

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

SUPPLEMENTAL REPORT OF TRUSTEE ON PROPOSAL AND SALE

August 13, 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**") is to supplement the Report of Trustee on Proposal dated July 13, 2018 (the "**July 13 Report**") by providing the Court with additional information with regards to offers received in the sales process carried-out by the Proposal Trustee.

DISCLAIMER

2. 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) the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and will make 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.

3. The capitalized terms not defined in this report are defined in the Proposal and the July 13 Report and this Report should only be read in conjunction with the Proposal and the July 13 Report. 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.
4. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

SALE AND INVESTMENT SOLICITATION PROCESS – OFFERS RECEIVED

5. As described in the July 13 Report, the Proposal Trustee received offers to purchase the assets of the Debtor's business on June 29, 2018 and accepted the offer of the Purchaser, subject to clarification of certain terms made in the offer.
6. The Purchaser's offer was one of two offers received by the Proposal Trustee. The other offer was for substantially less than the liquidation value of the assets of the Debtor, was for a subset of the assets only and did not include a deposit. For these reasons, the Proposal Trustee was not prepared to accept this offer.
7. The offer made by the Purchaser was for value greater than liquidation value, was for all the assets except cash on hand and included a deposit. As such, the Proposal Trustee concluded it was the highest and best offer and accepted the offer of the Purchaser, subject to Court approval.

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