094.00
	Rowan Williams Davies & Irwin Inc.	- email Wiesje Henderson	600 Southgate Drive Guelph ON N1G 4P6 Fax: (519) 823-1316 wh@rwdi.com	1,695.00
	Ruza & RDM Maintenance Inc.	mail	60 Spruce Avenue Richmond Hill ON L4C 6W1	1,248.00
	RWDI	- mail	600 Southgate Drive Guelph ON N1G 4P6	10.00
	Samco Machinery	- mail	351 Passmore Ave. Toronto ON M1V 3N8	15,216.00
	Samuel, Son & Co.	- mail	2360 Dixie Road Mississauga ON L4Y 1Z7	19,351.00
	SAPA Canada Inc.	- mail	PO Box 11000, Station A Toronto ON M5W 2G5	565,770.00
	Silicone Rubber Canada	- mail	551 Imperial Road North Guelph ON N1H 7M2	74,900.00
	Tubeway	- mail	260186 Southgate Rd. 26 RR 1 Proton Station ON N0C 1L0	53,301.00
	TUV Rheinland PTL LLC	- mail	1107 West Fairmount Dr., Bldg A Tempe AZ 85282 USA	3,274.00
	UCC Steelwork Connections Inc.	- mail	895 Sandy Beach Rd. Unit 12 & 13 Pickering ON L1W 3N7	1,429.00
	Vesta Networks	- mail	6-1500 Upper Middle Road, Ste. 321 Oakville ON L6M 0C2	

Creditor Mailing List

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Waste Collections of Canada	<i>-mail</i>	650 Creditstone Road Concord ON L4K 5C8	131.00

DODICK LANDAU

Brenda McKnight
<brenda.mcknight@dodick.ca>

HB Solar Canada Inc.

1 message

Brenda McKnight

Fri, Jul 13, 2018 at 12:14

<brenda.mcknight@dodick.ca>

PM

Bcc: snourse@kennedyford.ca, INSOLVA <insolv@bell.ca>, centuryconcrete@on.aibn.com, Canada Revenue Agency <cra-arc_tax-fisc_ins_t-f_g@cra-arc.gc.ca>, collections@enbridge.com, canadianservice@hdsupply.com, paul@hfrcpa.ca, cd@giffenlawyers.com, bankruptcydocuments@asset.net, wh@rwdi.com

Good afternoon:

Attached please find the Creditors' Package for the proposal of HB Solar Canada Inc.

Kind regards,

Brenda McKnight
Estate Administrator
Dodick Landau Inc.
416-645-0542



Creditors Package_HB Solar Canada Inc..pdf
2907K

**DODICK
LANDAU**

Brenda McKnight
<brenda.mcknight@dodick.ca>

Automatic reply: HB Solar Canada Inc.

1 message

Wiesje Henderson

Fri, Jul 13, 2018 at 12:14

<Wiesje.Henderson@rwdi.com>

PM

To: Brenda McKnight <brenda.mcknight@dodick.ca>

Hello, I am now out of the office until July 16. I will check emails periodically but if you need immediate help, please call reception at 519-823-1311 and ask for accounting, or email accounting@rwdi.com.

Thank you,

Wiesje Henderson

Credit & Collections Coordinator

Rowan Williams Davies & Irwin Inc

RWDI AIR Inc.

Green Building Services

RWDI - A Platinum Member of Canada's 50 Best Managed Companies

This communication is intended for the sole use of the party to whom it was addressed and may contain information that is privileged and/or confidential. Any other distribution, copying or

**DODICK
LANDAU**

Brenda McKnight
<brenda.mcknight@dodick.ca>

Delivery Status Notification (Failure)

1 message

Mail Delivery Subsystem <mailer-daemon@googlemail.com>
To: brenda.mcknight@dodick.ca

Fri, Jul 13, 2018 at
12:14 PM



Address not found

Your message wasn't delivered to **centuryconcrete@on.aibn.com** because the address couldn't be found, or is unable to receive mail.

The response from the remote server was:

550 5.1.1 <centuryconcrete@on.aibn.com> recipient rejected

Final-Recipient: rfc822; centuryconcrete@on.aibn.com
Action: failed
Status: 5.1.1
Remote-MTA: dns; mxmta.bellnet.ca. (207.236.237.51, the server for the domain on.aibn.com.)
Diagnostic-Code: smtp; 550 5.1.1 <centuryconcrete@on.aibn.com> recipient rejected
Last-Attempt-Date: Fri, 13 Jul 2018 09:14:13 -0700 (PDT)

----- Forwarded message -----

From: Brenda McKnight <brenda.mcknight@dodick.ca>
To: undisclosed-recipients;;
Cc:
Bcc: centuryconcrete@on.aibn.com
Date: Fri, 13 Jul 2018 12:14:06 -0400
Subject: HB Solar Canada Inc.
Good afternoon:

Attached please find the Creditors' Package for the proposal of HB Solar Canada Inc.

Kind regards,

Brenda McKnight
Estate Administrator
Dodick Landau Inc.
416-645-0542

This message (including any attachments) is CONFIDENTIAL and may be PRIVILEGED. If you are not an intended recipient you are hereby notified that any distribution, copying or use by you of this information is strictly prohibited. If you have received this message in error please immediately notify the sender and delete all copies of this information from your system. // L'information contenue dans le présent courriel (y compris les pièces jointes, le cas échéant) est CONFIDENTIELLE et peut être PRIVILÉGIÉE. Si vous n'êtes pas le destinataire prévu, vous êtes par la présente avisé(e) que toute diffusion, copie ou utilisation de ladite information est strictement interdite. Si vous avez reçu cette communication par erreur, veuillez nous en aviser immédiatement en répondant à l'expéditeur et effacer de votre ordinateur toute trace de cette information.

----- Message truncated -----

**DODICK
LANDAU**

Brenda McKnight
<brenda.mcknight@dodick.ca>

Creditors' Package - HB Solar Canada Inc.

1 message

Brenda McKnight

Mon, Jul 16, 2018 at 12:01
PM

<brenda.mcknight@dodick.ca>

Bcc: abhayshahcan@gmail.com, gereb_alex@yahoo.com,
ben@hbsolar.ca, cam@hbsolar.ca, derek-wilson@rogers.com,
edhutchinson@rogers.com, Eric@hbsolar.ca, graham@hbsolar.ca,
Ingo@hbsolar.ca, jordanwatson223@msn.com, jay@hbsolar.ca,
tammyk@live.ca

Good afternoon:

Attached please find the Creditors' Package for HB Solar Canada
Inc.

If you require further information or assistance in filing your claim,
please feel free to contact our office.

Kind regards,

Brenda McKnight
Estate Administrator
Dodick Landau Inc.
416-645-0542



HB Solar Canada Inc._Creditors Package.pdf
2907K

hb Solar Canada Inc Employee Contact List

<u>Employee</u>	<u>Main Email</u>	<u>Address</u>
✓ Abhay Shah	abhayshahcan@gmail.com	1518 52nd Street SW Edmonton, AB T6X 1X9
✓ Alexandru Gereb	gereb_alex@yahoo.com	2333 Prospect Street Burlington, ON L7R 2A5
✓ Benjamin Peter Stehr	ben@hbsolar.ca	719 Indian Road Toronto, ON M6P 2C9
✓ Cameron Bryce	cam@hbsolar.ca	183 Albertus Avenue Toronto, ON M4R 1J6
✓ Derek Wilson	derek-wilson@rogers.com	24 Cameron Crescent Toronto, ON M4G 3B6
✓ Edward Hutchinson	edhutchinson@rogers.com	35 Beasley Crescent Cambridge, ON N1T 1J9
✓ Eric Stephenson	eric@hbsolar.ca	28 Woolsthorpe Crescent Thornhill, ON L3T 4E2
✓ Graham Smith	graham@hbsolar.ca	2135 Springdale Road Oakville, ON L6M 4C6
✓ Ingo Wolfert	ingo@hbsolar.ca	307 Quarry Pond Court Kingston, ON K7K 7L6
✓ Jordan T Watson	jordanwatson223@msn.com	176 Escot/Mallorytown Mallorytown, ON K0E 1R0
✓ Michael Jay Boychuk	jay@hbsolar.ca	134 Dufferin Avenue Smithville, ON L0R 2A0
✓ Tammy Kapchis	tammyk@live.ca	785 Albert Street Oshawa, ON L1H 4T8

APPENDIX "D"

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

In Superior Court of Justice - Toronto.

In the matter of the proposal of HB Solar Canada Inc., a debtor.

Take notice that an application will be made to the court, at 330 University Avenue, 8th Floor, Toronto, Ontario, on the 13th day of August 2018, at 10:00 AM, to approve the proposal of HB Solar Canada Inc., accepted by the creditors at a meeting held on the 25th day of July 2018.

Dated at the city of Toronto in the Province of Ontario, this 27th day of July 2018.

Dodick Landau Inc. - Licensed Insolvency Trustee



4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 736-4357

Court No. 31-2364769

Estate No. 31-2364769

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Notice of Hearing of Application for Court Approval
of Proposal

Dodick Landau Inc. - Licensed Insolvency Trustee

4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 736-4357 Fax: (416) 649-7725

CANADA
Province of Ontario
District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

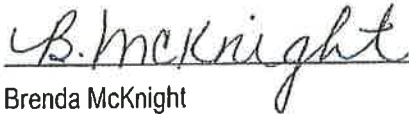
Affidavit of Mailing

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

I, Brenda McKnight, of the Trustee's office of Dodick Landau Inc., 4646 Dufferin St., Suite 6, Toronto, ON, M3H 5S4, hereby make oath (or solemnly affirm) and say:

That on the 27th day of July 2018, I did cause to be sent by E-mail and prepaid ordinary mail to everyone on the attached mailing list, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of: Notice of hearing of application for court approval of proposal.

And that, on the 27th day of July 2018, I mailed to the debtor a copy of same.



Brenda McKnight
Phone: (416) 736-4357
Fax: (416) 649-7725

SWORN (or SOLEMNLY DECLARED) before me in the city of Toronto in the Province of Ontario, this 27th day of July 2018.



Howard Landau, Commissioner of Oaths
For the Province of Ontario
Expires March 27, 2020

Howard Landau, a Commissioner,
etc., Province of Ontario, for Dodick
& Associates Inc. and Dodick Landau
Inc. Expires March 27, 2020.

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2364769
Estate No. 31-2364769

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

In Superior Court of Justice - Toronto.

In the matter of the proposal of HB Solar Canada Inc., a debtor.

Take notice that an application will be made to the court, at 330 University Avenue, 8th Floor, Toronto, Ontario, on the 13th day of August 2018, at 10:00 AM, to approve the proposal of HB Solar Canada Inc., accepted by the creditors at a meeting held on the 25th day of July 2018.

Dated at the city of Toronto in the Province of Ontario, this 27th day of July 2018.

Dodick Landau Inc. - Licensed Insolvency Trustee



4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 645-0542 Fax: (416) 736-4357

Court No. 31-2364769

Estate No. 31-2364769

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Notice of Hearing of Application for Court Approval
of Proposal

Dodick Landau Inc. - Licensed Insolvency Trustee

4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 736-4357 Fax: (416) 649-7725

Creditor Mailing List

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Director	Ingo J. Wolfert		307 Quarry Pond Court Kingston ON K7K 7L6 <i>ingo@hbsolar.ca email</i>	
Preferred	Abhay Shah		1518 52nd Street SW Edmonton AB T6X 1X9 abhayshahcan@gmail.com <i>email</i>	2,000.00
	Alexander Gereb		2333 Prospect Street Burlington ON L7R 2A5 gereb_alex@yahoo.com <i>email</i>	2,000.00
	Benjamin Peter Stehr		719 Indian Road Toronto ON M6P 2C9 ben@hbsolar.ca <i>email</i>	
	Derek Wilson		24 Cameron Crescent Toronto ON M4G 3B6 derek-wilson@rogers.com <i>email</i>	2,000.00
	Edward Hutchinson		35 Beasley Crescent Cambridge ON N1T 1J9 Ed@hbsolar.ca <i>email</i>	2,000.00
	Eric Stephenson		28 Woolsthorpe Crescent Thornhill ON L3T 4E2 eric@hbsolar.ca <i>email</i>	2,000.00
	Graham Smith		2135 Springdale Road Oakville ON L6M 4C6 graham@hbsolar.ca <i>email</i>	2,000.00
	Ingo Wolfert		307 Quarry Pond Court Kingston ON K7K 7L6 ingo@hbsolar.ca <i>as above email</i>	2,000.00
	Michael Jay Boychuk		134 Dufferin Avenue Smithville ON L0R 2A0 jay@hbsolar.ca <i>email</i>	2,000.00
	Ryan Olejnik		.	2,000.00
	Tammy Kapchis		785 Albert Street Oshawa ON L1H 4T8 tammyk@live.ca <i>email</i>	
Secured	Kennedy National Leasing Ltd		280 South Service Rd West Box 595 Oakville ON L6J 5B4 Fax: (905) 845-9588 snourse@kennedyford.ca <i>email</i>	1.00
	Kennedy National Leasing Ltd		280 South Service Rd West Box 595 Oakville ON L6J 5B4 Fax: (905) 845-9588 snourse@kennedyford.ca	1.00
	Royal Bank of Canada	<i>mail</i>	36 York Mills Road, 4th Floor Toronto ON M2P 0A4	800,000.00
Unsecured	Alectra Utilities	<i>mail</i>	Chris Meridith P. O. Box 3700 Concord ON L4K 5N2	970.00
	Alexander Gereb		2333 Prospect Street Burlington ON L7R 2A5 gereb_alex@yahoo.com <i>as above, email</i>	

Creditor Mailing List

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	APPS Cartage Inc. <i>mail</i>		6495 Tomken Road Mississauga ON L5T 2X7	253.00
	Bell Canada F-88 - Business	Insolvency Department	1 Carrefour Alexandre-Graham-Bell, Aile E3 Verdun QC H3E 3B3 Fax: (514) 766-7326 insolv@bell.ca <i>email</i>	250.00
	Benjamin Peter Stehr		719 Indian Road Toronto ON M6P 2C9 ben@hbsolar.ca <i>as above / email</i>	
	Big Rock Supply <i>mail</i>		330 Meyer Road Bensenville IL 60106 USA	771.00
	Cameron Bryce		183 Albertus Avenue Toronto ON M4R 1J6 cam@hbsolar.ca <i>email</i>	
	Canadian Parking Association <i>mail</i>		350-2255 St. Laurent Blvd. Ottawa ON L4K 5Y7	893.00
	Canadian Solar Industries Association <i>mail</i>		240 Bank Street, Suite 400 Ottawa ON K2P 1X4	3,390.00
	CBC Engineers <i>mail</i>		125 Westpark Road Centerville OH 45459 USA	1,160.00
	Century Concrete Products Ltd. <i>mail</i>		4170 Midland Avenue Scarborough ON M1V 4S6 Fax: (416) 293-3414 centuryconcrete@on.aibn.com <i>email returned</i>	39,868.00
	Cintas <i>mail</i>		255 Harry Walker Parkway Newmarket ON L3Y 8Z5	1,208.00
	Corlin <i>mail</i>		20 Speers Rd., Unit 603 Oakville ON L6K 3R5	1,932.00
	CRA - Tax - Ontario	Quebec Insolvency Intake Centre	844915652RT0001 Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 Fax: (866) 229-0839 cra-arc_tax-fisc_ins_t-f_g@cra-arc.gc.ca <i>email</i>	25,409.00
	Derek Wilson		24 Cameron Crescent Toronto ON M4G 3B6 derek-wilson@rogers.com	
	Ecolibium Solar <i>mail</i>		244 W State Street Athens OH 45701 USA	1,562.00
	Edward Hutchinson		35 Beasley Crescent Cambridge ON N1T 1J9 Ed@hbsolar.ca <i>as above / email</i>	
	EJOT Fastening Systems L.P. <i>mail</i>		9900 58th Place, Suite 100 Kenosha WI 53144 USA	23,249.00
	Enbridge Gas Distribution - Ontario	Back Office Collections Department	3401 Schmon Pkwy, PO Box 1051 Thorold ON L2V 5A8 Fax: (888) 882-5638 Collections@enbridge.com <i>email</i>	964.00
	Extrusion Profiles Inc. <i>mail</i>		8-110 Torbay Road Markham ON L3R 1G6	16,098.00

Creditor Mailing List

In the matter of the proposal of
 HB Solar Canada Inc.
 of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Farrow <i>mail</i>		2001 Huron Church Road Windsor ON N9C 2L6	
	Farrow (U.S.) <i>mail</i>		2001 Huron Church Road Windsor ON N9A 6L6	
	FATH Inc. <i>mail</i>		6533 Hazeltine National Drive, Ste. 3 Orlando FL 32822 USA	328,232.00
	Hamilton Stamping Inc. <i>mail</i>		101 Morley Street Hamilton ON L8H 3R8	9,447.00
	HD Supply Brafasco/CTF		100 Galcat Drive Woodbridge ON L4L 0B9 canadianservice@hdsupply.com <i>email</i>	738.00
	Henderson Fleischer Roller	Paul Kelley	151 Lakeshore Road West Oakville ON L6K 1E5 paul@hfrpa.ca <i>email</i>	7,786.00
	Hydro formerly Sapa Canada Inc. <i>mail</i>	Karina Heil	400 Rouser Road, Suite 201 Moon Township PA 15108 USA	565,770.00
	ILSCO of Canada <i>mail</i>		615B Orwell Street Mississauga ON L5A 2W4	9,978.00
	JAZ Freight Inc. <i>mail</i>		12 Harcourt Crescent Kitchener ON N2P 1K9	2,113.00
	Jordan T. Watson		176 Escot/Mallorytown Mallorytown ON K0E 1R0 jordanwatson223@msn.com <i>email</i>	
	Levac Supply Limited <i>mail</i>		25 Railway Street Kingston ON K7K 2L7	2,556.00
	Lexsico 2010 Corporation <i>mail</i>	Joanna Daoust	3275 Orlando Drive Mississauga ON L4V 1C5	99.00
	M.A.K. Freight Systems <i>mail</i>		1000 Edgeley Blvd., Unit 3, Suite 200 Concord ON L4K 4V4	25,875.00
	Matrix Scale Service Inc. <i>mail</i>			367.00
	Michael Jay Boychuk		301 Watline Avenue Mississauga ON L4Z 1P3 134 Dufferin Avenue Smithville ON L0R 2A0 jay@hbsolar.ca <i>as above/email</i>	
	Nimbus <i>mail</i>		112 Oakdale Road Toronto ON M3N 1V9	34.00
	NRG Metalworks Inc.	Cynthia Davis	180432 c/o Giffen LLP, Lawyers 500-50 Queen St. N. Kitchener ON N2H 6M3 cd@giffenlawyers.com <i>email</i>	840,139.00
	NRG Metalworks Inc.	Cynthia Davis	c/o Giffen LLP PO Box 2396 Kitchener ON N2H 6M3 cd@giffenlawyers.com <i>as above/email</i>	260.00
	OMG <i>mail</i>		153 Bowles Road Agawam MA 01001-3824 USA	2,416.00
	Optimum Structural Corp. <i>mail</i>		39 Kirk Drive Thornhill ON L3T 3K8	19,545.00
	PTC (Canada) Inc. <i>mail</i>		P.O. Box 4290 Station A Toronto ON M5W 0E1	780.00
	Purolator Inc. <i>mail</i>		PO Box 7006, 31 Adelaide St. E. Toronto ON M5C 3E2	2,269.00

Creditor Mailing List

In the matter of the proposal of
 HB Solar Canada Inc.
 of the city of Concord, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	RBC Royal Bank Visa c/o BankruptcyHighway.com	Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net <i>email</i>	1,000.00
	Ridout & Maybee LLP <i>mail</i>		11 Holland Avenue, Suite 601 Ottawa ON K1Y 4S1	2,094.00
	Rowan Williams Davies & Irwin Inc.	Wiesje Henderson	600 Southgate Drive Guelph ON N1G 4P6 Fax: (519) 823-1316 wh@rwdi.com <i>email</i>	1,695.00
	Ruza & RDM Maintenance Inc. <i>mail</i>		60 Spruce Avenue Richmond Hill ON L4C 6W1	1,248.00
	RWDI <i>mail</i>		600 Southgate Drive Guelph ON N1G 4P6	10.00
	Samco Machinery <i>mail</i>		351 Passmore Ave. Toronto ON M1V 3N8	15,216.00
	Samuel, Son. & Co. <i>mail</i>		2360 Dixie Road Mississauga ON L4Y 1Z7	19,351.00
	Silicone Rubber Canada <i>mail</i>		551 Imperial Road North Guelph ON N1H 7M2	74,900.00
	Tammy Kapchis		785 Albert Street Oshawa ON L1H 4T8 tammyk@live.ca <i>email</i>	
	Tubeway <i>mail</i>		260186 Southgate Rd. 26 RR 1 Proton Station ON N0C 1L0	53,301.00
	TUV Rheinland PTL LLC <i>mail</i>		1107 West Fairmount Dr., Bldg A Tempe AZ 85282 USA	3,274.00
	UCC Steelwork Connections Inc. <i>mail</i>		895 Sandy Beach Rd. Unit 12 & 13 Pickering ON L1W 3N7	1,429.00
	Vesta Networks <i>mail</i>		6-1500 Upper Middle Road, Ste. 321 Oakville ON L6M 0C2	
	Waste Collections of Canada <i>mail</i>		650 Creditstone Road Concord ON L4K 5C8	131.00

DODICK LANDAU

Brenda McKnight
<brenda.mcknight@dodick.ca>

HB Solar Canada Inc.

1 message

Brenda McKnight

Fri, Jul 27, 2018 at 10:13

<brenda.mcknight@dodick.ca>

AM

Bcc: Ingo@hbsolar.ca, ABHAY SHAH <abhayshahcan@gmail.com>, gereb_alex@yahoo.com, Ben Stehr <ben@hbsolar.ca>, derek-wilson@rogers.com, Edward Hutchinson <Ed@hbsolar.ca>, Eric@hbsolar.ca, graham@hbsolar.ca, Jay Boychuk <jay@hbsolar.ca>, tammyk@live.ca, snourse@kennedyford.ca, INSOLVA <insolv@bell.ca>, Cam Bryce <cam@hbsolar.ca>, centuryconcrete@on.aibn.com, Canada Revenue Agency <cra-arc_tax-fisc_ins_t-f_g@cra-arc.gc.ca>, collections@enbridge.com, canadianservice@hdsupply.com, paul@hfrcpa.ca, Jordan Watson <jordan@hbsolar.ca>, Jordan Watson <jordanwatson223@msn.com>, cd@giffenlawyers.com, bankruptcydocuments@asset.net, wh@rwdi.com

Good morning:

Attached please find the Notice of Hearing of Application for Court Approval of Proposal.

This is sent to you as you are a creditor of HB Solar Canada Inc.

There is no requirement to attend.

Kind regards,

Brenda McKnight
Estate Administrator
Dodick Landau Inc.

416-645-0542



**HB Solar Canada Inc._Ntc of Hearing of Application for
Court Approval of Proposal.pdf**

56K

DODICK LANDAU

Brenda McKnight
<brenda.mcknight@dodick.ca>

Delivery Status Notification (Failure)

1 message

Mail Delivery Subsystem <mailer-daemon@googlemail.com>
To: brenda.mcknight@dodick.ca

Fri, Jul 27, 2018 at 10:13 AM

mailed instead July 27/18



Address not found

Your message wasn't delivered to **centuryconcrete@on.aibn.com** because the address couldn't be found, or is unable to receive mail.

The response from the remote server was:

550 5.1.1 <centuryconcrete@on.aibn.com> recipient
rejected

Final-Recipient: rfc822; centuryconcrete@on.aibn.com

Action: failed

Status: 5.1.1

Remote-MTA: dns; mxmta.bellnet.ca. (207.236.237.51, the server
for the domain on.aibn.com.)

Diagnostic-Code: smtp; 550 5.1.1 <centuryconcrete@on.aibn.com>
recipient rejected

Last-Attempt-Date: Fri, 27 Jul 2018 07:13:34 -0700 (PDT)

----- Forwarded message -----

From: Brenda McKnight <brenda.mcknight@dodick.ca>

To: undisclosed-recipients;:

Cc:

Bcc: centuryconcrete@on.aibn.com

Date: Fri, 27 Jul 2018 10:13:28 -0400

Subject: HB Solar Canada Inc.

Good morning:

Attached please find the Notice of Hearing of Application for Court
Approval of Proposal.

This is sent to you as you are a creditor of HB Solar Canada Inc.

There is no requirement to attend.

Kind regards,

Brenda McKnight
Estate Administrator
Dodick Landau Inc.

416-645-0542

This message (including any attachments) is CONFIDENTIAL and may be PRIVILEGED. If you are not an intended recipient you are hereby notified that any distribution, copying or use by you of this information is strictly prohibited. If you have received this message in error please immediately notify the sender and delete all copies of this information from your system. // L'information contenue dans le présent courriel (y compris les pièces jointes, le cas échéant) est CONFIDENTIELLE et peut être PRIVILÉGIÉE. Si vous n'êtes pas le destinataire prévu, vous êtes par la présente avisé(e) que toute diffusion, copie ou utilisation de ladite information est strictement interdite. Si vous avez reçu cette communication par erreur, veuillez nous en aviser immédiatement en répondant à l'expéditeur et effacer de votre ordinateur toute trace de cette information.

----- Message truncated -----

Court No. 31-2364769

Estate No. 31-2364769

In the matter of the proposal of
HB Solar Canada Inc.
of the city of Concord, in the Province of Ontario

Affidavit of Mailing

Dodick Landau Inc. - Licensed Insolvency Trustee

4646 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 736-4357 Fax: (416) 649-7725

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

THE HONOURABLE JUSTICE

)
)
)
)

MONDAY, THE 13TH

DAY OF AUGUST, 2018

**IN THE MATTER OF THE PROPOSAL OF HB SOLAR
CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF
ONTARIO**

SALE APPROVAL AND VESTING ORDER

THIS MOTION, made by HB Solar Canada Inc. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Proposal Trustee (as defined below) and Craig Chornby on behalf of a company to be incorporated, (the “**Purchaser**”), dated July 3, 2018 (the “**APS**”) and vesting in the Purchaser the right, title and interest of the Debtor in and to the Purchased Assets described in the APS (the “**Purchased Assets**”), and approving the Report of Trustee on Proposal by Dodick Landau Inc. in its capacity as the Proposal Trustee of the Debtor (the “**Proposal Trustee**”), dated July 27, 2018 (the “**Report**”), the Second Report to Court of the Proposal Trustee dated June 14, 2018 and the First Report of the Proposal Trustee dated May 8, 2018 and the activities of the Proposal Trustee as more particularly described in such reports, was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

ON READING the Report of the Proposal Trustee dated July 27, 2018 on the Proposal of the Debtor, the Order of the Honourable Justice McEwen dated May 14, 2018 approving a sale and investment solicitation process (“SISP”), together with enhanced powers for the Proposal Trustee, including authorization for the Proposal Trustee to carry out the SISP (the “**Sale Process Order**”), and on hearing the submissions of counsel for the Debtor, the Proposal Trustee, the parties as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed.

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the APS by the Proposal Trustee on behalf of the Debtor are hereby authorized and approved, with such minor amendments as the Proposal Trustee may deem necessary. The Debtor and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Trustee’s certificate to the Purchaser substantially in the form attached as Schedule “A” hereto (the “**Trustee’s Certificate**”), all of the right, title and interest of the Debtor in and to the Purchased Assets described in the APS shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, 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 (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Sale Process Order or otherwise created in the proposal proceedings of the Debtor; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances"); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale, with such Claims and Encumbrances being addressed in the Proposal.

4. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to file with the Court a copy of the Trustee's Certificate, forthwith after delivery thereof.

5. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the records of the Debtor pertaining to the past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND APPROVES the Report, the Second Report to Court of the Proposal Trustee dated June 14, 2018 and the First Report of the Proposal Trustee dated May 8, 2018, the appendices thereto and the conduct and the activities of the Proposal Trustee as more particularly described in such reports.

Schedule A – Form of Trustee’s Certificate

Court File No. 31-2364769

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL OF HB SOLAR
CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF
ONTARIO**

TRUSTEE’S CERTIFICATE

RECITALS

A. Pursuant to Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice (the “**Court**”) dated May 27, 2016, Dodick Landau Inc. in its capacity as Proposal Trustee (the “**Proposal Trustee**”) was permitted to market and sell the undertaking, property and assets of HB Solar Canada Inc. (the “**Debtor**”).

B. Pursuant to an Order of the Court dated August 13, 2018, the Court approved the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Proposal Trustee and Craig Chornby on behalf of a company to be incorporated, (the “**Purchaser**”), dated July 3, 2018 (the “**APS**”) and vesting in the Purchaser the right, title and interest of the Debtor in and to the Purchased Assets (the “**Purchased Assets**”) described in the APS and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APS)(the “**Purchase Price**”) for the Purchased Assets; (ii) that the conditions to Closing as set out in the APS have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APS.

THE TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the APS;
2. The Proposal Trustee has been advised by Royal Bank of Canada that it has received from the Purchaser payment in full of the secured amount due to it by the Debtor;
2. The conditions to Closing as set out in the APS have been satisfied or waived by the Proposal Trustee and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ on _____, 2018.

**Dodick Landau Inc., in its capacity as
Proposal Trustee of HB Solar Canada Inc.,
and not in its personal capacity**

Per: _____
Name:
Title:

**IN THE MATTER OF the Proposal of HB Solar Canada Inc.
of the City of Vaughan, in the Province of Ontario**

Court File No. 31-2364769

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

**PROCEEDING COMMENCED AT
TORONTO**

SALE APPROVAL AND VESTING ORDER

PALLET VALO LLP

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L5B 1M5

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Lawyers for HB Solar Canada Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

THE HONOURABLE ———) WEEKDAY, THE #
JUSTICE ———) DAY OF MONTH, 20YR MONDAY, THE
) 13TH
) DAY OF AUGUST, 2018
)

BETWEEN:

PLAINTIFF

Plaintiff

— and —

DEFENDANT

Defendant

**IN THE MATTER OF THE PROPOSAL OF HB SOLAR
CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF
ONTARIO**

SALE APPROVAL AND VESTING ORDER

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "HB Solar Canada Inc. (the "Debtor")") for an order approving the sale transaction (the "'Transaction'") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Proposal Trustee (as defined below) and Craig Chornby on behalf of a company to be incorporated, (the "Purchaser")"), dated [DATE] and appended to the Report of the Receiver dated [DATE] (the "Report"), July 3, 2018 (the "APS")

and vesting in the Purchaser the Debtor's right, title and interest of the Debtor in and to the assets Purchased Assets described in the Sale Agreement APS (the "**Purchased Assets**"), and approving the Report of Trustee on Proposal by Dodick Landau Inc. in its capacity as the Proposal Trustee of the Debtor (the "Proposal Trustee"), dated July 27, 2018 (the "Purchased Assets"); "**Report**"), the Second Report to Court of the Proposal Trustee dated June 14, 2018 and the First Report of the Proposal Trustee dated May 8, 2018 and the activities of the Proposal Trustee as more particularly described in such reports, was heard this day at the Court House, 330 University Avenue, Toronto, Ontario.

~~ON READING the Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING],~~

ON READING the Report of the Proposal Trustee dated July 27, 2018 on the Proposal of the Debtor, the Order of the Honourable Justice McEwen dated May 14, 2018 approving a sale and investment solicitation process ("SISP"), together with enhanced powers for the Proposal Trustee, including authorization for the Proposal Trustee to carry out the SISP (the "Sale Process Order"), and on hearing the submissions of counsel for the Debtor, the Proposal Trustee, the parties as listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavitAffidavit of [NAME] sworn [DATE]Service, filed¹:-

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale AgreementAPS by the Receiver³ is Proposal Trustee on behalf of the Debtor are hereby authorized and approved, with such minor amendments as the ReceiverProposal Trustee may deem necessary. The Receiver is Debtor and the Proposal Trustee are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's Trustee's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's "Trustee's Certificate""), all of the Debtor's right, title and interest of the Debtor in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto]⁴ APS shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages,

¹ ~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

² ~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³ ~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

⁴ ~~To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

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 (collectively, the ~~"Claims"⁵~~) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Sale Process Order or otherwise created in the proposal proceedings of the ~~Honourable Justice [NAME] dated [DATE]; Debtor;~~ (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system ; and (iii) ~~those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D)~~; and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

⁵ ~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

3. — THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*⁶; the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4.3. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale, with such Claims and Encumbrances being addressed in the Proposal.

5.4. THIS COURT ORDERS AND DIRECTS the Receiver Proposal Trustee to file with the Court a copy of the Receiver's Trustee's Certificate, forthwith after delivery thereof.

6.5. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver Proposal Trustee is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records of the Debtor pertaining to the Debtor's past and

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement of the Debtor. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7.6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

9.7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver~~Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Proposal Trustee and its agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND APPROVES the Report, the Second Report to Court of the Proposal Trustee dated June 14, 2018 and the First Report of the Proposal Trustee dated May 8, 2018, the appendices thereto and the conduct and the activities of the Proposal Trustee as more particularly described in such reports.

Schedule A – Form of Receiver's Trustee's Certificate

Court File No. _____ 31-2364769

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)

B E T W E E N:

PLAINTIFF

Plaintiff

—and—

DEFENDANT

Defendant

RECEIVER'S

IN THE MATTER OF THE PROPOSAL OF HB SOLAR
CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF
ONTARIO

TRUSTEE'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [~~NAME OF JUDGE~~] Justice McEwen of the Ontario Superior Court of Justice (the "**Court**") dated [~~DATE OF ORDER~~], [~~NAME OF RECEIVER~~] was appointed May 27, 2016, Dodick Landau Inc. in its capacity as Proposal Trustee (the receiver (the "Receiver") of "**Proposal Trustee**") was permitted to market and sell the undertaking, property and assets of [~~DEBTOR~~] HB Solar Canada Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated [~~DATE~~] August 13, 2018, the Court approved the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale made as of [~~DATE OF AGREEMENT~~] (the "Sale Agreement") between the Receiver [~~Debtor~~] and

~~[NAME OF PURCHASER]~~ (the "Proposal Trustee and Craig Chornby on behalf of a company to be incorporated, (the "Purchaser")"), dated July 3, 2018 (the "APS") and vesting in the Purchaser the right, title and interest of the Debtor in and to the Purchased Assets (the "Purchased Assets") described in the APS and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APS)(the "Purchase Price") for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section 1~~ of the ~~Sale Agreement~~APS have been satisfied or waived by the ~~Receiver~~Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~Proposal Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the ~~Sale Agreement~~APS.

THE ~~RECEIVER~~TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the ~~Receiver~~Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the ~~Sale Agreement~~APS;
2. The Proposal Trustee has been advised by Royal Bank of Canada that it has received from the Purchaser payment in full of the secured amount due to it by the Debtor;
2. The conditions to Closing as set out in ~~section 1~~ of the ~~Sale Agreement~~APS have been satisfied or waived by the ~~Receiver~~Proposal Trustee and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the ~~Receiver~~Proposal Trustee.
4. This Certificate was delivered by the ~~Receiver~~Proposal Trustee at _____ ~~[TIME]~~ on _____ ~~[DATE]~~, 2018.

~~[NAME OF RECEIVER],~~Dodick Landau
Inc., in its capacity as Receiver
Trustee of the undertaking, property and
assets of [DEBTOR],HB Solar Canada Inc.,
and not in its personal capacity

Per: _____

Name:

Title:

Revised: January 21, 2014

Schedule B—Purchased Assets

Revised: January 21, 2014

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

IN THE MATTER OF the Proposal of HB Solar Canada Inc.
of the City of Vaughan, in the Province of Ontario

Court File No. 31-2364769

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

SALE APPROVAL AND VESTING ORDER

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Lawyers for HB Solar Canada Inc.

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

THE HONOURABLE)
JUSTICE)
)
)
MONDAY, THE 13TH
DAY OF AUGUST, 2018

B E T W E E N:

IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

ORDER APPROVING PROPOSAL– (Sec. 60(5))

THIS MOTION, made by HB Solar Canada Inc. (the “**Debtor**”) for the approval of its proposal (the “**Proposal**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), and for a declaration that the Superintendent’s levy does not apply to payments made directly to the Secured Creditor by the Purchaser, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Report on the Proposal of Dodick Landau Inc., in its capacity as the trustee of the Proposal (in such capacity, the “**Proposal Trustee**”) dated July 27, 2018 (the “**Report**”), and the Appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor, and counsel for those other parties listed on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service of Shallon Garrafa, sworn August 3, 2018, filed:

1. **THIS COURT ORDERS** that the time for service of the Motion Record and the Notice of Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
 2. **THIS COURT ORDERS** that defined terms not otherwise defined herein shall have the meanings attributed to them in the Proposal.
 3. **THIS COURT ORDERS** that the Proposal, attached as Schedule "A" to this Order, be and is hereby approved.
 4. **THIS COURT ORDERS AND DECLARES** that, as the Proposal provides that Secured Creditors will be paid directly by the Purchaser out of the Purchase Price, and not by the Proposal Trustee, and as the Secured Creditors are not Affected Creditors for the purposes of the Proposal, the Proposal Trustee is not required to make payments of levy under the provisions of s.147 of the BIA with regards to payments by the Purchaser to the Secured Creditors.
 5. **THIS COURT ORDERS AND DECLARES** that, on the terms set out in paragraph 28 of the Proposal, the Creditors will be deemed to have released and discharged all claims that arose prior to the NOI Filing Date against the former and current officers and directors of the Debtor, to the extent that these claims relate to the obligations of the Debtor where the directors and officers of the Debtor are liable in their capacity as directors and/or officers of the Debtor for the payment of such obligations, but shall exclude any such claims as described in s.50(14) of the BIA.
-

SCHEDULE "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE PROPOSAL OF
HB SOLAR CANADA INC.
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

PROPOSAL

HB SOLAR CANADA INC. (“**HB**” or the “**Company**”) hereby submits the following proposal (“**Proposal**”) pursuant to the provisions of the *Bankruptcy and Insolvency Act*, (Canada), R.S.C. 1985, c. B-3.

**PART I
Interpretation**

Definitions

1. In this Proposal unless otherwise stated or the context otherwise requires, capitalized terms shall have the following meanings:
 - (a) “**Act**” means the *Bankruptcy and Insolvency Act*, (Canada) R.S.C. 1985, c. B-3, as amended;
 - (b) “**Administrative Fees and Expenses**” means the proper fees and expenses of the Trustee and the Company incidental to the NOI, the sale process conducted pursuant to the SISP Order, the preparation, presentation, consideration and implementation of the Proposal, any amendments thereto, and the proceedings, transactions and agreements contemplated thereby or arising therefrom, including all legal fees and disbursements incurred by the Trustee and the Company before and following execution, acceptance and approval of this Proposal and in connection with the NOI, the sale process and the preparation of this Proposal;
 - (c) “**Affected Creditors**” means those Creditors of the Company forming the class of Unsecured Creditors;
 - (d) “**Anniversary Purchase Price Payments**” has the meaning given in paragraph 7 hereof;
 - (e) “**Anniversary Payment Pool**” has the meaning given in paragraph 12 hereof;

- (f) “**Approval Order**” means an Order of the Court approving (i) this Proposal pursuant to the provisions of the Act, and (ii) the Purchase Transaction contemplated by the Purchase Agreement;
- (g) “**Assets**” means the Purchased Assets;
- (h) “**Bankruptcy Reserve**” means a reserve amount of \$25,000.00 to be held by the Trustee as security for the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt;
- (i) “**Business Day**” means a day, other than a Saturday, Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein on which banks are generally open for business in Toronto, Ontario;
- (j) “**Claim**” means any right of any person against the Company in connection with any indebtedness, liability, or obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the NOI Filing Date, and “**Claims**” has a corresponding meaning;
- (k) “**Court**” means the Ontario Superior Court of Justice [Commercial List]
- (l) “**Creditor**” means any person who holds one or more Claims, including Secured Creditors and Unsecured Creditors and “**Creditors**” has a corresponding meaning;
- (m) “**Creditors’ Meeting**” means a meeting of the Unsecured Creditors called for the purpose of considering and voting on the Proposal;
- (n) “**Crown Priority Claims**” means Claims of Her Majesty in right of Canada or any province of all amounts of a kind contemplated by section 60(1.1) of the Act;
- (o) “**Effective Date**” means the date on which the Approval Order is issued;
- (p) “**Event of Default**” has the meaning given to it in Part XI of this Proposal;
- (q) “**Initial Payment**” has the meaning given in paragraph 7 hereof;
- (r) “**Initial Payment Pool**” has the meaning given in paragraph 11 hereof;
- (s) “**Inspector**” means an inspector appointed, if any pursuant to the Proposal in accordance with the provisions of the Act;
- (t) “**Levy**” means the levy imposed by the Superintendent of Bankruptcy under the Act;

- (u) **“Maturity Date”** means the date on which all payments to the Creditors have been made, provided that no Event of Default has occurred that has not been cured or waived;
- (v) **“NOI”** means the Notice of Intention to Make a Proposal filed by the Company on April 10, 2018;
- (w) **“NOI Filing Date”** means April 10, 2018 the date on which the Company filed the NOI;
- (x) **“Payment GSA”** has the meaning given in paragraph 7 hereof;
- (y) **“Performance of the Proposal”** means full performance of this Proposal as set out in Part IV hereof;
- (z) **“Person”** means any individual, partnership, joint venture, trust corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (aa) **“Preferred Claim”** means any Claim that is afforded priority under Section 136(1) of the Act;
- (bb) **“Preferred Creditor”** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;
- (cc) **“Proposal”** means this Proposal and any amendments thereto;
- (dd) **“Proof of Claim”** means the proof of claim required by the Act to be provided to each known creditor prior to the Creditors’ Meeting;
- (ee) **“Proposal Period”** means the period between the Effective Date and the Maturity Date;
- (ff) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined and allowed in accordance with the provisions of the Act;
- (gg) **“Purchase Agreement”** means the agreement of purchase and sale between the Company, by Dodick Landau Inc. solely in its capacity as Trustee under the terms of the SISP Order, and Craig Chornaby on behalf of a company to be incorporated made as of June 29, 2018, and amended as of July 3, 2018, substantively in the form attached to this Proposal as “Schedule “A”
- (hh) **“Purchase Price”** has the meaning given in paragraph 7 hereof;
- (ii) **“Purchase Transaction”** means the purchase and sale transaction contemplated by the Purchase Agreement;

- (jj) **“Purchased Assets”** means those assets purchased by the Purchaser, as described in the Purchase Agreement;
- (kk) **“Purchaser”** means Craig Chornaby on behalf of a company to be incorporated;
- (ll) **“Secured Creditor”** means any Creditor holding a mortgage, hypothec, pledge, charge, lien, encumbrance, security interest or privilege on or against the property of the Company or any part thereof as security for a Claim, and **“Secured Creditors”** has a corresponding meaning;
- (mm) **“Trustee”** means Dodick Landau Inc. or its duly appointed successor, in its capacity as proposal trustee under the Act;
- (nn) **“Unsecured Creditor”** means any Creditor other than Preferred Creditors and Secured Creditors (except to the extent of their ordinary unsecured Proven Claims) with unsecured Proven Claims; and
- (oo) **“Voting Letter”** shall mean the voting letter required by subsection 51(1) of the Act to be mailed or sent by electronic transmission to each known Creditor prior to the Creditors’ Meeting.

Headings

2. The division of this Proposal into Parts and Section and the insertion of headings are for the convenience of reference only and do not affect the construction or interpretation of this Proposal. The terms “this Proposal”, “hereof”, “hereunder” and similar expressions refer to this entire Proposal and not to any particular Part, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or contest is inconsistent herewith, references herein to Parts and Sections are to Parts and Sections of this Proposal.

Extended Meanings

3. In this Proposal words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date for Any Action

4. If any date on which any action required to be taken hereunder by any of the parties is not a Business Day, such action must be taken on the next succeeding day which is a Business Day precluded by statute.

PART II Purpose and Effect of This Proposal

Purpose of Proposal

5. The purpose of this Proposal is to effect a restructuring of the indebtedness of the Company by completion of the Purchase Transaction in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

Effect of Proposal

6. This Proposal restructures the indebtedness of the Company and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal Period, and provided that no Event of Default has occurred that has not been cured or waived, all Creditors will be stayed from commencing or continuing any proceeding or exercising any remedy against the Company or any of its property or assets in respect of a Claim, including without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Company in respect of a Claim or to commence any formal legal proceeding against it other than as provided for under this Proposal.

PART III Purchase Transaction

7. Pursuant to the Purchase Agreement, the consideration paid by the Purchaser for the purchase of the Purchased Assets will be equal to the aggregate sum set out in section 2.6 of the Purchase Agreement, in the amount of \$1,900,000 (the "**Purchase Price**"). The Purchase Price is comprised of the amount of \$810,000 payable at least two Business Days prior to closing of the Purchase Transaction (the "**Initial Payment**"), two additional payments of the Purchase Price in the amount of \$500,000 each payable on or before the first and second annual anniversaries of closing of the Purchase Transaction, respectively (the "**Anniversary Purchase Price Payments**") and a deposit of \$90,000 (the "**Deposit**") which has been received by the Trustee on behalf of the Company. The

Payment of the Anniversary Purchase Price Payments are to be secured by a General Security Agreement granted by the Purchaser over its assets and undertaking to the Trustee on behalf of the Company (the "**Payment GSA**"). The Deposit is held in trust by the Trustee pending closing of the Purchase Agreement and credited towards the Purchase Price on closing of the Purchase Transaction.

8. The Purchased Assets will be sold to the Purchaser on an "as is, where is" basis and the Company will not be liable or responsible in any way for the condition of the Purchased Assets or the delivery of such tangible assets to be purchased by the Purchaser.
9. The Purchased Assets remain at the risk of the Company until closing of the Purchase Agreement.
10. The closing date of the Purchase Transaction is the date that is five Business Days following the date the Approval Order is granted, or such earlier date as may be agreed.
11. Upon closing of the Purchase Transaction, the Company will direct the Purchaser to pay the Initial Payment as follows:
 - a) An amount equal to the Administrative Fees and Expenses, Bankruptcy Reserve and Crown Priority Claims less the Deposit, as calculated by the Company and approved by the Trustee, to the Trustee;
 - b) An amount equal to the respective Proven Claim of each Secured Creditor directly to such Secured Creditor; and
 - c) Any amounts remaining from the Initial Payment after payment of (a) and (b), to be paid to the Trustee (the amounts paid to the Trustee pursuant to (a) and (c) of this paragraph are collectively, the "**Initial Payment Pool**").
12. The Company will direct the Purchaser to pay the Anniversary Purchase Price Payments as follows:
 - a) If any Proven Claims of Secured Creditors were not paid in full from the Initial Payment, then such remaining amounts to provide for payment in full of the Proven Claims of Secured Creditors will be paid directly to such Secured Creditors; and
 - b) All other amounts to the Trustee on behalf of the Company (the "**Anniversary Payment Pool**").

PART IV

Classification of Creditors

13. For the purpose of this Proposal, there shall be one class of Creditors consisting of a class of Unsecured Creditors. Claims of Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims shall vote in the Unsecured Creditors class. Preferred Creditors shall also vote in the Unsecured Creditor Class.

PART V
Proposal and Treatment of Creditors

14. Pursuant to this Proposal, the Trustee will distribute the Initial Payment Pool and Anniversary Payment Pool when sufficient amounts have, in the Trustee's discretion, accumulated to warrant an distribution in the following order of priority, including a final distribution when the payment in full of the Anniversary Purchase Price Payments has been received:
- (a) First, to the Administrative Fees and Expenses, in full;
 - (b) Second, to establish the Bankruptcy Reserve, to be held in trust by the Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that this Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed in accordance with this paragraph;
 - (c) Third, to any Crown Priority Claims, in full;
 - (d) Fourth, to pay the Proven Claims of Preferred Creditors (if any), in full; and
 - (e) Fifth, *pro rata* among all the Unsecured Creditors on account of Proven Claims.
15. In the event that the Proposal is not accepted by the Creditors or the Court refuses to issue the Approval Order, the Company will become a bankrupt and the Purchase Price will not be available to the Creditors in accordance with the respective priorities set out herein.
16. For greater clarity:

Crown Priority Claims

- a) All Proven pre-filing Crown Priority Claims will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof and will be remitted by the Trustee to Her Majesty in the Right of Canada or of any province, as applicable, within six (6) months of the Court Approval Date.

Secured Creditors

- b) Secured Creditors will be paid in full from the Purchase Price directly from the Purchaser and will receive no distributions pursuant to this Proposal. Accordingly, Secured Creditors are not Affected Creditors for the purposes of this Proposal, and therefore shall not be entitled to vote. For greater certainty, the Company acknowledges and agrees the Royal Bank of Canada ("RBC") is not an Affected Creditor in this Proposal.

Preferred Claims

- c) Preferred Creditors shall vote in the Unsecured Creditor class and the Proven Claims of Preferred Creditors will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof, which provides for payment of such Proven Claims in full, in priority to all claims of Unsecured Creditors with ordinary unsecured claims, in accordance with the scheme of distribution set forth in the Act. This includes payment to employees of amounts equal to the amounts that employees would be qualified to receive under s.136(1)(d) if the employer became bankrupt on the NOI Filing Date as well as wages, salaries, commissions or compensation for services rendered after that date and before the Effective Date, together with disbursements properly incurred by any travelling salesperson during that period.

Unsecured Creditors

- d) The Unsecured Creditors shall vote as a class and will be paid out of the Initial Payment Pool and Anniversary Payment Pool in the priority provided in paragraph 14 hereof and in accordance with the scheme of distribution set out in the Act.

PART VI

Procedure for Validation and Valuation of Claims

17. Upon receipt of a completed Proof of Claim, the Trustee will examine the Proof of Claim and deal with each Claim in accordance with the provisions of the Act.
18. The procedure for valuing Claims of Creditors and resolving disputes with respect to such Claims will be as provided for in the Act. The Company and/or Trustee reserves the right to seek the assistance of the Court in valuing any Claim of a Creditor and in respect of any other matter as may be required.

PART VII

Meeting of Creditors

Creditors' Meeting

19. On July 25, 2018, the Company shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

Notice of Creditors Meeting

20. The Trustee will provide the Creditors with notice of the time and place of the Creditors' Meeting by mail pursuant to the Act. All Proofs of Claim must be delivered in

accordance with the provisions of the Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

Conduct of Meeting

21. The Official Receiver, or any nominee thereof, will preside as the chair of the Creditors Meeting and will decide all matters relating to the conduct of the Creditors Meeting. The only persons entitled to attend the Creditors Meeting are those persons (including the holders of proxies) entitled to vote at the Creditors' Meeting and the officers, directors and legal counsel of the Company together with such representatives of the Trustee as the Trustee may appoint in its discretion. Any other persons may be admitted on invitation of the chair of the Creditors Meeting or with the consent of the Creditors.

Adjournment of Meetings

22. The Creditors' Meeting may be adjourned in accordance with section 52 of the Act.

Voting by Creditors

23. To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Unsecured Creditor and each Preferred Creditor will be entitled to vote to the extent of the amount which is equal to the Proven Claim of such Preferred Creditor.

Approval by Creditors

24. In order for the Proposal to be binding on the Creditors, it must first be accepted by the Unsecured Creditors at the Creditors' Meeting by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by Proxy) at the meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by Proxy) at the Creditors' Meeting or by a Voting Letter.

Appointment of Inspectors

25. At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) inspectors whose powers will include, but not be limited to, the following:
 - (a) Advising the Trustee concerning any dispute which may arise as to the validity of Claims;

- (b) Waiving any default in performance of any provisions of the Proposal; and
- (c) Advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just.

PART VIII

Conditions Precedent to Implementation of the Proposal

26. As provided for in the Act, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:
- (a) All approvals and consents to the Proposal that may be required have been obtained;
 - (b) The Approval Order has been issued and the Effective Date has passed;
 - (c) No order or decree restraining or enjoining the consummation of the transactions contemplated by this Proposal has been issued;
 - (d) All agreements or instruments necessary to effect the intention and purpose of this Proposal have been received by the Debtor and the Purchaser in a form satisfactory to the Debtor and Purchaser;
 - (e) The Purchase Transaction shall have been completed; and
 - (f) All and any orders of the Court have been obtained which are required to facilitate the transactions referred to herein.

PART IX

Release

27. As at 12:01 a.m. on the Maturity Date, the Company, shall be released and discharged from any and all Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.
28. As of 12:01 a.m. on the Maturity Date, each and every present and former officer and director of the Company shall be released from claims against them that arose before the Date of Filing and that relate to the obligations of the Company where such persons are by law liable in their capacity as directors for the payment of such obligations, provided that nothing herein shall release or discharge any director or officer of the Company

from any claims coming within the exceptions set out in section 50(14) of the Act. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are performed.

PART X Miscellaneous

Consents, Waivers and Agreements

29. On the Effective Date, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditor and the Company that has occurred on or prior to the Effective Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of this Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

Effect of Payment

30. Creditors will accept the payments provided for in this Proposal in complete satisfaction of all of their Claims, and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the property, assets and undertaking of the Company including the Assets. On the Effective Date, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Company.

Preferential Payments

31. Sections 95 to 101 of the Act shall not apply to any dealings by the Company to at time prior to the NOI Filing Date. The releases contemplated in paragraph 26 of this Proposal include releases in favour of the Released Parties from all claims, actions, or remedies available to Creditors or others pursuant to sections 95 to 101 of the Act, provided nothing herein shall release any director of the Company from any claims coming within the exceptions set out in Section 50(14) of the Act.

Amendment to Proposal

32. This Proposal may be amended by the Company with the consent of the Trustee at any time prior to the conclusion of the Creditors' Meeting called to consider the Proposal, provided that any amendment made pursuant to this section shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment, and

provided further that any and all amendments shall be deemed to be effective as of the NOI Filing Date.

Performance Certificate

33. The Trustee will give the Company and the Official Receiver the certificate provided for in section 65.3 of the Act within 5 Business Days following the Trustee being satisfied that all of the conditions set out in this Proposal, and all payments of the Purchase Price, including the Anniversary Purchase Price Payments, have been met, paid or waived.

Court Approval

34. After the Creditors acceptance of the Proposal, the Trustee will proceed to seek the Approval Order from the Court, on or about, August 13, 2018 and to have the Court make any ancillary orders that may be necessary or desirable to permit the transfer of the Purchased Assets to the Purchaser free and clear from all encumbrances as contemplated by the Purchase Transaction or Purchase Agreement, including an order releasing any existing encumbrances from the Purchased Assets other than the Permitted Encumbrances as referred to in the Purchase Agreement (and continuing such encumbrances in the proceeds of sale only). Creditors' acceptance of the Proposal shall constitute their consent to such ancillary Court orders.

Binding Effect

35. The provisions of this Proposal will be binding on the Creditors, the Company and their respective heirs, executors, administrators, successors, and assigns, upon issuance of the Approval Order. If this Proposal is annulled by an order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

PART XI Event of Default

36. The following events will constitute Events of Default for purposes of Section 63 of the Act and otherwise under this Proposal:
 - (a) the non-payment by the Company of any of its obligations hereunder within thirty (30) days after written notice has been given by the Trustee that such payment is past due; and
 - (b) the breach or failure by the Company to observe and perform any other covenant and provision of this Proposal, other than payment as provided for in this

Paragraph 36, which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

- (c) The failure of the Purchaser to satisfy its obligations under the Purchase Agreement to the Trustee, which is not remedied within thirty (30) days after written notice thereof has been given to the Company by the Trustee.

PART XII
Trustee


- 37. Dodick Landau Inc. shall be the Trustee under this Proposal and all monies payable under this Proposal shall be paid over to the Trustee who shall make the payment of all dividends in accordance with the terms of this Proposal.
- 38. Dodick Landau Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity and no officer, director, employee or agent of Dodick Landau Inc. shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of the Company.
- 39. Any payments made by the Trustee to the Creditors hereunder shall be made by the Trustee net of any levies payable or due under the Act.
- 40. Upon payment by the Trustee of the amounts contemplated in this Proposal, the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Company and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by the Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

SIGNATURE PAGE TO FOLLOW

SIGNATURE PAGE TO PROPOSAL FILED BY HB SOLAR CANADA INC.

Dated at Toronto this 6th day of July, 2018.

HB SOLAR CANADA INC.

Per: 

Name: ERIC STEPHENSON

Title: DIRECTOR

I have authority to bind the corporation.

SCHEDULE "A"

AGREEMENT OF PURCHASE AND SALE

This Agreement is made as of the 3rd day of July, 2018, between

Formatted: Superscript

HB SOLAR CANADA INC.
(the "Vendor" or "Solar")

and

Craig Chornaby on behalf of a company to be incorporated
(the "Purchaser")

RECITALS

1. On April 10, 2018, Solar filed a Notice of Intention to make a Proposal (the "NOI") under the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "BIA");
2. Dodick Landau Inc., solely in its capacity as the Proposal Trustee of Solar (the "Proposal Trustee") was appointed as proposal trustee of Solar;
3. On May 14, 2018, the Ontario Superior Court of Justice (Commercial List) (the "Court") issued an order (the "SISP Order"), among other things, approving the Two-Stage Sale and Investment Solicitation Process attached thereto (the "SISP") to identify one or more purchasers of, or investors in, the business and assets of Solar;
4. Pursuant to the SISP Order, the Proposal Trustee was granted enhanced powers in relation to the SISP, including that the Proposal Trustee was exclusively authorized and empowered, but not required, to take actions and steps and execute any and all documents and writings on behalf of, and in the name of, Solar, to carry out its duties under the SISP Order, including to execute all documents relating to the SISP, and to execute and deliver any documents on behalf of Solar to implement the transactions contemplated under the SISP approved by the Court;
5. Pursuant to the SISP Order, the Proposal Trustee has assisted in carrying out the SISP while Solar has continued to operate its business; and
6. The SISP provides that the Proposal Trustee will evaluate offers and that any offer submitted must be subject to the approval of Solar's creditors and the Court (including (i) approval of a BIA proposal to Solar's creditors, by affected creditors in the requisite numbers in accordance with the BIA, in which the sale of assets to the successful bidder(s) is proposed, and (ii) an order of the Court sanctioning that proposal) (collectively, the "Approvals"). Subject to such Approvals and on the terms set out herein, the Vendor wishes to sell to the Purchaser and the Purchaser wishes to purchase from the Vendor, substantially all of the assets which make up the business of Solar.

IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREIN CONTAINED, the Parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) “**Agreement**” means this Agreement of Purchase and Sale;
- (b) “**Approvals**” has the meaning set out in the Recitals;
- (c) “**Assumed Obligations**” has the meaning set out in section 2.4(b);
- (d) “**Balance**” has the meaning set out in section 2.7(b)(iii);
- (e) “**BIA**” has the meaning set out in the Recitals;
- (f) “**Business Day**” means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (g) “**Court**” has the meaning set out in the Recitals;
- (h) “**Court Approval Date**” has the meaning set out section 4.3(a);
- (i) “**Closing**” means the successful completion of the Transaction;
- (j) “**Closing Date**” means the date on which the Closing occurs, which shall be the date that is five (5) Business Days following the date on which the Approvals are granted, or such earlier date as may be agreed upon by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) or the Proposal Trustee on behalf of the Vendor, and the Purchaser;
- (k) “**Contracts**” means those contracts to which Solar is a party listed on Schedule 1.1(k)(+) hereto;
- (l) “**Deposit**” has the meaning set out in subsection 2.7(b)(i);
- (m) “**Employees**” means persons who are employed by Solar;
- (n) “**ETA**” means the *Excise Tax Act (Canada)*;
- (o) “**Excluded Assets**” means cash on hand at the time of Closing save and except any pre-paid amounts for work-in-progress or work not yet commenced at Closing which amount shall be subject to a post-closing

adjustment to be verified by the Proposal Trustee; these listed on Schedule 1.1(p) hereto;

- (p) “**GST/HST**” means goods and services tax/harmonized sales tax under the ETA and includes any provincial equivalents thereof;
- (q) “**Intellectual Property**” means all intellectual and industrial property and any and all forms of protection having equivalent or similar effect anywhere in the world and all rights therein as recognized under the laws of Canada and/or other countries or jurisdictions, whether registered or unregistered and including applications for the registration or grant of any such rights, including rights in and to: (a) trademarks; (b) patents; (c) copyrights and works of authorship; (d) mask works; (e) trade secrets, know-how, and proprietary and confidential technical or business information; (f) any technology; (g) industrial designs; (h) customer lists and databases; (i) supplier lists and databases; and (j) the trade names “●” and “●”, and including the Intellectual Property listed on Schedule 1.1(q)(+);
- (r) “**NOI**” has the meaning set out in the Recitals;
- (s) “**Outside Date**” means ●, 2018;
- (t) “**Parties**” means the Vendor and the Purchaser;
- (u) “**Premises**” means the premises located at <>;
- (v) “**Proposal Trustee**” has the meaning set out in the Recitals;
- (w) “**Purchase Price**” has the meaning set out in section 2.6;
- (x) “**Purchased Assets**” means all of the assets, properties and undertakings of Solar including, without limitation, but does not include the Excluded Assets:
 - (i) those located on the Premises, including all records of employment for Transferred Employees;
 - (ii) inventory;
 - (iii) all book debts and accounts receivable owing to Solar;
 - (iv) equipment;
 - (v) Intellectual Property;
 - (vi) all of Solar’s rights, entitlements and obligations under the Contracts;
 - (vii) choses in action;

- (viii) **"Goodwill"** meaning all goodwill, together with the ability of the Purchaser to represent itself as carrying on the Solar business in succession to Solar and the right to use any words indicating that the Solar business is so carried on, including the use if otherwise permitted by law of the corporate name "HB Solar Canada Inc" and the domain name "www.hbsolar.ca"; and
- (ix) those listed on Schedule 1.1(x)(y) hereto.
- (y) **"SISP"** has the meaning set out in the Recitals.
- (z) **"SISP Order"** has the meaning set out in the Recitals.
- (aa) **"Solar"** has the meaning set out in the Recitals.
- (bb) **"Time of Closing"** means 12:00 a.m. (EST) on the Closing Date or such other time on the Closing Date as the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser may mutually agree;
- (cc) **"Transaction"** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (dd) **"Transferred Employees"** has the meaning set out in section 2.4(a); and
- (ee) **"Vendor"** has the meaning set out in the Recitals.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings, and the term "third party" means any person other than the Vendor and the Purchaser.

1.4 Schedules

The following Schedules are incorporated in and form part of this Agreement:

Schedule 1.1(k)(l)(m) – Contracts

Schedule 1.1(o)(p) – Excluded Assets

Schedule ~~1.1(x)~~~~1.1(y)~~ -- Purchased Assets

Schedule 2.6 -- Purchase Price Allocation

Schedule 5.2(d) -- Form of bill of sale, assignment and assumption

Schedule 5.2(e) -- Form of Intellectual Property Assignment

1.5 Calculation of Time

In this Agreement, unless something in the subject matter is inconsistent therewith, or unless otherwise herein provided, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from but excluding" and the words "to" and "until" each mean "to and including". If the last day of any such period is not a Business Day, such period will end on the next Business Day. When calculating the period of time "within" which, "prior to" or "following" which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.

1.6 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.7 Proposal Trustee Acting on Behalf of Vendor

The Purchaser acknowledges that the Proposal Trustee may act on behalf of the Vendor in relation to the SISP, this Agreement and the transactions contemplated hereby, including signing this Agreement and delivering notices hereunder. The Purchaser acknowledges that in no event shall the Purchaser hold the Proposal Trustee liable as a result of the Proposal Trustee's performance on behalf of the Vendor unless arising from the Proposal Trustee's own willful misconduct, gross negligence, fraud or bad faith.

SECTION 2 -- SALE AND PURCHASE AND ASSIGNMENT

2.1 Sale and Purchase of Purchased Assets

Subject to the terms and conditions hereof, on the Closing Date, the Vendor shall sell to the Purchaser, and the Purchaser shall purchase, all of the Vendor's right, title and interest in and to the Purchased Assets, as of and with effect from the Time of Closing. The Purchaser acknowledges that it is not purchasing any Excluded Assets.

2.2 Assignment and Assumption of Contracts

- (a) Subject to the conditions and terms hereof and in accordance with applicable law, on the Closing Date, the Vendor shall assign to the Purchaser all of the Vendor's right, title and interest in and to the Contracts, and the Purchaser shall assume the obligations and liabilities of the Vendor, if any, under the Contracts, as of and with effect from the Time of Closing.
- (b) Notwithstanding anything else contained herein, the Purchaser shall be responsible for any and all costs required to be paid in connection with the assignment of any Contract to the Purchaser, including amounts required to be paid under the terms of any such Contract in the context of the assignment of such Contract, and fees of any third party advisors in connection therewith.
- (c) This Agreement and any document delivered under this Agreement shall not constitute an assignment or an attempted assignment of any Contract contemplated to be assigned to the Purchaser under this Agreement which is not assignable without the consent of a third party if such consent has not been obtained.

2.3 "As is, Where is"

- (a) THE PURCHASER ACKNOWLEDGES THAT THE VENDOR IS SELLING THE ASSETS ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST AS OF THE TIME OF CLOSING. THE PURCHASER FURTHER ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT ON THE BASIS THAT THE VENDOR DOES NOT GUARANTEE TITLE TO THE ASSETS AND THAT THE PURCHASER HAS CONDUCTED SUCH INSPECTIONS OF THE CONDITION OF AND TITLE TO THE ASSETS AS IT DEEMED APPROPRIATE AND HAS SATISFIED ITSELF WITH REGARD TO THESE MATTERS. NO REPRESENTATION, WARRANTY OR CONDITION IS EXPRESSED OR CAN BE IMPLIED AS TO TITLE, ENCUMBRANCES, DESCRIPTION, FITNESS FOR PURPOSE, MERCHANTABILITY, CONDITION, QUANTITY OR QUALITY OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER CONCERNING THE ASSETS OR THE RIGHT OF THE VENDOR TO SELL OR ASSIGN SAME SAVE AND EXCEPT AS EXPRESSLY REPRESENTED OR WARRANTED HEREIN.
- (b) Without limiting the generality for the foregoing, and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and have been waived by the Purchaser. Any description of the Purchased Assets contained herein or in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

2.4 Employees and other Assumed Obligations

- (a) The Purchaser may, in its sole discretion, conditional upon Closing, offer to employ, effective as of immediately following the Time of Closing, any of the Employees who remain employed by Solar as of immediately prior to the Time of Closing. Not less than three (3) Business Days prior to Closing, the Purchaser shall deliver to the Proposal Trustee a list of Employees to whom the Purchaser intends to offer to employ. By no later than two (2) Business Days prior to the Closing Date, the Purchaser will provide written confirmation to the Proposal Trustee of all such Employees who accept offers of employment with the Purchaser (the "Transferred Employees"). Following the receipt of the list of the Transferred Employees, and in any event no later than one (1) Business Day prior to the Closing Date, the Vendor (either by actions taken directly or on its behalf by the Proposal Trustee) will provide each such Transferred Employee with a memorandum confirming that effective as of the Time of Closing, their employment with Solar will cease and their employment agreement with Solar will be null and void.
- (b) All obligations arising after the Time of Closing in relation to the Transferred Employees, together with the obligations and liabilities of Solar arising after the Time of Closing under the Contracts, are herein collectively referred to as "Assumed Obligations".
- (c) In connection with its acquisition of the Purchased Assets, the Purchaser shall assume the Assumed Obligations as of the Time of Closing. If so required by the Vendor, the Purchaser shall enter into such specific assumption agreement(s) as the Vendor may reasonably require with respect to any Assumed Obligations.

2.5 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendor including, in particular, any liabilities to or in respect of Employees who are not Transferred Employees.

2.6 Purchase Price

The purchase price for the Purchased Assets shall be a total of \$CDN ~~1,900,000.00~~ (the "Purchase Price") to be allocated amongst the Purchased Assets as follows:

~~to be determined prior to closing~~

2.7 Payment of the Purchase Price

- (a) Upon execution of this Agreement, the sum of \$CDN 90,000.00 shall be paid by the Purchaser to the Proposal Trustee, on behalf of the Vendor, as a deposit (the "Deposit") by wire transfer of immediately

available funds to an account of the Proposal Trustee specified in writing by the Vendor. The Deposit shall to be held by the Proposal Trustee, in trust, until the Time of Closing and credited toward the Purchase Price upon Closing.

(b) Subject to this Agreement, on or prior to the Time of Closing, the Purchaser shall satisfy the payment of the Purchase Price as follows:

- (i) the assumption by the Purchaser of the Assumed Obligations;
- (ii) the application of the Deposit against the Purchase Price; and

(iii) the payment by the Purchaser of the sum of \$CDN _____
1,810,000.00 to the Proposal Trustee, on behalf of the Vendor, by wire
transfer of immediately available funds to an account of the Proposal
Trustee specified in writing by the Vendor as follows, which payments
shall collectively be defined as the "Balance":

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1. \$810,000.00 to the Proposal Trustee, on behalf of the
Vendor, representing the balance of the Purchase Price (the "Balance"),
by wire transfer of immediately available funds to an account of the
Proposal Trustee specified in writing by the Vendor at least two (2)
Business Days prior to Closing;

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2. \$500,000.00 on or before the period ending 12 months
after Closing; and

(iii) 3. \$500,000.00 on or before the period ending 24 months
after closing.

2.8 Taxes

- (a) The Purchaser shall pay upon Closing, in addition to the Purchase Price, all applicable federal, provincial, state or other taxes exigible in connection with the purchase and sale of the Purchased Assets including, without limitation, GST/HST and retail sales tax. Alternatively, where applicable, the Purchaser shall have the option to furnish the Vendor with appropriate exemption certificates.
- (b) The Purchaser agrees to and hereby indemnifies and saves the Vendor and the Proposal Trustee harmless from and against all claims and demands for payment of the above-mentioned taxes including penalties and interest thereon and any liability or costs incurred as a result of any failure to pay such taxes when due.

SECTION 3 – REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of TBC;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the transactions contemplated and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced;
- (e) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been, or will be as at the Time of Closing,

duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;

- (f) the Purchaser is registered for GST/HST purposes under Part IX of the ETA, and its registration number is ~~•-tbc~~; and
- (g) the Purchaser has available to it, or the Purchaser has a firm written commitment from a lending institution for, and will have available to it on the ~~Closing Date~~ above noted payment dates, sufficient funds to pay the Purchase Price, any fees and expenses of the Purchaser related to the transactions contemplated by this Agreement and to consummate all other transactions contemplated by this Agreement to be so consummated by the Purchaser.

3.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor has the right to enter into this Agreement and to complete the Transaction, subject to the granting of the Approvals; and
- (b) the Vendor is not a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada).

SECTION 4 – CONDITIONS

4.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Purchaser, being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Vendor shall have performed or complied with in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Purchaser shall have been furnished with a certificate signed by an officer of the Vendor (not in their personal capacity and without personal liability) dated the Closing Date, to the effect that sections 4.1(a) and 4.1(b) have been complied with; and
- (d) no action or proceedings shall be pending to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

4.2 Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions, which conditions are for the exclusive benefit of the Vendor, being fulfilled or performed at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed and complied with in all material respects each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (c) the Vendor shall have been furnished with a certificate signed by an officer of the Purchaser (not in their personal capacity and without personal liability) dated the Closing Date, to the effect that sections 4.2(a) and 4.2(b) have been complied with;
- (d) no action or proceedings shall be pending to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and
- (e) the Vendor shall not have lost its ability to convey the Purchased Assets or any part thereof.

4.3 Approvals

- (a) The obligations of the Vendor and the Purchaser to complete the Transaction are subject to having received the Approvals on or ~~before~~ ^{around} August 17, 2018 (the "Court Approval Date").
- (b) The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

4.4 Commercially Reasonable Efforts

Each of the Vendor and the Purchaser shall use its commercially reasonable efforts to satisfy the conditions set out in this ~~3.2(a) Section 4~~ prior to the Outside Date.

4.5 Non-Satisfaction of Conditions

If any condition set out in this section 4 is not satisfied or performed on or prior to the dates specified in sections 4.1 through 4.3, the party for whose benefit the condition is inserted may (in the case of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee)):

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights

of termination in the event of non-fulfilment of any other condition in whole or in part; or

- (b) elect on written notice to the other party to terminate this Agreement before Closing.

SECTION 5 – CLOSING

5.1 Closing

The completion of the Transaction shall take place with effect as of the Time of Closing at the offices of \diamond on the Closing Date or as otherwise determined by mutual agreement of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser in writing.

5.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute and/or deliver, as applicable, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Deposit in accordance with section 2.7(a);
- (b) payment of the Balance in accordance with section 2.7(b)(iii);
- (c) payment or evidence of payment of applicable federal, state and provincial taxes or alternatively, appropriate exemption certificates, as required by section 2.8;
- (d) a bill of sale, assignment and assumption executed by the Purchaser, substantially in the form attached as Schedule 5.2(d);
- (e) a specific assignment of Intellectual Property executed by the Purchaser (if applicable), substantially in the form attached as Schedule 5.2(e);
- (f) the certificate referred to in section 4.1(c); and
- (g) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

5.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a bill of sale, assignment and assumption executed by the Vendor (if applicable) substantially in the form attached as Schedule 5.25.2(d);

- (b) a specific assignment of Intellectual Property executed by the Vendor substantially in the form attached as Schedule 5.25.2(e);
- (c) the certificate referred to in section 4.2(c);
- (d) the Trustee's Certificate, as referred to in the Approvals; and
- (e) all Approvals.

5.4 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the Vendor's right, title and interest in and to the Purchased Assets pursuant to the Approvals. The Purchaser agrees to purchase and accept the right, title and interest of the Vendor in and to the Purchased Assets pursuant to and in accordance with the terms of this Agreement, the bill of sale, assignment and assumption, the assignment of Intellectual Property and the Approvals.

5.5 Possession of Purchased Assets

- (a) The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets where situated at the Time of Closing. The Purchaser acknowledges that, subject to the terms of this section 5.5, the Vendor has no additional obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approvals have been satisfied and the Purchaser has satisfied all delivery requirements outlined in section 5.2. The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, and shall promptly release such Excluded Assets to the Vendor, or to such other person as the Vendor may direct in writing.
- (b) The Vendor agrees that the Purchaser shall have access to the Premises for the purposes of removing the Purchased Assets located therein for a period of 30 days following the Closing Date. At its own cost and expense, the Purchaser will be responsible for the checkout, dismounting, dismantling and removal of the Purchased Assets from the Premises, which checkout, dismounting, dismantling and removal shall be done with the care that a prudent tenant would use, by reputable and competent personnel, in a good and workmanlike manner, and in compliance with all laws. At its own cost and expense, the Purchaser shall leave the Premises in an orderly, clean, sanitary and broom swept condition and shall be required to remedy or repair any physical damage or other condition resulting from the checkout, dismounting, dismantling and removal of the Purchased Assets. The Purchaser shall not be obligated to remove any Excluded Assets and shall not be required to remedy any condition existing prior to the Closing.

5.6 Risk

The Purchased Assets shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing. If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire or other casualty, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 days after notification to the Purchaser by the Vendor of the occurrence of damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 days of the Closing Date) in which event this Agreement shall be terminated automatically and the Purchaser shall be entitled only to a return of the Deposit paid under section 2.7(a) but without any other compensation. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of the proceeds of insurance, if any, referable to such damage or destruction provided that such damage or destruction is insured or, otherwise, to an agreed abatement. If any dispute arises under this section 5.6 as to whether damage or destruction is substantial or with respect to the amount of any abatement, such dispute will be determined in accordance with section 5.7.

5.7 Dispute Resolution

If any dispute arises (a) under section 5.6 as to whether any damage or destruction is substantial or with respect to the amount of any abatement, or (b) with respect to any other matter related to the Transaction, such dispute will be determined by the Court in the current proceedings relating to Solar, or by such other person or in such other manner as the Court may direct.

5.8 Termination

- (a) This Agreement may, in the case of section 5.8(a)(iv) will, be terminated as follows and in no other manner:
 - (i) by written agreement of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser;
 - (ii) by either the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) or the Purchaser pursuant to section 4.5
 - (iii) by the Purchaser pursuant to section 5.6: or
 - (iv) automatically if the Closing does not occur by the Outside Date, provided that the right to terminate this Agreement under this clause shall not be available to any Party whose act or failure to act has been a principal cause of, or resulted in, the failure of the Closing to occur on or before the Outside Date.
- (b) If this Agreement is validly terminated pursuant to section 5.8(a):

- (i) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (ii) subject to section 5.9, the Purchaser shall be entitled to have the Deposit paid hereunder to the Proposal Trustee returned with interest earned thereon (if any) but without deduction; and
- (iii) subject to section 5.9, neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

5.9 Breach by Purchaser

If the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor and the Purchased Assets may be resold by the Vendor. In addition, the Purchaser shall pay on demand to the Vendor (i) the deficiency, if any, arising upon such resale, being the amount that the net sale proceeds on resale (after deducting the expenses of resale) together with the forfeited Deposit are less than the Purchase Price, and (ii) interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

SECTION 6 – GENERAL

6.1 Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

6.2 Preservation of Records

The Purchaser shall preserve and keep the records relating to the Purchased Assets for a period of seven years following the Closing Date, and shall make such records and personnel available to Vendor as may be reasonably required by such party in connection with, among other things, any insurance claims by, actions or tax audits against, or governmental investigations of the Vendor or any of their respective affiliates or in order to enable the Vendor to comply with its obligations under this Agreement and each other agreement, document, or instrument contemplated hereby or thereby. In the event the Purchaser wishes to destroy such records before or after that time, such party shall first give 90 days prior written notice to the Vendor, and the Vendor shall have the right at its option and expense, upon prior written notice given to Purchaser within such 90 day period, to take possession of the records within one hundred and eighty (180) days after the date of such notice.

6.3 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax, addressed in the case of the Purchaser, as follows:

[Insert Purchaser's address]

Attention: _____ Craig Chornaby
Telephone No.: _____ 519-240-4193
Fax No.: _____

with a copy to:

~~[Law firm]~~ Lipman, Zener & Waxman LLP
~~[address line 1]~~ 1220 Eglinton Avenue West
~~[address line 2]~~
~~[address line 3]~~
~~[city, province, postal code]~~ Toronto, Ontario, M6C 2E3

Attention: ~~[lawyer]~~ Jason Spetter
Tel: ~~XXX-XXX-XXXX~~ 416-789-0652 x367
Fax: ~~XXX-XXX-XXXX~~ 416-789-9015
Email: ~~email@email.com~~ jspetter@lzwlaw.com

and in the case of the Vendor, as follows:

•

with a copy to:

Pallett Valo LLP
77 City Centre Drive, West Toronto
Suite 300
Mississauga, ON L5B1M5

Attention: Alex Ilchenko
Facsimile: (905) 273-6920
Email: ailchenko@pallettvalo.com

with a copy to:

Dodick Landau Inc.
4646 Dufferin St.
Suite 6
Toronto, ON M3H 5S4

Attention: Rahn Dodick

Facsimile: (416) 649-7725
Email: rahn.dodick@dodick.ca

with a copy to:

McCarthy Tétrault LLP
Suite 5300
TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, ON M6K 1E6

Attention: Heather Meredith
Email: hmeredith@mccarthy.ca

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

6.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser or by their respective solicitors.

6.5 Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

6.5 Survival

No covenants, representations or warranties of any Party contained in this Agreement or any certificate provided pursuant to this Agreement will survive the Closing, except for the covenants, if any, that by their terms are to be satisfied or survive after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

6.6 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, provided that the Purchaser shall not assign its rights, entitlements or obligations under this Agreement without the prior written consent of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee).

6.7 Entire Agreement

This Agreement (including the agreements and orders contemplated hereby) and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser.

6.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

6.9 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

6.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

6.11 Commission

The Purchaser acknowledges that there are no agent or broker fees or other commissions payable by the Vendor on the Purchase Price or otherwise in connection with the Transaction, and the Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction.

6.12 Fees and Expenses

Each of the Vendor and the Purchaser will pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

6.13 Public Announcement

Except as required by applicable law or by the Court, no public announcement or press release concerning the sale and purchase of the Purchased Assets may be made by the Vendor or the Purchaser without the prior consent and joint approval of the Vendor (but only if prior written consent is obtained by the Vendor from the Proposal Trustee) and the Purchaser.

6.14 Relationship with Proposal Trustee

In this Agreement, references to a required consent from the Proposal Trustee are in reference to obligations of the Vendor only and, as they relate to the Purchaser, such references are only for informational purposes.

6.15 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature page follows]

The Parties have executed this Agreement.

HB SOLAR CANADA INC. [by Dodick Landau Inc., solely in its capacity as the Proposal Trustee under the terms of the SISP Order, and not in any other capacity]

Per:


Name: Rahn Dodick

Title: President

I have authority to bind the Corporation.

~~NAME OF PURCHASER~~ CRAIG
CHORNABY ON BEHALF OF A
COMPANY TO BE INCORPORATED

Per:


Name:

Title:

I have authority to bind the Corporation.

CRAIG CHORNABY
PRESIDENT

Schedule 1.1(1) - Contracts

None

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**IN THE MATTER OF THE PROPOSAL OF HB SOLAR
CANADA INC. OF THE CITY OF CONCORD, IN THE
PROVINCE OF ONTARIO**

Court File No. 31-2364769

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD OF
HB SOLAR CANADA INC.**

PALLET VALO LLP

Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario
L5B 1M5

ALEX ILCHENKO, C.S. (LSUC NO. 33944Q)

Tel: (905) 273-3300

Fax: (905) 273-6920

Lawyers for HB Solar Canada Inc.