

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF:

HILLSPRING FARMS LTD., HSF FOODS LTD. and HILLSPRING
WAREHOUSE & LOGISTICS INC.

-and-

PURSUANT TO Section 33 of The *Judicature Act*, R.S.N.B. 1973,
Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section
243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

BETWEEN:

FARM CREDIT CANADA, a Federal Crown Corporation

-and-

HILLSPRING FARMS LTD., HSF FOODS LTD. and HILLSPRING
WAREHOUSE & LOGISTICS INC., each a New Brunswick
Corporation

APPLICANTS,

- and -

HILLSPRING FARMS LTD., HSF FOODS LTD. and HILLSPRING
WAREHOUSE & LOGISTICS INC., each a New Brunswick
Corporation

RESPONDENTS,

FIRST REPORT OF THE RECEIVER
27 JULY 2020

INTRODUCTION AND PURPOSE

1. In connection with the application of Farm Credit Canada (“**FCC**”), Hillspring Farms Ltd. (now operating as 693528 NB Ltd.); HSF Foods Ltd. and Hillspring Warehouse & Logistics Inc. (now operating as 693206 NB Inc.) and pursuant to section 33 of the Judicature Act (New Brunswick), Rule 41 of the Rules of Court of New Brunswick, and section 243 of the Bankruptcy and Insolvency Act (Canada) that was heard by the Honourable Justice Darrell J. Stephenson of the Court of Queen’s Bench of New Brunswick (the “**Court**”) on 26 June 2020, Ernst & Young Inc. was appointed as receiver and receiver manager (the “**Receiver**”) of all the Respondents’ current and future assets, undertakings and properties and wherever situate including all proceeds thereof (the “**Property**”) in relation to the business carried on by the Respondents except for the Excluded Property as defined within the Receivership Order (as defined herein).
2. A copy of the 29 June 2020 Order (the “**Receivership Order**”) with an effective time of 12:01 a.m. on 26 June 2020 is attached as **Appendix A**.
3. The Receivership Order, among other things, authorizes and empowers the Receiver to:
 - (a) take possession and control of the Property;
 - (b) receive, preserve and protect the Property, or any parts thereof;
 - (c) market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (d) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business as may be provided in an Order of this Court or
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000
 - (e) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property; and

- (f) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
4. The purpose of this first report of the Receiver (the “**First Report**”) is to update the Court on the activities of the Receiver since its appointment and request that this Honourable Court grant an Order, *inter alia*:
- (a) authorizing and approving the Receiver to execute the Auction Contract (as defined herein) with respect to the sale of the Residual Equipment and providing that any of the Residual Equipment sold by Jardine Auctioneers Inc. (“**Jardine**”) to a purchaser shall vest in the purchaser free and clear of any liens or encumbrances and the net proceeds from such sales shall stand in the place and stead of the Residual Equipment for the purpose of determining the nature and priority of claims;
 - (b) authorizing and approving the Receiver to complete the sale of the Graham Street Property, as defined below, which forms part of the Residual Real Property, by way of a vesting order which shall vest the Graham Street Property in the name of the purchaser free and clear of any liens or encumbrances and provide that the net proceeds from the Carpenter Transaction, as defined below, shall stand in the place and stead of such assets for the purpose of determining the nature and priority of claims; and
 - (c) authorizing and approving the Receiver to complete the sale transaction (the “**Transaction**”) contemplated by an offer by McCain Farms, a division of Division of McCain Produce Inc. (the “**Purchaser**”) to acquire certain assets subject to the primary security held by the Business Development Bank of Canada (“**BDC**”) which shall vest in the purchaser free and clear of any liens or encumbrances and provide that the net proceeds from the Transaction shall stand in the place and stead of such assets for the purpose of determining the nature and priority of claims.
5. The Receiver has organized its comments within this First Report as follows:
- (a) Terms of Reference;

- (b) Corporate Name Changes;
- (c) Preliminary Activities of the Receiver;
- (d) McCain Agreement and Community Benefits;
- (e) Sale of Equipment to McCain Generally Subject to BDC Security;
- (f) Residual Equipment Auction Process;
- (g) Graham Street Property Sale; and
- (h) Conclusion and Recommendation

TERMS OF REFERENCE

6. In preparing this First Report, the Receiver has been provided with, and has relied upon unaudited historical financial statements, other unaudited financial information and projections prepared by the Respondents, the books and records of the Respondents, discussions with the management and employees of the Respondents, and other information from various sources. The Receiver has assumed that the information it has been provided is accurate and complete. The Receiver did not audit, review or otherwise attempt to verify the accuracy or completeness of the information. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to the information presented in this First Report or relied upon by the Receiver in preparing this First Report. Further, the nature of the Receiver's work completed in these proceedings will not necessarily disclose errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Respondents, or its officers or employees or in the information.
7. All references to monetary amounts in this First Report are in Canadian dollars unless otherwise noted.
8. Capitalized terms not defined in this First Report are as defined in the Report of the Proposed Receiver or the Receivership Order.

9. Copies of Court materials in these proceedings may be obtained from the Receiver's website established in connection with the Respondents (www.ey.com/ca/hillspring).

CORPORATE NAME CHANGES

10. Pursuant to the terms of the 11 June 2020 asset purchase agreement with McCain (the "**Purchase Agreement**"), Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc. were required to formally change their corporate names post closing. Counsel for the Respondents facilitated the corporate name change requests through Service New Brunswick and on 2 July 2020 Certificates of Amendment were issued, copies of which are attached as **Appendix B**, formally changing the name of Hillspring Farms Ltd. to 693528 NB Ltd. ("**528 NB**") and Hillspring Warehouse & Logistics Inc. to 693206 NB Inc. ("**206 NB**").
11. The name change was completed as the Purchaser acquired all rights associated with the use of Hillspring including part of the name of the corporations noted above. The Receiver will continue to refer to the former names of 528 NB and 206 NB in any communication to creditors so as to ensure that parties that dealt with these corporations under their former names are aware of the name change.

PRELIMINARY ACTIVITIES OF THE RECEIVER

12. Pursuant to paragraph 26 of the Receivership Order, the Receiver was authorized to assign the Respondents into bankruptcy. Bankruptcy assignment documents were filed with the Office of the Superintendent of Bankruptcy on 26 June 2020. Copies of the Certificates of Appointment for each of the Respondent Estates dated 26 June 2020 are attached as **Appendix C**.
13. Statutory notices of the Court appointed Receivership and Bankruptcy proceedings have been released to all known creditors and public materials associated with the insolvency proceedings have been posted to the Receivers website.

14. The Respondents' employees were notified of these insolvency proceedings and termination letters from the Receiver to the employees have been delivered. Termination letters to the former employees of Hillspring were accompanied by offers of employment from McCain. Similarly, the Receivers termination letters to the former employees of HSF Foods Ltd. were accompanied by offers of temporary employment from Powell Associated Ltd. ("**Powell**") acting in its capacity as private receiver of HSF Foods Ltd. pursuant to security granted in favour of Oregon Potato Company. There were no employees of Logistics. WEPPA claims on behalf of the Respondents' employees are being coordinated by the Receiver (in relation to Hillspring) and Powell (in relation to HSF Foods Ltd.).
15. Jardine was engaged to secure the Residual Equipment on behalf of the Receiver. Representatives from Jardine, the Receiver and McCain have been working collaboratively to locate and transport the Residual Equipment to Jardine's secure premises in Fredericton New Brunswick pending the proposed auction as described later in this report. The nature, size and volume of the Residual Equipment has necessitated multiple trips to transport the Residual Equipment to Jardine's secure holding yard. The Receiver anticipates that all of the Residual Equipment will be transported to Jardine's premises on or about 29 July 2020.
16. McCain approached the Receiver subsequent to 26 June 2020 seeking to purchase five additional pieces of equipment which had formed part of the Residual Equipment (the "**Additional McCain Equipment**"). The Receiver and McCain were able to agree upon a purchase price for the Additional McCain Equipment supported by the Ritchie Bros equipment appraisal. The Receiver has agreed to sell the Additional McCain Equipment to McCain pursuant to paragraph 3m (i) of the Receivership Order.
17. The Residual Real Property is comprised of five (5) separate land parcels (PID 10284115, 10153278, 10277069, 10121499 and 10264810). Appraisal reports of the Residual Real Property were commissioned and attached as Appendices "F1 to F5" to the Supplemental Report of the Proposed Receiver and previously filed with this Honourable Court.
18. The Receiver initiated discussions with Re/Max Hartford Realty (the "**Realtor**") in relation to listing the Residual Real Property on behalf of the Receiver. The Realtor provided his recommendations of proposed list prices which were generally consistent with the

appraised values referenced above. As such, the Receiver has listed the Residual Real Property with the Realtor effective 7 July 2020.

19. The Receiver has placed insurance coverage over all property (real and personal) subject to these receivership proceedings.
20. The Receiver is investigating the books and records of the Respondents with the intent to examine preference or transactions at undervalue which may have arisen in the 12 month period pre-dating the Receivership Date.

MCCAIN AGREEMENT AND COMMUNITY BENEFITS

21. On 30 June 2020, all conditions precedent associated the Purchase Agreement were satisfied and the purchase price net of a \$3.0 million deposit previously advanced to the Receiver (the “**Closing Funds**”) was paid to Cox & Palmer acting in its capacity as counsel for the Receiver.
22. The Receivers Certificate was executed at 2:47 pm on 30 June 2020 at which time the transaction with McCain was formally closed. A copy of the executed Certificate is attached as **Appendix D**.
23. Land registry title registrations and registrations under the New Brunswick Personal Property Registration System (the “**PPRS**”) have been amended to reflect the sale of the Property to McCain.
24. As noted within the Proposed Receivers Report dated 22 June 2020, representatives from McCain advised the Proposed Receiver that the sale, if approved, would add to McCain’s farming assets in New Brunswick in support of a strong agricultural supply chain and the company’s commitment to rural development in its home province. In line with the company’s continued support of the River Valley region, McCain made provisions for financial contributions in support of local businesses that are essential to the continued operation of the farm business and the grower community.

25. McCain has confirmed to the Receiver that certain employee bonuses or other payments in addition to their normal salary have been paid to the 74 employees who accepted employment with McCain. In addition, McCain has advised the Receiver that it continues to work on its plan for support of the local community and will advise the Receiver of the results of that activity so that a full report may be provided to the Court on or before 15 December 2020.

SALE OF EQUIPMENT TO MCCAIN GENERALLY SUBJECT TO BDC SECURITY

26. Pursuant to subparagraph 3(l) of the Receivership Order, the Receiver has been empowered and authorized by this Court to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
27. The Receiver has been advised by BDC that, as at 12 March 2020, Hillspring was indebted to BDC in the amount of \$2,432,943.50 plus accruing interest and costs (the “**BDC Indebtedness**”). BDC demanded payment from Hillspring on 12 March 2020.
28. In support of the BDC Indebtedness, BDC was granted security through various general security agreements registered in the New Brunswick PPRS as registrations #31158975 and #31438054.
29. The Receiver has obtained an opinion from Bingham Law, a copy of which is attached as **Appendix E**. The opinion was qualified in that Bingham Law did not review the specific serial numbers set out in registrations under the Personal Property Security Act (the “**PPSA**”) against the actual equipment to ensure accuracy. The opinions provide that subject to the qualification with respect to serial numbered goods under the PPSA and what the Receiver understands to be customary assumptions and qualifications in an insolvency context, that:
- (a) BDC has valid and enforceable security against the following serial numbered equipment of the Respondents governed by the New Brunswick PPRS;

ITEM	SERIAL NUMBER
Kenworth C550	2NKJXATX5KM920855
Spudnik 2 Row Harvester	6621-55-037
Spudnik 3 Row Harvester	6631-55-52
Spudnik 3 Row Harvester	6631-55-50
2016 LKWD Model 554 Windrower	G01001
International F-2674	1HTZVJUT1GHA58073
International F-2674	1HTGLATR9WH522791
1 Bin Piler 36” telescopic Bin Piler	CTEL36BF350118

- (b) the security interest in favour of BDC has been perfected by registration under the provisions of the New Brunswick PPRS and were perfected as of the date of the legal review.
30. As part of the Receiver’s activities, it engaged Jardine to confirm the serial numbers of the serial numbered goods against which BDC made a registration under the PPSA. Through that process the Receiver has identified that the BDC registration as against the Spudnik 2 Row Harvester 6621-55-037 (the “**2016 Spudnik**”) contains an error in that it has a “0” before the last two digits which is not part of the actual serial number. As a result, the security interest of BDC in and to the 2016 Spudnik as well as BDC’s entitlement to the proceeds from the 2016 Spudnik is under review by the Receiver.
31. Prior to the issuance of the Receivership Order, independent negotiations between BDC and the Purchaser produced a tentative agreement framework by which the Purchaser would acquire the eight (8) pieces of serial numbered equipment listed at paragraph 29 a) above (the “**McCain Sale Assets**”). The financial terms of the proposed transaction for the McCain Sale Assets were presented to the Receiver for its consideration subsequent to its appointment.
32. The Receiver compared the financial consideration offered for the McCain Sale Assets against the appraised values included within the Ritchie Bros Equipment Valuation Report filed as Appendix E22 to the Supplemental Report of the Proposed Receiver and an independent equipment appraisal report from Cameron Industrial Inc. dated 13 April 2020 (the “**Cameron Appraisal**”) commissioned directly by BDC. A redacted copy of the Cameron Appraisal is attached as **Appendix F**.

33. The Receiver concluded that the purchase price offered for the McCain Sale Assets is supported by the Cameron Appraisal and the Ritchie Bros appraisal previously filed with this Court. The Receiver has considered alternative sale processes by which the McCain Sale Assets could be liquidated including through the proposed Jardine auction process described below. However, there is no reason to conclude that an alternative sale process would produce more or the same value currently being offered for the McCain Sale Assets through the Transaction. Furthermore, should the Transaction be approved the Receiver will avoid transport, insurance, holding and commission costs that would otherwise be payable.
34. Accordingly, the Receiver entered into negotiations with the Purchaser to formalize and finalize the Transaction previously contemplated between BDC and the Purchaser. The proposed sale of the McCain Sale Assets remains subject to the Receiver obtaining an order from the Court approving the Transaction and vesting title to the McCain Sale Assets to the Purchaser free and clear of claims and encumbrances. A redacted copy of the Transaction agreement (the “**Transaction Agreement**”) negotiated by the Receiver in consultation with BDC, is attached as **Appendix G**.
35. The Receiver has prepared, and will submit to this Honourable Court on a confidential basis, a supplement to this First Report (the “**Supplemental First Report**”) which will provide additional information in relation to the proposed sale of the McCain Sale Assets and attach unredacted copies of the Transaction Agreement, the Cameron Appraisal and for ease of reference the Ritchie Bros Appraisal. The Receiver will be seeking a sealing order from this Honourable Court with respect to the Supplemental First Report, on the basis that the Supplemental First Report contains sensitive commercial information with respect to the Respondents, the dissemination of which could be prejudicial to the best interests of the Secured Lenders should the proposed sale fail to close for any reason.
36. BDC is expected to sustain a material loss associated with its advances to the Respondents. The Receiver initially contemplated seeking approval to distribute up to 95% of the net cash proceeds generated from the Transaction in relation to all equipment other than the 2016 Spudnik to the BDC as a means of reducing the accruing interest expense payable by the Respondents to the BDC. However, in light of the recently

identified registration issue which will likely require additional discussions between the secured lenders, the Receiver believes that a distribution motion with respect to the Transaction proceeds be deferred until the parties are able to agree upon final distribution values. The Receiver intends to bring a subsequent distribution motion forward at a later date.

RESIDUAL EQUIPMENT AUCTION PROCESS

37. In accordance with the provisions of the Receivership Order, upon taking possession and control of the Residual Equipment, the Receiver considered various options to determine the most fair and effective method to solicit offers that would result in the Receiver obtaining the highest and/or best price for the benefit of the estates creditors. Sales options considered by the Receiver included an auction sale, tender sale, private sale negotiation or call for proposals.
38. Based upon its experience conducting sales of similar assets in other insolvency proceedings, the Receiver considers that the best method to solicit offers for the Residual Equipment is to engage an auctioneer to conduct a public auction for the reasons articulated below:
 - (a) The Receiver is concerned that a tender sale process or call for proposals for the Residual Equipment could result in certain isolated items not selling, which would necessitate a secondary auction sale or private sale process at additional cost to the estate. As a result, the Receiver recommends the Residual Equipment be sold via public auction;
 - (b) The Residual Equipment consists of numerous pieces of equipment or farm implements which were, as at the Receivership Date, physically located in multiple locations which the Receiver had to secure and transport to a 3rd party location pending liquidation. The Receiver was able to avoid 3rd party holding costs as part of its negotiated auction contract with Jardine; and

- (c) The asset viewing, inspection and bidding process for the Residual Equipment has to be performed taking Covid 19 restrictions into consideration. The proposed auction process through Jardine will facilitate live and on-line asset viewings and auction bids and Jardine's holding yard will facilitate buyers being able to retrieve purchased assets while maintaining social distancing protocols.
39. The Receiver and Jardine negotiated a form of auction contract (the "**Auction Contract**"), a copy of which is attached as **Appendix H**. The selection of Jardine as the proposed auctioneer to facilitate the auction of the Residual Equipment considered Jardine's Fredericton New Brunswick location, its proximity to the Residual Equipment as at the Receivership Date, Jardine's familiarity with the Residual Equipment through services previously provided to the Receiver, the size of Jardine's holding yard and his capability to transport and secure the Residual Equipment through the auction date.
40. The Auction Contract provides that the Residual Equipment is to be transferred to purchasers free and clear of all liens and encumbrances. As a result, the Receiver requests that this Court grant an Order providing that, upon payment of the purchase price by the purchaser and a bill of sale being issued by Jardine to the purchaser of any of the Residual Equipment at the public auction, title to the property sold by Jardine will vest in the purchaser free and clear of any claims, liens and encumbrances against any of the Residual Equipment being purchased.
41. For the purpose of determining the nature and priority of any claims to the Residual Equipment, the monies payable to the Receiver under the Auction Contract from the sale of the Residual Equipment shall stand in the place and stead of the Residual Equipment, and that from and after the delivery of the bill(s) of sale to the purchaser(s) all claims shall attach to the net sale proceeds with the same priority as they had with respect to the Residual Equipment immediately prior to the sale, as if the Residual Equipment had not been sold and remained in the possession or control of the Receiver immediately prior to the sale.

42. The Receiver believes that the Auction Contract provides the greatest net benefit for the estate and recommends that this Court approve the Receiver executing the Auction Contract.

GRAHAM STREET PROPERTY SALE

43. As noted earlier in this Report, the Residual Real Property was listed for sale with the Realtor on 7 July 2020. The Receiver received an offer on the parcel of Residual Real Property identified as PID 10121499 located at 103 Graham Street in Woodstock New Brunswick (the “**Graham Street Property**”) from Peter Carpenter (“**Carpenter**”). Negotiations between the Receiver and Carpenter ensued which ultimately resulted in the Receiver accepting an offer which remains subject to the approval of the Court and the issuance of a vesting order (the “**Carpenter Transaction**”).
44. The negotiated sale price that will be achieved through the Carpenter Transaction is supported by the Graham Street Property appraisal report found at Appendix “F2” to the Supplemental Report of the Proposed Receiver. A copy of which for ease of reference will be attached to the Supplemental First Report along with a copy of the Carpenter Transaction agreement.
45. The sale of the Graham Street Property through the Realtor was an open and transparent process resulting in a sale price that is supported by the appraisal report previously commissioned. FCC is the only secured creditor having an interest in the Graham Street Property and it supports the completion of the transaction.

CONCLUSION AND RECOMMENDATION

46. The Receiver believes that it is appropriate, and recommends to this Honourable Court, that the Receiver be authorized to complete the Transaction, complete the Carpenter Transaction and execute the Auction Contract, as the proposed agreements provide for a streamlined and cost-effective recovery process for the benefit of the Estate.

All of which is respectfully submitted this 27th day of July 2020.

ERNST & YOUNG INC.

in its capacity as the Court-appointed
Receiver of the Respondents and not in its
personal or corporate capacity

By:

A handwritten signature in blue ink, appearing to be 'GK', with a horizontal line extending to the right.

George Kinsman CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.

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BETWEEN:

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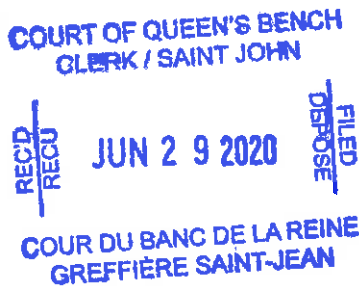
APPLICANTS,

- and -

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RESPONDENTS

RECEIVERSHIP ORDER



THIS APPLICATION, made by the Applicants for an Order pursuant to Section 33 of the *Judicature Act*, R.S.N.B. 1973, Ch. J-2 (the "**Judicature Act**"), Rule 41 of the Rules of Court of New Brunswick (the "**Rules**") and Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") appointing Ernst & Young Inc. ("**EY**" or the "**Proposed Receiver**") as receiver and receiver manager (in such capacities, the "**Receiver**") without security, of all the Respondents' current and future assets, undertakings and properties and wherever situate including all proceeds thereof (the "**Property**") in relation to the business carried on by the Respondents except the assets set out in Schedule "A" collectively, (the "**Excluded Property**") attached hereto was heard this 26th day of June, 2020 at 10:00 a.m. in Saint John, New Brunswick.

ON READING the materials filed in this matter as contained in the Record on Application including the Report of the Proposed Receiver dated June 22, 2020 and the Supplemental Confidential Report of the Proposed Receiver dated June 22, 2020 and the appendices thereto, the various affidavits of service, on hearing the submissions of counsel for the Applicants, the Respondents and the parties set out in Schedule "B" attached hereto and on reading the consent of the Proposed Receiver to act as the Receiver;

IT IS ORDERED THAT:

SERVICE

1. The time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. Pursuant to section 33 of the *Judicature Act*, Rule 41 of the Rules and section 243(1) of the *BIA*, the Receiver is hereby appointed receiver and receiver manager, without security, of the Property.

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- a. to take possession and control of the Property and any proceeds or receipts arising from the Property but, while the Receiver is in possession of any of the Property, the Receiver must preserve and protect it;
 - b. to change locks and security codes, relocate all or some of the Property to safeguard it, engage independent security personnel, take physical inventories and place insurance coverage;
 - c. to manage, operate, and carry on the business of the Respondents in relation to the Property, including the powers to enter into any agreements, incur and pay any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Respondents;
 - d. to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - e. to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondents, or any part or parts thereof;
 - f. to receive and collect all monies and accounts now owed or hereafter owing to the Respondents in relation to the Property and to exercise all

remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents;

- g. to settle, extend or compromise any indebtedness owing to the Respondents in relation to the Property;
- h. to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;
- i. to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondents;
- j. to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- k. to make payment of any and all costs, expenses and other amounts that the Receiver determines, in its sole discretion, are necessary or advisable to preserve, protect or maintain the Property, including, without limitation taxes, municipal taxes, insurance premiums, repair and maintenance costs, costs or charges related to security, management fees, and any costs and disbursements incurred by any manager appointed by the Receiver;
- l. to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- m. to sell, convey, transfer, lease or assign the Property or any part or parts

thereof out of the ordinary course of business as may be provided in an Order of this Court or,

- i. without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000.00; and
- ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under section 59 of the *Personal Property Security Act* (New Brunswick) or pursuant to section 44 of the *Property Act* (New Brunswick) shall not be required.

- n. to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- o. to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- p. to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- q. to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondent;
- r. to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent including, without limiting the generality of

the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondent;

- s. to exercise any shareholder, partnership, joint venture or other rights which the Respondent may have; and
- t. to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Respondent, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 4. The Respondents, all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.
- 5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents in relation to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall, subject to their right to seek a variation of this order, provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the

Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall, subject to their right to seek a variation of this Order, forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

8. No Proceeding against or in respect to the Property shall be commenced or continued and any and all Proceedings currently under way against or in

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respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court except:

- a. with the written consent of the Receiver or with leave of this Court; and
- b. any action against any of the Excluded Property by any party having an interest in the Excluded Property including but not limited to VEL National Lease, Daimler Truck Financial (a business unit of Mercedes-Benz Financial Services Canada Corporation), CWB National Leasing Inc., Valley Equipment Limited, De Lage Landen Financial Services Canada Inc., Liebherr Canada Ltd., GE Canada Equipment Financing G.P and John Deere Financial Inc. as holders of purchase money security interests or parties to financing arrangements in respect of Excluded Property as well as the parties listed in Schedule "A" hereto as a party having an interest in and to Excluded Property ("**Excluded Property Enforcement**").

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies of any individual, firm, corporation, governmental body or agency or any other entity against, the Receiver, or affecting the Property, other than an Excluded Property Enforcement, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien and the related filing of an action to preserve

the right of a lien holder provided that the Respondents or the Receiver shall not be required to file a defence to same as the further prosecution of any such claim is stayed except with the written consent of the Receiver, or leave of this Court. All rights and remedies of any Person pursuant to any arrangement or agreement to which any of the Respondents are a party for the lease or other rental of personal property of any nature or kind forming part of the Property are hereby restrained except with consent of the Receiver in writing or leave of this Court. The Receiver is authorized to return any Property which is subject to a lease from a third party to such Person on such terms and conditions as the Receiver considers appropriate and upon the Receiver being satisfied as to the interest of such Person in the applicable Property.

PERSONAL PROPERTY LESSORS

10. All rights and remedies of any Person pursuant to any arrangement or agreement forming part of the Property, is a party for the lease or other rental of personal property of any nature or kind, are hereby restrained except with consent of the Receiver in writing or leave of this Court. The Receiver is authorized to return any Property which is subject to a lease from a third party to such Person on such terms and conditions as the Receiver, acting reasonably, considers appropriate and upon the Receiver being satisfied as to the interest of such Person in the applicable Property. The return of any item by the Receiver to a Person is without prejudice to the rights or claims of any other Person to the property returned or to an interest therein.

NO INTERFERENCE WITH THE RECEIVER

11. Subject to Section 15 of this Order related to the Respondents' employees, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favour of or held by the Respondents in relation to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. All Persons having oral or written agreements with any of the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Respondents, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services in relation to the potato and grain farming, packing and seed business of the Respondents (the "**Business**") as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names associated with the Business, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondents respectively or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.
13. The Receiver, in its sole discretion, may (but shall not be obligated to) establish accounts or payment on delivery arrangements with suppliers in its name on behalf of a Respondent for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondent, or any of them, if the Receiver determines that the opening of such accounts is appropriate. No creditor of the Respondents shall be under any obligation as a result this Order to advance or re-advance any monies or otherwise extend any credit to any of the Respondents.

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RECEIVER TO HOLD FUNDS

14. All funds, monies, cheques, instruments, and other forms of payment received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. All employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees who are employed in conjunction with the Business or they resign in accordance with their employment contracts. The Receiver shall not be liable as a result of this Order for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5), 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.
16. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or

required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale") as permitted at law. Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. A prospective purchaser or bidder requesting the disclosure of personal information shall execute such documents to confirm the agreement of such Person to maintain the confidentiality of such information on terms acceptable to the Receiver. The purchaser of any Property shall be entitled to continue to use the personal information provided to it related to the Property purchased in a manner which is in all material respects identical to the permitted prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. Nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management (separately and/or collectively, "Possession") of any of the Property or any part thereof, that may be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other legislation, statute, regulation or rule of law or equity respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, *Canadian Environmental Protection Act, 1999* (Canada), the *Clean Water Act* (New Brunswick), the *Clean Environment Act* (New Brunswick), the *Clean Air Act* (New Brunswick), and *Unsanitary Premises Act* (New Brunswick) (collectively, the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

LIMITATION ON LIABILITY

18. EY including, without limitation, any director, officer or employee of the Receiver, shall incur no liability or obligation as a result of its appointment as the Receiver or the carrying out the provisions of this Order, or in the case of any party acting as a director, officer or employee of the Receiver so long as acting in such capacity, save and except for any gross negligence, breach of contract or actionable misconduct on the part of such party, or in respect of the Receiver's obligations under sections 81.4(5) and 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge to a maximum of \$100,000.00 (the "**Administrative Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and the Administrative Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
20. Unless otherwise ordered by the Court, the Receiver and its legal counsel shall pass their respective accounts from time to time and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a Judge of the Court of Queen's Bench in New Brunswick in accordance with the Rules.
21. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees, expenses and disbursements, including legal fees and

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disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved in accordance with the preceding paragraph hereof.

RECEIVER'S INDEMNITY CHARGE

22. The Receiver shall be entitled to and is hereby granted a charge (the "**Receiver's Indemnity Charge**") upon all of the Property as security for all of the obligations incurred by the Receiver including obligations arising from or incident to the performance of its duties and functions under this Order including the management, operation and carrying on of all or part of the business of any of the Respondents, the BIA or otherwise, saving only liability arising from negligence or actionable misconduct of the Receiver.
23. The Receiver's Indemnity Charge shall form a second charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate in priority to the Administrative Charge.

ALLOCATION OF COSTS

24. The Receiver shall file with the Court for its approval a report setting out the costs, fees, expenses and liability of the Receiver giving rise to the Administrative Charge, the Receiver's Indemnity Charge and the Receiver's ~~Borrowings Charge (as defined below)~~ and, unless the Court orders otherwise, all such costs, fees, expenses and liability shall be paid in the following manner:
 - a. Firstly, applying the costs incurred in the receivership proceedings specifically attributable to an individual asset or group of assets against the realizations from such asset or group of assets;
 - b. Secondly, applying the costs pro rata against all of the assets based on

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the net realization from such asset or group of assets; and

- c. Thirdly, applying non-specific costs incurred in the receivership proceedings *pro rata* against all of the assets based on the net realization from each asset or group of assets.

BANKRUPTCY

- 25. The Receiver is authorized to make an assignment in bankruptcy, in accordance with the *BIA* in the name of and on behalf of the Respondents.
- 26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy to the Respondents.

INTERIM MANAGEMENT AGREEMENT

- 27. The Receiver is hereby empowered and authorized, but not obligated, to adopt any existing agreement between the Respondents and McCain Foods Limited ("MFL") related to the assets and operations of Hillspring Farms Ltd. (the "**Hillspring Management Property**") used in the Business (the "**Hillspring Management Agreement**") on such terms as the Receiver considers appropriate in order to carry out the terms of this Order for the purpose of ensuring the continued operation of the Business until the closing of the transaction approved by this Court in an order issued concurrently with this Order.
- 28. If the Receiver adopts the Hillspring Management Agreement, the Receiver shall:
 - a. not be in possession or control as contemplated by section 3 (a) of this Order of the Hillspring Management Property which shall remain under the management of MFL; and
 - b. not have any liability under the Hillspring Management Agreement of any nature or kind or to MFL.

GENERAL

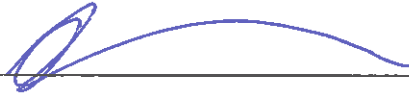
29. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
30. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States is hereby requested to give effect to this Order and to assist the Receiver 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, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver is hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act in a representative capacity in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. Any interested party may apply to this Court to vary or amend this Order upon such notice required under the *Rules of the Court*, if any, or on such notice as this Court may order.
33. Any Person affected by this Order which did not receive notice in advance of the hearing of the initial application may apply to this Court to vary or amend this Order within five (5) days of such Person being served with a copy of this Order.
34. In addition to the reports to be filed by the Receiver under the BIA or New Brunswick Business Corporations Act, on the application to the Court of any secured creditor, the Receiver shall file a report of its activities with the Court and the Receiver shall file a report on or before 30 days from the completion

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of the transaction with McCain Farms, a division of McCain Produce Inc., approved by Order of the Court concurrently with the issuance of this Order and a further report on or before December 15, 2020.

35. The Receiver shall not be discharged without notice to such secured creditors and other parties as the Court directs.

Dated at Saint John, New Brunswick, this 29th day of June, 2020 and effective as 12:01 a.m. on June 26, 2020.



The Honourable Justice Darrell J. Stephenson
Justice of the Court of Queen's Bench of New Brunswick

SCHEDULE "A"

EXCLUDED PROPERTY

Any real or personal property referenced in this Schedule "A" is Excluded Property and does not form a part of the Property subject to the within Receivership Order.

1. Bank Accounts

Any interest of any nature or kind in and to the following bank accounts:

- a. HSF Foods Inc.'s Bank of Montreal bank account bearing account number XXXX-XXXX-326.
- b. Bank of Nova Scotia bank account bearing account number XXXXX 15 (the "Purchaser Bank Account"), created on Hillspring's behalf following execution of the Management Agreement.

2. Management Assets

- c. Pursuant to the Purchaser's general authority under Section 4.1 of the Management Agreement, the Purchaser has purchased certain assets to be used in the business of the Companies. Such assets are Excluded Property for the purpose of any charge granted in these proceedings.
- d. Assets purchased for use in the Flakes Operation on or after March 31, 2020, being the effective date of the Management Agreement between OPC Canada, Inc. and HSF Foods Ltd., and all product and revenue produced by the Flakes Operation on or after that date.

3. Purchase Money Security Interests and Other Financings

All leases and financing agreements in equipment or other personal property ("**Leased Property**") under lease or a financing arrangement set out in Schedule 2.1(i)(a) – Assumed Contracts to the Sale Agreement, a copy of which is attached to the Report of the Proposed Receiver (collectively, a "**Lease Agreement**") with CNH Industrial Capital Canada Ltd., the Bank of Nova Scotia and Caterpillar Financial Services Limited are

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Excluded Property for the purpose of any charge granted in these proceedings.

Any residual, equitable or secured interest of any party other than CNH Industrial Capital Canada Ltd., the Bank of Nova Scotia and Caterpillar Financial Services Limited, as counterparties to the applicable Lease Agreement in and to Leased Property, is not Excluded Property and shall be extinguished on the completion of the Transaction (as described in the Receiver's report) in the within proceedings.

The following lease or financing agreements together with the underlying personal property subject to such leases or financing arrangements are Excluded Property:

- a. Lease Agreement dated September 30, 2019 between VEL National Lease and Hillspring Farms in respect of the lease of (i) two Trailers having serial numbers: 2L9R443A8L1035167 and 2L9R443AXL1035168 and (ii) four Utility Vans having serial numbers 1UYVS3536BM068501, 1UYVS3532CM306703, 1UYVS253X7M254401 and 1UYVS35309U599106;
- b. Lease Agreement dated August 30, 2019 between Daimler Truck Financial (a business unit of Mercedes-Benz Financial Services Canada Corporation) and Hillspring Farms Ltd. in respect of the lease of five trucks having serial numbers 5KJJABDR5LPKY5086, 5KJJABDR9LPKY9190, 5KJJABDR2LPKY9189, 5KJJABDR8LPKY9195 and 5KJJABDRXLPLX4605;
- c. Equipment lease dated October 17, 2019 between Hillspring Farms Ltd. and CWB National Leasing Inc. in respect of 70 Motorola XPR-5350E VHF Mobile Radios and 30 VHF Hi-gain Antenna Systems;
- d. Lease agreement dated June 11, 2019 between Hillspring Farms Ltd. and Valley Equipment Limited in respect of a 2018 Ram 2500 Longhorn Pickup Truck having serial number 3C6UR5GL3JG114826;
- e. Contract dated August 30, 2018 between the Bank of Nova Scotia, Hillspring Farms Ltd. and Jeremy in respect of a 2019 Ram 1500 Truck with serial number 1C6SRFLT4KN579336 with Scotiabank.
- f. Agreement between HSF Foods Ltd. and De Lage Landen Financial Services Canada Inc. in respect of certain TEK Office furniture as

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evidenced by Personal Property Act Security registration number 31214133;

- g. Agreement between Hillspring Farms Ltd. and De Lage Landen Financial Services Canada Inc. in respect of a 2014 Hyundai having serial number HHKHHT06CE0000225 evidenced Personal Property Act Security registration number 25264698;
- h. Lease dated May 2, 2019 between Hillspring Farms Ltd. and VEL National Lease in respect of a 2019 Ford F250 having serial number 1FT7W2BT2KEC71826;
- i. Contract between the Bank of Nova Scotia, Hillspring Farms Ltd. and Jeremy in respect of a 2018 Dodge Demon having serial number 2C3CDZH99JH103136;
- j. Contract between Hillspring Farms Ltd. and Liebherr Canada Ltd. in respect of a 2016 Liebherr L580 IND One Wheel Loader having serial number 0409431170;
- k. Contract between Hillspring Farms Ltd. and Liebherr Canada Ltd. in respect of a 2016 Liebherr L566 Wheeled Loader having serial number 0410001168;
- l. Contract between Hillspring Farms Ltd. and Liebherr Canada Ltd. in respect of a 2013 Liebherr L566 IND Wheeled Loader having serial number 0333011168;
- m. Contract between HSF Foods Ltd. and GE Canada Equipment Financing G.P. in respect of a 2006 30RXL Morbank Chiparvestor having serial number 2039;
- n. Contract between HSF Foods Ltd. and in respect of a John Deere 333EXT Compact Track Loader having serial number 1T0333EMVGE294274;
- o. Financing arrangement dated September 16, 2018 between HSF Foods Ltd. and the Bank of Nova Scotia in respect of a 2015 Dodge Ram Model 1500 having serial number 1C6RR7LM0FS737580; and
- p. Financing arrangement between HSF Foods Ltd. and the Bank of Nova Scotia in respect of a 2019 Ford F250 S/D having serial number

1FT7W2BTOKED32865 as evidenced by PPSA Registration number 31803596.

4. Other

The interest of Bank of Montreal, if any, in account(s) receivable from Kellogg Company, a Delaware corporation related to the registration under the PPSA having #: 30854186 and dated July 5, 2018 with an expiry of July 5, 2023.

5. CIBC Specific Assets

Any interest of any nature or kind in and to the following:

- a. the receivables of the Respondents, including Pre-Count Receivables, but excluding Inventory Receivables and Cash, as such terms are defined in the Sale Agreement.
- b. any interest of the Respondents in certain antique vehicles shown in the books and records of 631544 NB Ltd.; and
- c. wood inventory and other personal property of HSF in which CIBC has a security interest in priority to FCC and which are:
 - i. not personal property forming part of assets being sold as part of the Transaction (as described in the Receiver's report); and
 - ii. not personal property previously assigned to Oregon Potato Company.

6. OPC Flake Assets

The real and personal property listed below that OREGON POTATO COMPANY holds security in by virtue of certain assignments from:

- A. FCC - (Listed below)
- B. CIBC - (Listed below)

A. FCC

Real Property

- 1. PID 10284172, including all fixtures attached thereto - Office owned by HSF

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2. PID 10284206, including all fixtures attached thereto – Plant owned by HSF

Personal Property

<u>Line #2</u> Peeler# 24628...Idaho Steel 1. Kiremco Brusher 2. Large Even Flow 3. Slicer 4. Cornell Pump Tank 5. Dewatering Screen 6. Small Even Flow 7. Blancher Idaho Steel 8. Cooler 9. Vertical Auger 10. Dewatering Screen 11. Small Even Flow 12. Cooker 13. Ricer Auger 14. Mash Inline Auger 15. Mash Box 16. 3 Drums (1 of the 5x16 Idaho Steel drum & 2 of the Overton Drums, 5x16)	<u>Turbine Hall</u> 1. 2 of the Ewing Control Panels 2. 1 Turbine s/n T-5601 Back Pressure 3. 1 Condensing Turbine s/n T-5328 4. 1- Large Condenser s/n 93Y10679-01A 5. 2 Large Worthington Cooling Pumps s/n B0941002-2 & s/n B0941002-1 6. 2 Water Softener Systems 7. 2 Cooling Towers... s/n NC9232GM(149609-002-99) & s/n NC9232GM(14960609-001-99)
<u>Dryroom Equipment</u> 1. Cat Forklift s/n E285851605 2. Nissan Forklift s/n CT1B2-980997 3. Nissan Forklift s/n CWP02-960815 4. Zoom Boom s/n 0300116975 2007 Chiller, Carrier, 3400F2680 3400F26809 1998 Steam Peeler, Kiremco, 9555-97-2 PESL-1000	<u>Dryroom Equipment</u> 2007 Electronic Scale on stand, Champ Scale 2002/2003 Sewing Machine on stand, Newlong, LR113608 NP-7ALR113608 1990 Bag Line Conveyor, Doboy, KGL 856748 1990 Bagging Machine, Doboy, PT24SPE2.854982 2006 Manual Pallet Stacker/Wrapper, Highlight, Synergy III C390-010-0161

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1998 Brusher, Kiremco, 97-1076-AA 1998 Polisher/Washer, Kiremco, 9590-97 WAD-1030 2008 Vertical Elevator, Idaho Steel 1998 Large Evenflow, Idaho Steel 2008 Slicer with Wash tank, Idaho Steel 1998 Pump Tank, Cornell 1998 Blancher, Idaho Steel 1998 Cooler, Idaho Steel 2008 Pump to Cooler, Cornell 1998 Cooker with additives mixing drums Idaho Steel 2008 Transfer Auger, Idaho Steel 1998 2 large Drums, Idaho Steel 1998 3 small American Drum Company, Overton Machine Company 60SP 1998 6038/6686 Transfer Augers, Idaho Steel 2006 Product Blower, Delta 1998 Bag Hoses, Idaho Steel 2005 Wind Sifter, Idaho Steel 2005 Hammer Mill, Pulva, Size C Type FS 121 2005 Product Blower, DMN, PTD 80 50897 2005 Hopper Tanks, Idaho Steel 2007 Grinder, Idaho Steel 2008 Weigh System Prior to Silos, Omnitech 2005 50No. Bagging System, Schlosser, K0401002 2005 Weigher/Bagger, Greif-Velox, 830-SDD-4M- EM 10-040364-001 2005 Bag Sealer, Farbo Seigling Ltd., M685770 011-C01080213 2005 Crimper, Schlosser	2007/04 Dust Removal System UAS, SFC24-3 60060914 2007 2 X 2 Pressure Blowers NYB, P0925120 1708 Steel 2007 Dry Room Racking 5 lengths X 3 high 2007 Security System 4 cameras w/CD 2007 Pressure Washer, Landu, VLP8-3000F 155525 1997 Bunker "C" Boiler, Cleaver-Brooks, CB600-800 S-87629 1997 Standby Gen Set 350 KW/435 KVA, Onan, 350.0DFN-9XF/2963AC G86013-30496 1998 80 HP Air Compressor, Curtis, R/S50T sn No.6574 1998 Air Dryer, Airtek, SC220 SNNNo. 977592H 1969 Separator, Wesffalia, SDA360L 1635211 2008 Chemical Pump, Ecolab, P2 2-2008 Telescopic Conveyors, Rc0 28' X 24" & 60'X 36" 2007 Telescopic/Hydraulic Bin Piler, Rc0 2007 Hopper Happy Roller 2008 Elevator Conveyor, Rc0 2000 5,000 bbls Hopper, Smalleys 2008 Barrel Washer, Rc0 2008 Rocks/Destoner, Idaho Steel
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Other

Item Type	Manufacturer	Serial Number
SDB3BCS Scotch Dry Back – Steam B23M19B2 : B20	Cleaver Brooks	87620
Dearator	O'Connor Tank Ltd.	DG7854
Dearator	O'Connor Tank Ltd.	DG7854
DEA8AC Dearator	Cleaver Brooks	DG7854
DEA8AC Dearator	Cleaver Brooks	DG7854
BDT8AC Blow Down Tank over 42	O'Connor Tank Ltd.	7-1095
PVS8AI Pressure Vessel over 42	Harris Thermal	26127
EXC7AI Exchanger up to 42	SA Armstrong	449456
AWT2BIS A Type Water Tube-Steam	Keeler Dorr-Oliver	17210
AWT2BIS A Type Water Tube-Steam	Keeler Dorr-Oliver	17210
AWT2BIS A Type Water Tube-Steam	E Keeler Co. Ltd.	124271
AWT2BIS A Type Water Tube-Steam	E Keeler Co. Ltd.	124271
ATK6AI Air Tank Mounted	Steel Fab	510689
ARC7AI Air Receiver in System	Silvan Industries	142337
ARC7AI Air Receiver in System	Silvan Ind.	10222
ATK6AC Air Tank Mounted	Brunner Eng.	3244
Air Tank Mounted	Manchester	18903
PVS7AI Pressure Vessel up to 42	Flo Lab Inc.	APF-3357
ARC7AI Air Receiver In System	Lagrange Products	42050
ARC7AI Air Receiver In System	Steel Fab	SO-17724
ARC7AI Air Receiver In System	Manchester	302432.CRN
Pressure Vessel up to 42	Watson McDaniel	90805
PVS8AI Pressure Vessel Over 42	Beloit Corporation	F3178-1

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PVS8AI Pressure Vessel Over 42	Beloit Corporation	B7415-1
Pressure Vessel Over 42	Samyard Co. Ltd.	SYU-96
Pressure Vessel Over 42	Samyard Co. Ltd.	SYU-96
PVS8AI Pressure Vessel Over 42	GL&V	Nil
Pressure Vessel Over 42	Idho Steel	67
PVS8EI Pressure Vessel Over 42	Idaho Steel Products	24628
PVS8EI Pressure Vessel Over 42	Odenberg Inc.	96071
PVS8EI Pressure Vessel Over 42	CH Murphy/ Clark-Ullman	1926
AWT2BIS A Type Water Tube-Steam	Tampella Keeler	17389
AWT2BIS A Type Water Tube-Steam	Tampella Keeler	17389
CFH8AI Closed Feed Heater	Allied Steel Prod.	W6280
ATK7AP Pressure Vessel Over 42	Steel Fabrication	5492880
BDT7AP Blowdown Tank Up To 42	Cemline Co.	69703
BDT7AP Blowdown Tank Up To 42	Cemline Co.	69703
SDB3BIH Scotch Dry Back Hot-Water	Cleaver Brooks of Canada	S088095
SDB3BIH Scotch Dry Back Hot-Water	Cleaver Brooks of Canada	S088095
EXC7AI Exchanger Up to 42	ITT	987254-01
EXC7AI Exchanger Up to 42	ITT	987254-01
EXC8AI Exchanger Over 42	ITT	93Y10679-01A
PVS8AP Pressure Vessel Over 42	Colton Industries	979774
PVS8AP Pressure Vessel Over 42	Colton Industries	979777
PVS7AI Pressure Vessel Up to 42	StoysTown Tank & Steel Co19	58344
ATK6AP Air Tank Mounted	Buckeye Boiler Company	2848A
ATK6AI Air Tank Mounted	Steel Fab	569407
ATK6AI Air Tank Mounted	Steel Fab	569407

ASSETS - WOOD CHIP OPERATION			
Item No.	Item	Item Category	Serial Number
1.	INTENTIONALLY LEFT BLANK		
2.	2016 Leibherr 538 Loader c/w Craig High tip chip bucket	Equipment	VATZ1268EZB038941
3.	INTENTIONALLY LEFT BLANK		
4.	Radar hydraulic Bin Dumper	Equipment	
5.	02 Leibherr rubber tired excavator with pulp loader	Equipment	710-13531
6.	Wood chip processor including feed hopper, 6ft x 40ft feed conveyor, Shaker table with fine particle screener, Hog Hammer, drop feed rechipper, 30" x 50ft conveyor	Equipment	
ASSETS - FABRICATION SHOP			
Item No.	Item	Item Category	Serial Number
1	15K Free standing Crane with 2k electric motor chainfalls	Equipment	
2	Hangchett metal lathe / Sharpener	Equipment	
3	IPC High Temp baking oven	Equipment	
4	Industrial drill press	Equipment	
5	Industrial drill press (inoperable)	Equipment	
6	Industrial Plasma cutting table	Equipment	
7	Industrial upright grinder (dual)	Equipment	
8	Industrial drill press	Equipment	

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9	Industrial drill press (inoperable)	Equipment	
10	Industrial milling machine	Equipment	
11	Industrial metal lathe - 12ft bed	Equipment	
12	Industrial metal lathe - 10ft bed	Equipment	
13	ALLSTEEL 300 Ton metal press / brake with dies	Equipment	
14	Metal bender	Equipment	
15	Portable sandblaster	Equipment	
16	Pearson metal sheer	Equipment	
17	Metal roller	Equipment	
18	Metal roller	Equipment	
19	Portable plasma cutter	Equipment	
20	Lincoln Mig / Tig wire feed welder	Equipment	
21	12ft Roller table	Equipment	
22	Vertical metal bandsaw	Equipment	
23	Horizontal metal bandsaw	Equipment	
24	Easy Kleen high pressure washer	Equipment	
25	INTENTIONALLY LEFT BLANK		
26	Clark rough terrain forklift, 2 stage mast, 48" tines, 10k hours	Equipment	
27	INTENTIONALLY LEFT BLANK		
28	02 Ford F550 diesel 20ft box truck. Rear is outfitted with shelves and power supply	Equipment	1FDAF56F32EB35311
29	Air compressor 500 gal	Equipment	
30	Parts room - Assorted nuts, bolts, threaded rods, washers	Equipment	
31	wooden cabinets - complete with various tools	Equipment	
32	15 drawer tool cabinet full of tools	Equipment	

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33	3 section, 9 drawer parts cabinet completely full of tools, etc	Equipment	
34	Metal table complete with Taps, dies', broaches, etc	Equipment	
35	3 work tables c/w grinders, hose reels, drill bits, drill press, grinder wheel, and related tools	Equipment	
36	small roller table	Equipment	
37	Raw Material / Various racks full of steel	Equipment	
38	Table complete with various metal bits, drills, assorted tools to operate metal lathe	Equipment	
39	Qty of large electric motors (approx 6)	Equipment	
40	Transmission jack	Equipment	
41	large qty of chains, straps, clevises, binders, ratchets, etc	Equipment	
42	mobile parts cart	Equipment	
43	mobile parts cart	Equipment	
44	mobile parts cart	Equipment	
45	Parts washer	Equipment	
46	metal work table c/w vice	Equipment	
1.	D6 Bulldozer		
2.	1995 Freightliner Classic 120 TRUCK #3		2FUPDXYB4SA736196
3.	2001 Western Star 4964EX TRUCK #7		2WKEDD3J61K970748
4.	2012 Marac Chip Trailer 31453C330		2M5341613C1130241
5.	2000 Freightliner		1FUYDWEB1YLG61045
6.	2003 Freightliner Classic		1FUJAPAV23LK51604
7.	2006 Freightliner		1FUJF6CK66DV51031
8.	Easy Hauler (Utility)		2SPUF5B10FN052669
9.	1999 Freightliner		1FUYTEDBXXHA20699
10.	1974 Heil Trailer (Water)		926712

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11.	2013 Manac Chip Trailer	2M5341613D1135862
12.	2013 Manac Chip Trailer	2M5341615D1135863
13.	2012 BWS 27' end Dump Trailer	2B927DT23C1001460
14.	1982 Fruehauf Trailer	2H8B04635CR130901
15.	1987 Fruehauf Trailer	2H8B04831HR031805
16.	2016 Big Tex Trailer	16VGX2029G6039916
17.	One (1) Used 2002 Liebherr A904 Hydraulic Rubber Tired Log Loader complete with all attachments and accessories	710-13531
18.	CLARK 5000LB FORKLIFT	Y1015-338-4805

B. CIBC

Real Property

None.

Personal Property

The following related to the operation by HSF Foods Inc. of its potato flake manufacturing operation, to the extent all or any portion of such items are not located on any of the Real Property, as such term is defined in the Sale Agreement:

- a. Flakes inventory
- b. Packaging inventory
- c. Ingredient inventory
- d. Boiler chemical inventory
- e. Clean up chemicals inventory
- f. Fuel inventory

7. Excluded Real Property Leases

A. The following Real Property leases evidenced by the following written lease agreements:

1. Lease dated January 4, 2018 between Hillspring Farms Ltd. and Bonnefield Canadian Farmland Evergreen LP in respect of approximately 522 acres on parcel identifier numbers 35097997, 35098995, 35100858, 35103795, 35104314, 35110451, 35217116, 35305127, 35305135 and 35305523;

2. Lease dated May 13, 2016 between MWC Farms Ltd. and Bonnefield Canadian Farmland LP III, as renewed by a lease renewal and amending agreement dated March 3, 2017, as amended by a farmland lease amending agreement dated March 2019, and as assigned to Hillspring Farms Ltd. by an assignment and consent to assignment agreement dated August 2019 in respect of approximately 1,656.25 acres on parcel identifier numbers 65068728, 65069031, 65151003, 65068496, 65144701, 65036832, 65099046, 65036857, 65068876, 65135774, 65068900, 65223802, 65076663, 65135790, 65036576, 65098519, 65098527, 65036709, 65098717, 65149783 and 65099053;
3. Lease dated August 2019 between Hillspring Farms Ltd. and Bonnefield Canadian Farmland LP III in respect of approximately 1,142 acres on parcel identifier numbers 35101047, 35102169, 35103381, 35103944, 35317023, 35353085, 35217231, 35353093, 35357730, 35357847, 35357920, 35357920, 35214014;
4. Lease dated August 2019 between Hillspring Farms Ltd. and Bonnefield Canadian Farmland LP IV in respect of approximately 857 acres on PIDs 35302496, 35217272, 35296110, 35301167, 35360205, 35359835, 35360304, 35360247, 35187616, 35107119, 35107135, 35310994;
5. Farmland lease dated July 25, 2017, between Bonnefield Canadian Farmland Evergreen LP and MWC Farms Ltd.; Farmland Lease Amending Agreement dated March 2019 between Bonnefield Canadian Farmland Evergreen LP and MWC Farms Ltd.; and Assignment and Consent to Assignment Agreement dated August 2019 among Bonnefield Canadian Farmland Evergreen LP, MWC Farms Ltd., and Hillspring Farms Ltd. with respect to PIDs 65132912, 65068827, 65069049, 65176968, 65068736, 65074452, 65135766, 65068835, 65147100, 65074437; and
6. Lease and sublease agreement dated May 17, 2017 between Hillspring Farms Ltd., Andre Daigle Farms Inc. and River Valley Potatoes Inc. in respect of approximately 125 acres on parcel identifier numbers 35099076, 35311679, 35099274, 35099258, 35212901, 35212919, 35229392, 35229400.

B. The following Real property leases not evidenced by a written lease agreement:

1. Lease between Hillspring Farms Ltd. and H.J. Crabbe & Sons Ltd. in respect of parcel identifier numbers 10094241, 10162121 and 65039059;
2. Lease between Hillspring Farms Ltd., Kevin Ealey and Michael Campbell in respect of approximately 38 acres on parcel identifier numbers 10130920 and 10010643;
3. Lease between Hillspring Farms Ltd., David Crain and Wavel Crain on parcel identifier numbers 10092732, 10095198, 10091551 and 10091619;

4. Lease between Hillspring Farms Ltd. and Sullivan Farms (1992) Ltd. in respect of approximately 38 acres on parcel identifier number 10263507;
5. Lease between Hillspring Farms Ltd., Judith McIssac, Murray McIssac, Brent Pearson and Kim Pearson in respect of approximately 109.5 acres on parcel identifier numbers 10223535, 10030567 and 10007524;
6. Lease between Hillspring Farms Ltd. and East Glassville Holdings Ltd. in respect of approximately 181.87 acres on parcel identifier numbers 10265312, 10000107, 10232213, 10002863 and 10000115;
7. Lease between Hillspring Farms Ltd., 691221 NB Inc., Anthony Albert and Virginia Albert in respect of approximately 28 acres on parcel identifier numbers 65058034 and 65056145;
8. Lease between Hillspring Farms Ltd., 691221 NB Inc., Andy Miller, Sarah Miller, Harold Turner, John Turner, Donna Lee Turner, Carlene Flowers and Robert Flowers in respect of approximately 201 acres on parcel identifier numbers 65054611, 65054637, 65057697, 65117848, 65052995, 65056624, 65054645, 65117814, 65117806, 65117822 and 65055147;
9. Lease between Hillspring Farms Ltd., Roy Swazey, Edna Scott and Robert Scott in respect of approximately 59.6 acres on parcel identifier numbers 65084543, 65116907 and 65084527;
10. Lease between Hillspring Farms Ltd. and Four Falls Holdings Inc. in respect of approximately 17.5 acres on parcel identifier numbers 65084386 and 65201311;
11. Lease between Hillspring Farms Ltd. and Frank Browne Farms Inc. in respect of approximately 52.1 acres on parcel identifier numbers 65084428 and 65084824;
12. Lease between Hillspring Farms Ltd., Carolyn Van Gaal and Joseph Van Gaal in respect of approximately 21 acres on parcel identifier number 65089880;
13. Lease between Hillspring Farms Ltd. and Hanscome Farms Ltd. in respect of approximately 396.4 acres on parcel identifier numbers 65179699, 65085045, 65084998, 65085003, 65087397, 65089187, 65115438, 65085078, 65089161, 65089401, 65087561 and 65115313;
14. Lease between Hillspring Farms Ltd. and 691221 NB Inc. in respect of approximately 29 acres on parcel identifier numbers 65057887 and 65052904;
15. Lease between Hillspring Farms Ltd., Greta Butler, Cindy Clark, Donald Giberson, Rodney Brayall and Jonathan Walker in respect of approximately 32 acres on parcel identifier numbers 65084808, 65173114 and 65217176;

16. Lease between Hillspring Farms Ltd. and Island Holdings Ltd. in respect of approximately 53.44 acres on parcel identifier numbers 35273390 and 35273416;
17. Lease between Hillspring Farms Ltd. and Grand Falls Milling Co., Limited in respect of parcel identifier number 35357946;
18. Lease between Hillspring Farms Ltd. and KG Properties Ltd. in respect of approximately 20 acres on parcel identifier numbers 65132938 and 65132904;
19. Lease between Hillspring Farms Ltd. and H E Forestry Ltd. in respect of approximately 8.5 acres on parcel identifier number 65076762;
20. Lease between Hillspring Farms Ltd. and Donald Adams in respect of approximately 32.5 acres on parcel identifier number 65069072;
21. Lease between Hillspring Farms Ltd. and Sharon Dixon in respect of approximately 104 acres on parcel identifier numbers 65069015 and 65132854;
22. Lease between Hillspring Farms Ltd. and Andrew Parker in respect of approximately 46 acres on parcel identifier number 65036782;
23. Lease between Hillspring Farms Ltd. and Gestion Paul Levesque Ltee in respect of parcel identifier numbers 35099407 and 35102326;
24. Lease between Hillspring Farms Ltd. and Lucien Marquis in respect of parcel identifier number 35100197;
25. Lease between Hillspring Farms Ltd. and Marcel Lebonte in respect of approximately 7.6 acres on parcel identifier number 35317080;
26. Lease between Hillspring Farms Ltd., Richard Labonte and Yvette Labonte in respect of approximately 67.9 acres on parcel identifier numbers 35100445, 35100007, 35213131, 35212885 and 35100015;
27. Lease between Hillspring and McLaughlin Soil Management Facility Ltd. in respect of approximately 35.7 acres on parcel identifier number 65088502;
28. Lease between Hillspring Farms Ltd., Donna McNeill and Eldon McNeill in respect of approximately 12 acres on parcel identifier number 65088601;
29. Lease between Hillspring Farms Ltd. and Urban O'Connor in respect of approximately 23 acres on parcel identifier number 65054793; and
30. The real property leases shall also include, but are not limited to, all rolling one-year leases for land.

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SCHEDULE "B"

APPEARANCES

	Party	Attendance
1.	Farm Credit Canada	COUNSEL - Josh McElman, Bailey Campbell, and Caleb Hunter, Cox & Palmer - Attending in person Individual - Jason Inman Attending by Phone
2.	Canadian Imperial Bank of Commerce	COUNSEL - Maurice Chiasson, Q.C., Stewart McKelvey Individual - Supriya Sarin, CIBC Both Attending by Telephone.
3.	McCain Foods Limited	COUNSEL - Natasha MacParland, Davies Ward Phillips & Vineberg LLP Attending by Telephone.
4.	McCain Produce Inc.	Individuals - Nia Karabatsos and Chad Hutchison 895 Attending by Telephone.
5.	Ernst & Young Inc.	George Kinsman, Ernst & Young Inc. Attending by Telephone.
6.	Hillspring Farms Ltd. HSF Foods Ltd. Hillspring Warehouse & Logistics Inc.	COUNSEL - Stephen Kingston, McInnes Cooper Roman Veil 895 Attending by Telephone.
7.	Bank of Nova Scotia	Individuals - Faryall Butt & Cymanthia Elliott, Bank of Nova Scotia 875 Cymanthia Attending by Telephone.
8.	Business Development Bank of Canada	COUNSEL - Marc Dunning, Wickwire Holm Attending by Telephone.
9.	Earth Fresh Foods Inc.	Individual Brad Wiseman

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	Party	Attendance
		Attending by Telephone
10.	Timothy Cook Construction Ltd.	Individual Elizabeth Rockwell Attending by Telephone.
11.	CNH Industrial Capital Canada Ltd.	COUNSEL - Hugh J. Cameron, Stewart McKelvey Attending by Telephone.
12.	PricewaterhouseCoopers Inc.	David A. Boyd, PricewaterhouseCoopers Inc. Attending by Telephone.
13.	Office of the Attorney General for New Brunswick	COUNSEL – Bryan Mills Attending by Telephone.
14.	Employment Standards Branch	COUNSEL – Bryan Mills Attending by Telephone.
15.	Valley Equipment Ltd.	Individual Lee Patterson Attending by Telephone.
16.	Department of Finance Revenue and Taxation Division	<i>Mark Dunbar 895</i>
17.	Department of Justice Canada Tax Law Services for Canada Revenue Agency Insolvency Division	COUNSEL –Deanna M. Frappier, Q.C. Attending by Telephone.

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Appendix B

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.



CANADA
PROVINCE OF NEW BRUNSWICK
BUSINESS CORPORATIONS ACT

CANADA
PROVINCE DU NOUVEAU-BRUNSWICK
LOI SUR LES CORPORATIONS
COMMERCIALES

CERTIFICATE OF AMENDMENT

CERTIFICAT DE MODIFICATION

693206 NB INC.

Name of Corporation / Raison sociale de la corporation

693206

Corporation Number / Numéro de la corporation

I HEREBY CERTIFY that the Articles of the above-mentioned corporation were amended under the relevant section(s) of the Act, as applicable:

JE CERTIFIE que les statuts de la corporation mentionnée ci-dessus ont été modifiés en vertu des articles pertinents de la Loi, selon le cas :

- (a) Section 11 of the Business Corporations Act in accordance with the attached notice;
Article 11 de la Loi sur les corporations commerciales conformément à l'avis ci-joint;
- (b) Section 26 of the Business Corporations Act as set out in the attached Articles of Amendment designating a series of shares;
Article 26 de la Loi sur les corporations commerciales de la façon indiquée dans les statuts de modification ci-joints décrivant les actions d'une série;
- (c) Section 117 of the Business Corporations Act as set out in the attached Articles of Amendment;
Article 117 de la Loi sur les corporations commerciales de la façon indiquée dans les statuts de modification ci-joints;
- (d) Section 132 of the Business Corporations Act as set out in the attached Articles of Reorganization.
Article 132 de la Loi sur les corporations commerciales de la façon indiquée dans les statuts de réorganisation ci-joints.

Deputy Director - Adjointe au
Directeur

June 30, 2020 - le 30 juin 2020

Date of Amendment - Date de modification

NEW BRUNSWICK
BUSINESS CORPORATIONS ACT
FORM 3
ARTICLES OF AMENDMENT
(SECTION 26, 116)

NOUVEAU-BRUNSWICK
LOI SUR LES CORPORATIONS COMMERCIALES
FORMULE 3
STATUTS DE MODIFICATION
(ARTICLE 26, 116)

1 - Name of Corporation - Raison sociale de la corporation

Hillspring Warehouse & Logistics Inc.

2 - Corporation No. - Numéro de la corporation

693206

3 - The articles of the above - mentioned corporation are amended as follows:

Les statuts de la corporation mentionnée ici sont modifiés comme suit :

The new name of the corporation is: - La nouvelle raison sociale de la corporation est :

693206 NB INC.

Date 2020-06-30	Signature Jeremy Brake	Description of Office - Description du bureau Director
FOR DEPARTMENT USE ONLY RÉSERVÉ À L'USAGE DU MINISTÈRE Corporation No. - No. de Corporation 693206 TN# 6308554		Filed - Déposé 2020-06-30



CANADA
PROVINCE OF NEW BRUNSWICK
BUSINESS CORPORATIONS ACT

CANADA
PROVINCE DU NOUVEAU-BRUNSWICK
LOI SUR LES CORPORATIONS
COMMERCIALES

CERTIFICATE OF AMENDMENT

CERTIFICAT DE MODIFICATION

693528 NB LTD.

Name of Corporation / Raison sociale de la corporation

693528

Corporation Number / Numéro de la corporation

I HEREBY CERTIFY that the Articles of the above-mentioned corporation were amended under the relevant section(s) of the Act, as applicable:

JE CERTIFIE que les statuts de la corporation mentionnée ci-dessus ont été modifiés en vertu des articles pertinents de la Loi, selon le cas :

- (a) Section 11 of the Business Corporations Act in accordance with the attached notice;
Article 11 de la Loi sur les corporations commerciales conformément à l'avis ci-joint;
- (b) Section 26 of the Business Corporations Act as set out in the attached Articles of Amendment designating a series of shares;
Article 26 de la Loi sur les corporations commerciales de la façon indiquée dans les statuts de modification ci-joints décrivant les actions d'une série;
- (c) Section 117 of the Business Corporations Act as set out in the attached Articles of Amendment;
Article 117 de la Loi sur les corporations commerciales de la façon indiquée dans les statuts de modification ci-joints;
- (d) Section 132 of the Business Corporations Act as set out in the attached Articles of Reorganization.
Article 132 de la Loi sur les corporations commerciales de la façon indiquée dans les statuts de réorganisation ci-joints.

Deputy Director - Adjointe au
Directeur

June 30, 2020 - le 30 juin 2020

Date of Amendment - Date de modification

NEW BRUNSWICK
BUSINESS CORPORATIONS ACT
FORM 3
ARTICLES OF AMENDMENT
(SECTION 26, 116)

NOUVEAU-BRUNSWICK
LOI SUR LES CORPORATIONS COMMERCIALES
FORMULE 3
STATUTS DE MODIFICATION
(ARTICLE 26, 116)

1 - Name of Corporation - Raison sociale de la corporation
HILLSPRING FARMS LTD.

2 - Corporation No. - Numéro de la corporation
693528

3 - The articles of the above - mentioned corporation are amended as follows:

Les statuts de la corporation mentionnée ici sont modifiés comme suit :

The new name of the corporation is: - La nouvelle raison sociale de la corporation est :

693528 NB LTD.

Date 2020-06-30	Signature Benjamin Brake	Description of Office - Description du bureau Director
FOR DEPARTMENT USE ONLY RÉSERVÉ À L'USAGE DU MINISTÈRE Corporation No. - No. de Corporation 693528 TN# 6308501		Filed - Déposé 2020-06-30

Appendix C

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: New Brunswick
Division No.: 02 - Fredericton
Court No.: 25075
Estate No.: 51-2654572

In the Matter of the Bankruptcy of:

Hillspring Farms Ltd.
Debtor

ERNST & YOUNG INC.
Licensed Insolvency Trustee
Ordinary Administration

Date and time of bankruptcy:	June 26, 2020, 15:24	Security:	\$0.00
Date of trustee appointment:	June 26, 2020		
Meeting of creditors:	July 16, 2020, 14:00 Via conference call 1871 Hollis Street, suite 500 Halifax, Nova Scotia Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: June 26, 2020, 16:22

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: New Brunswick
Division No.: 02 - Fredericton
Court No.: 25073
Estate No.: 51-2654565

In the Matter of the Bankruptcy of:

HSF Foods Ltd.
Debtor

ERNST & YOUNG INC.
Licensed Insolvency Trustee
Ordinary Administration

Date and time of bankruptcy:	June 26, 2020, 15:19	Security:	\$0.00
Date of trustee appointment:	June 26, 2020		
Meeting of creditors:	July 16, 2020, 13:00 Via conference call 1871 Hollis Street, Suite 500 Halifax, Nova Scotia Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: June 26, 2020, 14:45

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: New Brunswick
Division No.: 02 - Fredericton
Court No.: 25074
Estate No.: 51-2654571

In the Matter of the Bankruptcy of:
Hillspring Warehouse & Logistics Inc.
Debtor

ERNST & YOUNG INC.
Licensed Insolvency Trustee
Ordinary Administration

Date and time of bankruptcy:	June 26, 2020, 15:24	Security:	\$0.00
Date of trustee appointment:	June 26, 2020		
Meeting of creditors:	July 16, 2020, 15:00 Via Conference Call 1871 Hollis Street, Suite 500 Halifax, Nova Scotia Canada,		
Chair:	Trustee		

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: June 26, 2020, 15:46

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

Appendix D

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF SAINT JOHN
IN THE MATTER OF THE RECEIVERSHIP OF:

**HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC.**

-and-

**PURSUANT TO Section 33 of The *Judicature Act*,
R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New
Brunswick and Section 243 of the *Bankruptcy and
Insolvency Act*, R.S.C. 1985, c. B-3**

BETWEEN:

FARM CREDIT CANADA, a Federal Crown Corporation

-and-

**HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC., each a
New Brunswick Corporation**

APPLICANTS,

- and -

**HILLSPRING FARMS LTD., HSF FOODS LTD. and
HILLSPRING WAREHOUSE & LOGISTICS INC., each a
New Brunswick Corporation**

RESPONDENTS.

CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Darrell J. Stephenson of the New Brunswick Court of Queen's Bench (the "**Court**") dated June 26, 2020, Ernst & Young Inc. was appointed as the Receiver and Receiver Manager (the "**Receiver**") of all of the undertaking, property and assets of Hillspring Farms Ltd., HSF Foods Ltd., Hillspring Warehouse & Logistics Inc. (collectively, the "**Debtor**") save and except certain excluded Property.

B. Pursuant to an Order of the Court dated June 26, 2020, the Court approved the agreement of purchase and sale made as of June 11, 2020 (the "**Sale Agreement**") between

the Debtor, McCain Farms, a division of McCain Produce Inc. (the "**Purchaser**") and the other signatories to such agreement listed as related parties thereto, and provided for the vesting in the Purchaser of all 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 to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in article 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in article 6 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at 2:47pm on June 30, 2020.

ERNST & YOUNG INC., in its capacity as Receiver of the undertaking, property and assets of Debtor, and not in its personal capacity

Per: _____


Name: George Kinsman
Title: Senior Vice President

Appendix E

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.

BY E-MAIL

July 16, 2020

Ernst & Young Inc.
in its capacity as court-appointed
receiver and as trustee in bankruptcy of
Hillspring Farms Ltd. (“**Hillspring**”),
HSF Foods Ltd. (“**HSF**”), and
Hillspring Warehouse & Logistics Inc. (“**Logistics**”)
RBC Waterside Centre
1871 Hollis Street, Suite 500
Halifax, NS
B3J 0C3

To Ernst & Young Inc.:

Re: Hillspring, HSF, and Logistics Security Review

As the court-appointed receiver and trustee in bankruptcy of Hillspring, HSF, and Logistics (collectively, the “**Companies**”) you have asked us for our opinion in connection with certain personal property security granted to Business Development Bank of Canada (“**BDC**”) by the Companies in connection with certain of its respective loan, guarantee, and other obligations to BDC as set out in the documents described in **Schedule “A”** hereto (the “**Documents**”).

I. Scope of Review, Assumptions and Reliances

For the purposes of our opinions expressed below, we have only reviewed copies of the Documents. We have therefore assumed the authenticity of all the Documents submitted to us as originals and the conformity to originals of all copies of the Documents reviewed by us.

We have assumed, without any independent verification or inquiry:

- a. that each of the Documents constitutes a legal, valid and binding obligation of each party thereto, enforceable against such party in accordance with its terms;
- b. that the Documents have not been amended, modified, supplemented, terminated or waived in any respect or in any manner, whether in writing, orally or by conduct, by any of the parties thereto since the date thereof;

- c. that none of the security granted under the personal property security agreements identified in **Schedule "A"** in favour of BDC (collectively, the "**Security Agreement**") have been assigned, released, discharged or otherwise impaired, either in whole or in part.
- d. that the description of the collateral in the Security Agreement (the "**Collateral**") is sufficient to enable it to be identified for the purposes of subsection 10(1) of the Province of New Brunswick ("**NB**") *Personal Property Security Act* (the "**NBPPSA**");
- e. that each item of the Collateral exists, or in the case of after-acquired Collateral, will exist and that the Companies have or, in the case of after-acquired Collateral, will have, sufficient rights in each item for the security interests granted pursuant to the Security Agreement to attach;
- f. that none of the Collateral constitutes consumer goods within the meaning of the NBPPSA or is located in a jurisdiction outside of NB and not subject to the NBPPSA;
- g. that none of the Collateral was subject to the Asset Purchase Agreement between McCain Produce Inc. and the Companies dated as of June 11, 2020;
- h. that the chief executive office of each of the Companies is located in NB;
- i. that neither the Companies, nor BDC, have postponed or agreed to postpone the time for attachment with respect to any security interest granted under the Security Agreement;
- j. that there are no other documents, agreements or instruments which are relevant to, or would have a material impact on, the transactions described in or contemplated by the Documents;
- k. that the public records, filing systems and registries searched that generated the reports delivered to us by Cox & Palmer and examined by us in connection with this report were current (as of the dates noted therein), complete and accurate when examined;
- l. that the Companies are indebted to BDC and that such indebtedness has not been repaid in full; and
- m. that value has been given to the Companies by BDC.

The opinions expressed below are limited to the laws of NB and the federal laws of Canada applicable in that province ("**New Brunswick Law**"), and we express no opinion as to any laws, or any matters governed by any laws, other than New Brunswick Law. In particular, without limiting the generality of the immediately preceding sentence, no opinion is expressed with respect to the federal laws of Canada, including those applicable in the province of NB, the laws of any other jurisdiction to the extent such laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the security interests created by the Documents as a result of the application of NB conflict of laws rules, including, without limitation, the provisions of the NBPPSA. In addition, we

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express no opinion as to whether the New Brunswick Law governs the validity, perfection, effect of perfection or non-perfection or enforcement of such security interests.

We have limited our opinion to documents entered into by the Companies.

Also, we have limited our opinion to those Documents which are relevant to determining whether a valid and perfected security interest has been created under the NBPPSA in favour of BDC, namely the Security Agreement.

II. Opinion

Subject to the assumptions, reliances and qualifications contained herein and our comments below, we are of the opinion that:

1. NBPPSA - The security interests created under the Security Agreement in the right, title and interest of Hillspring (the “**Borrower**”), in and to the Collateral described in the applicable Security Agreement to which the NBPPSA applies has, to the extent capable of perfection by registration under the NBPPSA, been perfected. BDC has valid registrations with respect to the following serial numbered equipment:

<u>ITEM</u>	<u>SERIAL NUMBER</u>
1989 Kenworth C550	2NKJXATX5KM920855
2016 Spudnik 6621 Harvester	662155037
2018 Spudnik 6631 Harvester	66315552
2018 Spudnik 6631 Harvester	66315550
2016 LKWD Windrower	G01001
1986 Int Truck bulk body	1HTZVJUT1GHA58073
1998 International F-2674 SBA tractor	1HTGLATR9WH522791
1 Bin Piler 36” telescopic Bin Piler	CTEL36BF350118

III. Scope of Examination

We have not reviewed any of the corporate resolutions, by-laws or minute books of the Companies. For the purposes of our report herein, we have relied on the searches against the Companies under the statutes and at the offices of public record set out in the reports attached hereto as **Schedule “B”** that were conducted by Cox & Palmer and provided to us.

IV. Discussion

1. Registration

Section 3 of the NBPPSA provides that the NBPPSA applies to every transaction that in substance creates a security interest. Consequently, to the extent that the NBPPSA applies, registration under the

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NBPPSA, is sufficient to perfect the security interest of BDC in the collateral of the Companies. We have effected searches of the PPR and examined the results of those searches (the “PPR Search Results”), a summary of which is attached hereto as **Schedule “C”** with respect to each of the following names and serial numbers:

- i. HILLSPRING FARMS LTD.;
- ii. HSF Foods Ltd.;
- iii. Hillspring Warehouse & Logistics Inc;
- iv. 2NKJXATX5KM920855;
- v. 662155037;
- vi. 66315552;
- vii. 66315550;
- viii. G01001;
- ix. 1HTZVJUT1GHA58073;
- x. 1HTGLATR9WH522791; and
- xi. CTCL36BF350118.

In examining the PPR Search Results, we have assumed that all registrations have been validly made, duly authorized, executed and filed by the secured parties noted therein. For the purposes of our opinion expressed above, we have relied on the PPR Search Results. We have not verified the accuracy of the serial numbers used in any registrations as we have not inspected the equipment but for the purpose of this opinion have assumed that they are complete and accurate.

The PPR Search results disclose the following:

- i. **Hillspring:**

There are 4 creditors with a registered financing statement for general collateral and all present and after acquired personal property as against Hillspring in the following order:

- a. Farm Credit Canada (“FCC”): registration number 18038984, dated October 7, 2009, and expiring on October 7, 2038;

- b. Canadian Imperial Bank of Commerce (“CIBC”): registration number 18422535, dated February 15, 2010, and expiring on February 15, 2025; and
- c. BDC: registration number 30180814, dated February 14, 2018, and expiring February 14, 2038.
- d. NB Dept. of Post-Secondary Education, Training and Labour - (Employment Standards Branch): registration number 33817693, dated June 26, 2020, and expiring June 26, 2022.

In addition, the following creditors have registered financing statements in relation to specific items of personal property either by way of general description or against serial numbered goods (together with all present and after acquired attachments, accessories, and accessions thereto or similar description in certain cases):

- a. FCC;
 - b. DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.;
 - c. Caterpillar Financial Services Limited;
 - d. CIBC;
 - e. CNH Industrial Capital Canada Ltd.;
 - f. The Bank of Nova Scotia;
 - g. VALLEY EQUIPMENT LTD.;
 - h. Mercedes-Benz Financial Services Canada Corporation & Daimler Truck Financial;
 - i. McCain;
 - j. Liebherr-Canada Ltd.;
 - k. CWB National Leasing Inc; and
 - l. Oregon Potato Company.
- ii. HSF

There are 3 creditors with a registered financing statement for general collateral and all present and after acquired personal property as against HSF in the following order:

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- a. FCC: registration number 18039024, dated October 7, 2009, and expiring on October 7, 2024;
- b. CIBC: registration number 18422543, dated February 15, 2010, and expiring on February 15, 2035; and
- c. BDC: registration number 30507685, dated May 1, 2018, and expiring on May 1, 2038.

In addition, the following creditors have registered financing statements in relation to specific items of personal property either by way of general description or against serial numbered goods (together with all present and after acquired attachments, accessories, and accessions thereto or similar description in certain cases):

- a. FCC;
- b. CIBC;
- c. GE Canada Equipment Financing GP;
- d. The Bank of Nova Scotia - Atlantic CAU;
- e. JOHN DEERE FINANCIAL INC.;
- f. Bank of Montreal;
- g. DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.; and
- h. Oregon Potato Company.

iii. **Logistics:**

CIBC is the only creditor holding a registered financing statements for all present and after acquired personal property as against Logistics. In addition, there are no registrations as against specific equipment of Logistics.

iv. **2NKJXATX5KM920855:**

There are 2 creditors with a registered financing statement for this Serial Numbered Collateral, in the following order:

- a. BDC: registration number 30180814, dated February 14, 2018, and expiring on February 14, 2038 against Hillspring; and

- b. FCC: registration number 33416348, dated March 11, 2020, and expiring on March 11, 2025 against Hillspring and HSF.

v. **662155037:**

BDC is the only creditor holding a registered financing statement for this Serial Numbered Collateral as against Hillspring.

vi. **66315552:**

BDC is the only creditor holding a registered financing statements for this Serial Numbered Collateral as against Hillspring.

vii. **66315550:**

There are 2 creditors with a registered financing statement for this Serial Numbered Collateral, in the following order:

- a. BDC: registration number 30180814, dated February 14, 2018, and expiring on February 14, 2038 against Hillspring; and
- b. FCC: registration number 33416348, dated March 11, 2020, and expiring on March 11, 2025 against Hillspring and HSF.

viii. **G01001:**

There are 2 creditors with a registered financing statement for this Serial Numbered Collateral, in the following order:

- a. BDC: registration number 30180814, dated February 14, 2018, and expiring on February 14, 2038 against Hillspring; and
- b. FCC: registration number 33416348, dated March 11, 2020, and expiring on March 11, 2025 against Hillspring and HSF.

ix. **1HTZVJUT1GHA58073:**

There are 3 creditors with a registered financing statement for this Serial Numbered Collateral, in the following order:

- a. BANK OF MONTREAL: registration number 9349403, dated February 21, 2003, and expiring on February 21, 2023 against MINERAL FARMS LTD.

- b. BDC: registration number 30180814, dated February 14, 2018, and expiring on February 14, 2038 against Hillspring; and
 - c. FCC: registration number 33416348, dated March 11, 2020, and expiring on March 11, 2025 against Hillspring and HSF.
- x. **1HTGLATR9WH522791:**

There are 2 creditors with a registered financing statement for this Serial Numbered Collateral, in the following order:

- a. BDC: registration number 30180814, dated February 14, 2018, and expiring on February 14, 2038 against Hillspring; and
 - b. FCC: registration number 33416348, dated March 11, 2020, and expiring on March 11, 2025 against Hillspring and HSF.
- xi. **CTEL36BF350118:**

BDC is the only creditor holding a registered financing statements for this Serial Numbered Collateral as against Hillspring.

V. Qualifications

The foregoing report and opinions are subject to the qualifications, limitations and restrictions set out in **Schedule "D"** hereto.

Yours very truly,

BINGHAM LAW



Per: Karine Le Breton
KLB/

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SCHEDULE "A"

Documentation

1. Letter of Offer from BDC to Hillspring dated January 29, 2018 and accepted by Hillspring, as Borrower, and HSF and Benjamin Austin Brake, as Guarantors, on January 30, 2018.
2. Security Agreement (ALLPAP and specific personal property, including serial numbered goods) from Hillspring in favour of BDC dated February 13, 2018.
3. Guarantee provided by HSF to BDC dated February 13, 2018 to secure obligations of Hillspring.
4. Guarantee provided by Benjamin Austin Brake to BDC dated February 13, 2018 to secure obligations of Hillspring.
5. Letter of Offer from BDC to Hillspring dated October 16, 2018 and accepted by Hillspring, as Borrower, and HSF and Benjamin Austin Brake, as Guarantors, on October 8, 2018.
6. Guarantee provided by Benjamin Austin Brake to BDC dated October 26, 2018 to secure obligations of Hillspring.
7. Demand Letter from BDC to Hillspring dated March 12, 2020, enclosing Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.
8. Demand Letter from BDC to Benjamin Brake dated March 12, 2020.
9. Demand Letter from BDC to HSF dated March 12, 2020, enclosing Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

SCHEDULE "B"

Search Reports Reviewed

Name searched: Hillspring Farms Ltd.

1. New Brunswick Corporate Affairs Registry Database search with a currency date of June 15, 2020.
 - Results: **Results attached in Schedule B-1**
2. Security interests in the personal property of Hillspring registered under the PPSA (New Brunswick) with a currency date of July 9, 2020.
 - Results: **Results attached in Schedule B-2**
3. Bankruptcy and Insolvency Records Search, Government of Canada, with a currency date of June 12, 2020.
 - Results: **Results attached in Schedule B-3**
4. Bank Act Security - Section 427 Search, with a currency date of June 12, 2020.
 - Results: **Results attached in Schedule B-4**
5. Justice and Public Safety, Government of New Brunswick, New Brunswick Court Index Search, with a currency date of June 12, 2020.
 - Results: **Results attached in Schedule B-5**

Name searched: HSF Foods Ltd.

1. New Brunswick Corporate Affairs Registry Database search with a currency date of June 12, 2020.
 - Results: **Results attached in Schedule B-6**
2. Security interests in the personal property of HSF registered under the PPSA (New Brunswick) with a currency date of July 9, 2020.
 - Results: **Results attached in Schedule B-7**
3. Bankruptcy and Insolvency Records Search, Government of Canada, with a currency date of June 12, 2020.
 - Results: **Results attached in Schedule B-8**
4. Bank Act Security - Section 427 Search, with a currency date of June 12, 2020.
 - Results: **Results attached in Schedule B-9**

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5. Justice and Public Safety, Government of New Brunswick, New Brunswick Court Index Search, with a currency date of June 12, 2020.

➤ Results: **Results attached in Schedule B-10**

Name searched: Hillspring Warehouse & Logistics Inc.

1. New Brunswick Corporate Affairs Registry Database search with a currency date of June 12, 2020.

➤ Results: **Results attached in Schedule B-11**

2. Security interest in the personal property of Logistic registered under the PPSA (New Brunswick) with a currency date of July 10, 2020.

➤ Results: **Results attached in Schedule B-12**

3. Bankruptcy and Insolvency Records Search, Government of Canada, with a currency date of June 12, 2020.

➤ Results: **Results attached in Schedule B-13**

4. Bank Act Security - Section 427 Search, with a currency date of June 12, 2020.

➤ Results: **Results attached in Schedule B-14**

5. Justice and Public Safety, Government of New Brunswick, New Brunswick Court Index Search, with a currency date of June 12, 2020.

➤ Results: **Results attached in Schedule B-15**

Serial Number searched: 2NKJXATX5KM920855

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

➤ Results: **Results attached in Schedule B-16**

Serial Number searched: 662155037

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

➤ Results: **Results attached in Schedule B-17**

Serial Number searched: 66315552

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

- Results: Results attached in Schedule B-18

Serial Number searched: 66315550

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

- Results: Results attached in Schedule B-19

Serial Number searched: G01001

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

- Results: Results attached in Schedule B-20

Serial Number searched: 1HTZVJUT1GHA58073

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

- Results: Results attached in Schedule B-21

Serial Number searched: 1HTGLATR9WH522791

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

- Results: Results attached in Schedule B-22

Serial Number searched: CTCL36BF350118

1. Security interests in the Serial Numbered Collateral registered under the PPSA (New Brunswick) with a currency date of July 13, 2020.

- Results: Results attached in Schedule B-23

SCHEDULE "C"

PPR Search Results Summary

Hillspring PPSA Results Summary:

Secured Party	Debtor(s)	Collateral/Document Description (insert yes/no)		Registration Number and Date/Expiry Date
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	Yes	Original: 18038984 Date: 2009-10-07 Expiry Date: 2024-10-07 Renewal: 28484905 Date: 2017-01-30 Expiry Date: 2038-10-07 Amendment: 33854803 Date: 2020-07-06 Expiry Date: 2038-10-07
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	Yes	Original: 18459990 Date: 2010-02-25 Expiry Date: 2025-02-25 Renewal: 28484939 Date: 2017-01-30 Expiry Date: 2038-02-25 Amendment: 33854829 Date: 2020-07-06 Expiry Date: 2038-02-25
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	AllPAP	Yes	Original: 19726181 Date: 2011-02-02 Expiry Date: 2017-02-02 Amendment: 19851906 Date: 2011-03-16 Expiry Date: 2017-02-02 Renewal: 28230803 Date: 2016-11-17 Expiry Date: 2027-02-02
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	

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				Renewal: 28484988 Date: 2017-01-30 Expiry Date: 2038-02-02 Amendment: 33854324 Date: 2020-07-06 Expiry Date: 2038-02-02
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	No	Original: 21072632 Date: 2012-01-30 Expiry Date: 2018-01-30 Renewal: 29856002 Date: 2017-11-10 Expiry Date: 2028-01-30 Amendment: 33854837 Date: 2020-07-06 Expiry Date: 2028-01-30
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	Yes	Original: 21415591 Date: 2012-05-01 Expiry Date: 2018-05-01 Renewal: 28485027 Date: 2017-01-30 Expiry Date: 2038-05-01 Amendment: 33854852 Date: 2020-07-06 Expiry Date: 2038-05-01
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	Yes	Original: 21486550 Date: 2012-05-16 Expiry Date: 2017-05-16 Renewal: 28485084 Date: 2017-01-30 Expiry Date: 2038-05-16 Amendment: 33854886 Date: 2020-07-06
		Specific Property	No	
		Serial Numbered Goods	No	
		Other	No	

				Expiry Date: 2038-05-16
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	AllPAP	Yes	Original: 22028799 Date: 2012-09-26 Expiry Date: 2018-09-26 Renewal: 28485126 Date: 2017-01-30 Expiry Date: 2038-09-26 Amendment: 33812769 Date: 2020-06-26 Expiry Date: 2038-09-26 Amendment: 33854332 Date: 2020-07-06 Expiry Date: 2038-09-26
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	Yes	Original: 18422535 Date: 2010-02-15 Expiry Date: 2015-02-15 Amendment: 22186175 Date: 2012-11-07 Expiry Date: 2015-02-15 Renewal: 25290099 Date: 2014-12-18 Expiry Date: 2020-02-15 Renewal: 33116922 Date: 2019-12-17 Expiry Date: 2025-02-15 Amendment: 33854969 Date: 2020-07-06 Expiry Date: 2025-02-15
		Specific Property	No	
		Serial Numbered Goods	No	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	No	Original: 23764160 Date: 2013-11-19 Expiry Date: 2019-11-19 Renewal: 32654303
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	

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				Date: 2019-08-29 Expiry Date: 2029-11-19 Amendment: 33854910 Date: 2020-07-06 Expiry Date: 2029-11-19
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	AllPAP	No	Original: 23823685 Date: 2013-12-05 Expiry Date: 2019-12-05 Renewal: 32712119 Date: 2019-09-12 Expiry Date: 2029-12-05 Amendment: 33854340 Date: 2020-07-06 Expiry Date: 2029-12-05
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	AllPAP	Yes	Original: 24950651 Date: 2014-09-23 Expiry Date: 2020-09-23 Renewal: 28485175 Date: 2017-01-30 Expiry Date: 2038-09-23 Amendment: 33854357 Date: 2020-07-06 Expiry Date: 2038-09-23
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
De Lage Landen Financial Services Canada Inc.	Hillspring Farms Ltd.	AllPAP	No	Original: 25264698 Date: 2014-12-11 Expiry Date: 2020-12-11
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	Yes	Original: 25772195 Date: 2015-05-04 Expiry Date: 2022-05-04 Renewal: 28485191 Date: 2017-01-30 Expiry Date: 2038-05-04
		Specific Property	No	
		Serial Numbered Goods	No	
		Other	No	

				Amendment: 33854928 Date: 2020-07-06 Expiry Date: 2038-05-04
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	No	Original: 25823063 Date: 2015-05-13 Expiry Date: 2022-05-13
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	Amendment: 33854936 Date: 2020-07-06 Expiry Date: 2022-05-13
Caterpillar Financial Services Limited	Hillspring Farms Ltd.	AllPAP	No	Original: 27216118 Date: 2016-04-07 Expiry Date: 2022-04-07
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	No	Original: 28369296 Date: 2016-12-22 Expiry Date: 2021-12-22
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	Amendment: 33479304 Date: 2020-03-30 Expiry Date: 2021-12-22 Amendment: 33483934 Date: 2020-04-01 Expiry Date: 2021-12-22 Amendment: 33854977 Date: 2020-07-06 Expiry Date: 2021-12-22
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28411270 Date: 2017-01-06 Expiry Date: 2022-01-06
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	Amendment: 28415651 Date: 2017-01-09 Expiry Date: 2022-01-06
		AllPAP	No	Original: 28427102

Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	Specific Property	Yes	Date: 2017-01-12 Expiry Date: 2022-01-12 Amendment: 33483959 Date: 2020-04-01 Expiry Date: 2022-01-12 Amendment: 33855008 Date: 2020-04-01 Expiry Date: 2022-01-12
		Serial Numbered Goods	Yes	
		Other	No	
Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	No	Original: 28853836 Date: 2017-05-01 Expiry Date: 2022-05-01 Amendment: 33479320 Date: 2020-03-30 Expiry Date: 2022-05-01 Amendment: 33855032 Date: 2020-03-30 Expiry Date: 2022-05-01
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	No	Original: 28854032 Date: 2017-05-01 Expiry Date: 2022-05-01 Amendment: 33855073 Date: 2020-07-06 Expiry Date: 2022-05-01
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	No	Original: 29026663 Date: 2017-06-05 Expiry Date: 2022-06-05 Amendment: 33484007 Date: 2020-04-01 Expiry Date: 2022-06-05 Amendment: 33855099 Date: 2020-07-06 Expiry Date: 2022-06-05
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	

Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	No	Original: 29376399 Date: 2017-08-16 Expiry Date: 2022-08-16 Amendment: 33484031 Date: 2020-04-01 Expiry Date: 2022-08-16 Amendment: 33855115 Date: 2020-07-06 Expiry Date: 2022-08-16
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Canadian Imperial Bank of Commerce	Hillspring Farms Ltd.	AllPAP	No	Original: 30053326 Date: 2018-01-08 Expiry Date: 2023-01-08 Amendment: 33484106 Date: 2020-04-01 Expiry Date: 2023-01-08 Amendment: 33855131 Date: 2020-07-06 Expiry Date: 2023-01-08
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Business Development Bank of Canada	Hillspring Farms Ltd.	AllPAP	Yes	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
	Hillspring Farms Ltd.	AllPAP	Yes	Original: 30507743 Date: 2018-05-01
		Specific Property	No	

Business Development Bank of Canada		Serial Numbered Goods	No	Expiry Date: 2038-05-01
		Other	No	Amendment: 33855289 Date: 2020-07-06 Expiry Date: 2038-05-01
The Bank of Nova Scotia	Hillspring Farms Ltd. and Jeremy Benjamin Brake	AllPAP	No	Original: 31000425 Date: 2018-08-03 Expiry Date: 2026-08-03
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
The Bank of Nova Scotia	Hillspring Farms Ltd. and Jeremy Benjamin Brake	AllPAP	No	Original: 31168016 Date: 2018-09-12 Expiry Date: 2024-09-12
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Valley Equipment Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 32172751 Date: 2019-05-22 Expiry Date: 2023-05-22
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Valley Equipment Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 32521858 Date: 2019-08-01 Expiry Date: 2024-08-01
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Mercedes-Benz Financial Services Canada Corporation Daimler Truck Financial	Hillspring Farms Ltd.	AllPAP	No	Original: 32668774 Date: 2019-09-03 Expiry Date: 2024-09-03 Discharge: 33737024 Date: 2020-06-11 Expiry Date: 2024-09-03
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Valley Equipment Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 32862666 Date: 2019-10-16 Expiry Date: 2024-10-16
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
McCain Produce Inc.	Hillspring Farms Ltd.	AllPAP	No	Original: 33022658 Date: 2019-11-22
		Specific Property	Yes	

		Serial Numbered Goods	No	Expiry Date: 2021-11-22
		Other	No	
Farm Credit Canada	Hillspring Farms Ltd.	AllPAP	No	Original: 33365701
		Specific Property	Yes	Date: 2020-02-27
		Serial Numbered Goods	No	Expiry Date: 2022-02-27
		Other	No	Amendment: 33854951 Date: 2020-07-06 Expiry Date: 2022-02-27
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	AllPAP	No	Original: 33416348
		Specific Property	No	Date: 2020-03-11
		Serial Numbered Goods	Yes	Expiry Date: 2025-03-11
		Other	No	Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11
NB Dept. of Post-Secondary Education, Training and Labour- (Employment Standards Branch)	Hillspring Farms Ltd.	AllPAP	Yes	Original: 33817693
		Specific Property	No	Date: 2020-06-26
		Serial Numbered Goods	No	Expiry Date: 2022-06-26
		Other	No	* Court Information: Amount 28461.07
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 25429275
		Specific Property	No	Date: 2015-02-04
		Serial Numbered Goods	Yes	Expiry Date: 2020-02-04
		Other	No	Renewal: 33200791 Date: 2020-01-13 Expiry Date: 2021-02-04
		AllPAP	No	Original: 27322718

CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	Specific Property	No	Date: 2016-05-02 Expiry Date: 2021-05-02
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 27617653 Date: 2016-07-04 Expiry Date: 2021-07-04
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 27731249 Date: 2016-07-21 Expiry Date: 2021-07-21
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28415438 Date: 2017-01-09 Expiry Date: 2022-01-09
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28415446 Date: 2017-01-09 Expiry Date: 2020-01-09 Renewal: 33126145 Date: 2019-12-18 Expiry Date: 2021-01-09
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28518538 Date: 2017-02-08 Expiry Date: 2022-02-08
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28722965 Date: 2017-04-03 Expiry Date: 2022-04-03
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28722973 Date: 2017-04-03 Expiry Date: 2022-04-03
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	

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CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 28722981 Date: 2017-04-03 Expiry Date: 2022-04-03
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 29110590 Date: 2017-06-21 Expiry Date: 2021-06-21
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 29244050 Date: 2017-07-19 Expiry Date: 2022-07-19
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 29337516 Date: 2017-08-08 Expiry Date: 2022-08-08
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 29653391 Date: 2017-10-06 Expiry Date: 2021-10-06
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Liebherr-Canada Inc.	Hillspring Farms Ltd.	AllPAP	No	Original: 30249130 Date: 2018-03-02 Expiry Date: 2021-03-02
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	Yes	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 30383996 Date: 2018-04-05 Expiry Date: 2022-04-05
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Liebherr-Canada Inc.	Hillspring Farms Ltd.	AllPAP	No	Original: 30574123 Date: 2018-05-14 Expiry Date: 2021-05-14
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	Yes	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 31415128 Date: 2018-11-07
		Specific Property	No	

		Serial Numbered Goods	Yes	Expiry Date: 2023-11-07
		Other	No	
CNH Industrial Capital Canada Ltd.	Hillspring Farms Ltd.	AllPAP	No	Original: 31599707 Date: 2018-12-31 Expiry Date: 2023-12-31
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
Liebherr-Canada Inc.	Hillspring Farms Ltd.	AllPAP	No	Original: 32064289 Date: 2019-04-29 Expiry Date: 2022-04-29
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	Yes	
CWB National Leasing Inc.	Hillspring Farms Ltd.	AllPAP	No	Original: 32881047 Date: 2019-10-21 Expiry Date: 2026-10-21
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	

HSF PPSA Results Summary:

Secured Party	Debtor(s)	Collateral/Document Description (insert yes/no)		Registration Number and Date/Expiry Date
Farm Credit Canada Oregon Potato Company	HSF Foods Ltd.	AllPAP	Yes	Original: 18039024 Date: 2009-10-07 Expiry Date: 2024-10-07 Amendment: 33739590 Date: 2020-06-11 Expiry Date: 2014-10-07 Amendment: 33812918 Date: 2020-06-26 Expiry Date: 2024-10-07 Amendment: 33854076 Date: 2020-07-06 Expiry Date: 2024-10-07
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Canadian Imperial Bank of Commerce	HSF Foods Ltd.	AllPAP	Yes	Original: 18422543 Date: 2010-02-15
		Specific Property	Yes	

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Oregon Potato Company		Serial Numbered Goods	No	Expiry Date: 2015-02-15
		Other	No	Renewal: 25297300 Date: 2014-12-19 Expiry Date: 2020-02-15 Renewal: 33116914 Date: 2019-12-17 Expiry Date: 2025-02-15 Renewal: 33142746 Date: 2019-12-23 Expiry Date: 2035-02-15 Amendment: 33806498 Date: 2020-06-25 Expiry Date: 2035-02-15 Amendment: 33853912 Date: 2020-07-06 Expiry Date: 2035-02-15
Farm Credit Canada	HSF Foods Ltd.	AllPAP	Yes	Original: 18460253 Date: 2010-02-25 Expiry Date: 2025-02-25
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	Amendment: 33854217 Date: 2020-07-06 Expiry Date: 2025-02-25
Farm Credit Canada	HSF Foods Ltd. and Hillspring Farms Ltd.	AllPAP	Yes	Original: 19726181 Date: 2011-02-02 Expiry Date: 2017-02-02
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	Amendment: 19851906 Date: 2011-03-16 Expiry Date: 2017-02-02 Renewal: 28230803 Date: 2016-11-17 Expiry Date: 2027-02-02 Renewal: 28484988

				Date: 2017-01-30 Expiry Date: 2038-02-02 Amendment: 33854324 Date: 2020-07-06 Expiry Date: 2038-02-02
Farm Credit Canada Oregon Potato Company	HSF Foods Ltd. and Hillspring Farms Ltd.	AllPAP	Yes	Original: 22028799 Date: 2012-09-26 Expiry Date: 2018-09-26 Renewal: 28485126 Date: 2017-01-30 Expiry Date: 2038-09-26 Amendment 33812769 Date: 2020-06-26 Expiry Date: 2038-09-26 Amendment: 33854332 Date: 2020-07-06 Expiry Date: 2038-09-26
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Farm Credit Canada	HSF Foods Ltd. and Hillspring Farms Ltd.	AllPAP	No	Original: 23823685 Date: 2013-12-05 Expiry Date: 2019-12-05 Renewal: 32712119 Date: 2019-09-12 Expiry Date: 2029-12-05 Amendment: 33854340 Date: 2020-07-06 Expiry Date: 2029-12-05
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
Canadian Imperial Bank of Commerce	HSF Foods Ltd.	AllPAP	No	Original: 23842842 Date: 2013-12-11 Expiry Date: 2018-12-11 Renewal: 31304926 Date: 2018-10-12 Expiry Date: 2023-12-11
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	

				Amendment: 33853938 Date: 2020-07-06 Expiry Date: 2023-12-11
GE Canada Equipment Financing G.P.	HSF Foods Ltd.	AllPAP	No	Original: 24752230 Date: 2014-08-06 Expiry Date: 2020-08-06
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	Yes	
Farm Credit Canada	HSF Foods Ltd. and Hillspring Farms Ltd.	AllPAP	Yes	Original: 24950651 Date: 2014-09-23 Expiry Date: 2020-09-23 Renewal: 28485175 Date: 2017-01-30 Expiry Date: 2038-09-23 Amendment: 33854357 Date: 2020-07-06 Expiry Date: 2038-09-23
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
Farm Credit Canada	HSF Foods Ltd.	AllPAP	Yes	Original: 25772203 Date: 2015-05-04 Expiry Date: 2022-05-04 Amendment: 33854365 Date: 2020-07-06 Expiry Date: 2022-05-04
		Specific Property	No	
		Serial Numbered Goods	No	
		Other	No	
Farm Credit Canada	HSF Foods Ltd.	AllPAP	No	Original: 25835406 Date: 2015-05-15 Expiry Date: 2022-05-15 Amendment: 33854381 Date: 2020-07-06 Expiry Date: 2022-05-15
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Bank of Nova Scotia - Atlantic CAU	HSF Foods Ltd.	AllPAP	No	Original: 26278564 Date: 2015-08-15 Expiry Date: 2020-08-15
		Specific Property	No	
		Serial Numbered Goods	Yes	
		Other	No	
	HSF Foods Ltd.	AllPAP	No	Original: 28504777

John Deere Financial Inc.		Specific Property	Yes	Date: 2017-02-03 Expiry Date: 2022-02-03
		Serial Numbered Goods	Yes	
		Other	No	
Business Development Bank of Canada	HSF Foods Ltd.	AllPAP	Yes	Original: 30507685 Date: 2018-05-01 Expiry Date: 2038-05-01
		Specific Property	No	
		Serial Numbered Goods	No	
		Other	No	Amendment: 33855206 Date: 2020-07-06 Expiry Date: 2038-05-01
Bank of Montreal	HSF Foods Ltd.	AllPAP	No	Original: 30854186 Date: 2018-07-05 Expiry Date: 2023-07-05
		Specific Property	No	
		Serial Numbered Goods	No	
		Other	Yes*	Discharge: 33874645 Date: 2020-07-09 Expiry Date: 2023-07-05 *Security interest in accounts receivable and transferred payment obligations
The Bank of Nova Scotia	HSF Foods Ltd.	AllPAP	No	Original: 31098403 Date: 2018-08-27 Expiry Date: 2023-08-27
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
De Lage Landen Financial Services Canada Inc.	HSF Foods Ltd.	AllPAP	No	Original: 31214133 Date: 2018-09-21 Expiry: 2023-09-21
		Specific Property	Yes	
		Serial Numbered Goods	No	
		Other	No	
The Bank of Nova Scotia	HSF Foods Ltd.	AllPAP	No	Original: 31803596 Date: 2019-02-28 Expiry Date: 2024-02-28
		Specific Property	Yes	
		Serial Numbered Goods	Yes	
		Other	No	
Farm Credit Canada	HSF Foods Ltd.	AllPAP	No	Original: 33365651 Date: 2020-02-27
		Specific Property	Yes	

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		Serial Numbered Goods	No	Expiry Date: 2022-02-27
		Other	No	Amendment: 33854514 Date: 2020-07-06 Expiry Date: 2022-02-27
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	AllPAP	No	Original: 33416348 Date: 2020-03-11 Expiry Date: 2025-03-11
		Specific Property	No	
		Serial Numbered Goods	Yes	Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11
		Other	No	

Logistics PPSA Results Summary:

Secured Party	Debtor(s)	Collateral/Document Description (insert yes/no)		Registration Number and Date/Expiry Date
Canadian Imperial Bank of Commerce	Hillspring Warehouse & Logistics Inc.	AllPAP	Yes	Original: 30030902 Date: 2017-12-29 Expiry Date: 2022-12-29
		Specific Property	No	
		Serial Numbered Goods	No	Amendment: 33853854 Date: 2020-07-06 Expiry Date: 2022-12-29
		Other	No	

Serial Number: 2NKJXATX5KM920855 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
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Business Development Bank of Canada	Hillspring Farms Ltd.	1989 Kenworth C550	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
Farm Credit Canada	Hillspring Farms Ltd. And HSF Foods Ltd.	Kenworth C550	Original: 33416348 Date: 2020-03-11 Expiry Date: 2025-03-11 Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11

Serial Number: 662155037 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
Business Development Bank of Canada	Hillspring Farms Ltd.	2016 Spudnik 6621 Harvester	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975

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			Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
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Serial Number: 66315552 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
Business Development Bank of Canada	Hillspring Farms Ltd.	2018 Spudnik 6631 Harvester	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14

Serial Number: 66315550 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
Business Development Bank of Canada	Hillspring Farms Ltd.	2018 Spudnik 6631 Harvester	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14

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			Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	Spudnik 3 Row Harvester	Original: 33416348 Date: 2020-03-11 Expiry Date: 2025-03-11 Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11

Serial Number: G01001 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
Business Development Bank of Canada	Hillspring Farms Ltd.	2016 LKWD Windrower	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054

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			Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	Lockwood 4 Row Windrower	Original: 33416348 Date: 2020-03-11 Expiry Date: 2025-03-11 Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11

Serial Number: 1HTZVJUT1GHA58073 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
BANK OF MONTREAL	MINERAL FARMS LTD.	1989 INTERNATIONAL TRUCK 1989 INTERNATIONAL	Original: 9349403 Date: 2003-02-21 Expiry Date: 2008-02-21 Amendment: 13846043 Date: 2006-07-28 Expiry Date: 2008-02-21 Amendment: 14096655 Date: 2006-10-04 Expiry Date: 2008-02-21 Renewal: 15847460 Date: 2008-02-15

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			Expiry Date: 2013-02-21 Renewal: 22529333 Date: 2013-01-15 Expiry Date: 2018-02-21 Renewal: 30146658 Date: 2018-02-02 Expiry Date: 2023-02-21
Business Development Bank of Canada	Hillspring Farms Ltd.	1986 Int Truck bulk body	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	International F-2674	Original: 33416348 Date: 2020-03-11 Expiry Date: 2025-03-11 Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11

Serial Number: 1HTGLATR9WH522791 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
Business Development Bank of Canada	Hillspring Farms Ltd.	1998 International F-2674 SBA tractor	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
Farm Credit Canada	Hillspring Farms Ltd. and HSF Foods Ltd.	International F-2674	Original: 33416348 Date: 2020-03-11 Expiry Date: 2025-03-11 Amendment: 33578709 Date: 2020-05-06 Expiry Date: 2025-03-11 Amendment: 33739129 Date: 2020-06-11 Expiry Date: 2025-03-11 Amendment: 33854761 Date: 2020-07-06 Expiry Date: 2025-03-11

Serial Number: CTCL36BF350118 PPSA Results Summary:

Secured Party	Debtor(s)	Serial Numbered Collateral Description	Registration Number and Date/Expiry Date
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Business Development Bank of Canada	Hillspring Farms Ltd.	1 Bin Piler 36" telescopic Bin Piler	Original: 30180814 Date: 2018-02-14 Expiry Date: 2033-02-14 Renewal: 31158975 Date: 2018-09-11 Expiry Date: 2038-02-14 Amendment: 31438054 Date: 2018-11-14 Expiry Date: 2038-02-14 Amendment: 33855248 Date: 2020-07-06 Expiry Date: 2038-02-14
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SCHEDULE "D"

Qualifications

1. our opinion is subject to the effect of bankruptcy, insolvency and other laws affecting the rights of creditors generally;
2. our opinion is subject to the power of a court to grant relief against penalties and forfeitures;
3. no opinion is expressed as to whether it may be necessary, in connection with the enforcement of the remedies provided in the Security Agreements, for BDC, or any agent on behalf of BDC, or any person proposing to acquire, own or operate all or any part of the Collateral, to obtain any licence, franchise, permit, consent, approval, registration or other authorization or exemption;
4. we express no opinion as to the Companies' leases of real property or in property which is a fixture or a right to payment under a lease, or charge of real property or insurance proceeds in respect of rents;
5. no opinion is expressed as to whether any of the Security Agreements complies with Part VII of the *Financial Administration Act* (Canada) in respect of any assignment of Crown debts (as defined in such Act) and no steps have been taken to provide the notices or obtain the acknowledgements provided for in Part VII of that Act. An assignment of Crown debts not complying with that Act is ineffective as between assignor and assignee and as against the Crown and therefore BDC would not have a valid security interest in Crown debts unless that Act is complied with;
6. we express no opinion as to the creation, validity, enforceability or perfection of any security interest:
 - i. insofar as any Collateral consists of a receivable, licence, approval, right, privilege, franchise, permit, quota, lease or agreement which by its terms or under applicable laws, or any other property which by its nature, cannot be the subject of the security granted under any of the Security Agreements or cannot be assigned without a consent, approval or other notice, authorization or registration which has not been obtained, made or given, except to the extent that subsection 41(10) of the NBPPSA renders unenforceable against third parties any such requirement for consent, and
 - ii. permits, quotas or licences which are held by or issued to the Companies;
7. in respect of certain Collateral, third parties may obtain priority over the security granted under any of the Security Agreements, if BDC's security in such Collateral has not been perfected by control or possession;

8. the opinion expressed above is limited to the NBPPSA and therefore our opinion does not address the laws of NB except for the NBPPSA and collateral of a type subject to the NBPPSA;
9. we express no opinion as to the security interest granted under the Security Agreements with respect to any property of the Companies that is transformed in such a way that it is not identifiable or traceable or any proceeds of property of the Companies that are not identifiable or traceable;
10. to the extent that the Collateral consists of building materials that have become affixed to real property or rights to payment under a lease, mortgage or charge of real property to which the NBPPSA applies, the security interests of BDC created by the Security Agreements will no longer exist unless they created a security interest in the Companies' real property and notice thereof in the prescribed form is registered in the land registry office or under the land registry statute;
11. any assignment of debts, accounts, agreements or rights contained in the Security Agreements may be subject to the equities between the parties to such debts, accounts, agreements or rights, including set off, or any requirement to give notice to or obtain consents from the other parties thereto;
12. no opinion is given as to whether the Companies have title to, or any rights in, the Collateral or the rank or priority of any pledge, hypothec, security interest or charge created by, or purported to be created by, any of the Security Agreements including without limitation, the effect of any floating charge created therein;
13. to the extent that the Collateral includes patents, trademarks, copyrights, industrial designs or other intellectual property, or certain other property governed by special statutes, registration under the NBPPSA may not be effective to fully preserve, perfect or protect the security interests constituted thereby. The security interest in such property may be subject to the interest of a third party who registers a transfer or assignment of a trade mark, patent, copyright or industrial design of the Companies or of an interest therein, pursuant to the applicable federal statute governing such property, unless the interest of BDC has been registered, filed or recorded pursuant to such statute prior to the registration made by such third party. To fully protect a security interest in such Collateral, further steps may be required or advisable under the appropriate statutes. We have not conducted searches under federal statutes. In particular, we have not conducted searches:
 - i. under the *Patent Act* (Canada), the *Trade-Marks Act* (Canada), the *Industrial Designs Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Copyright Act* (Canada) or the *Plant Breeders' Rights Act* (Canada),
 - ii. under the *Canada Shipping Act* in respect of any vessel which is registered or recorded under that Act, or

- iii. under the *Canada Transportation Act* in respect of any rolling stock to which the provisions of either of those Acts may apply.

Appendix F

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.

CAMERON

INDUSTRIAL INC.

AUCTIONEERS & APPRAISERS

"Atlantic Canada's Premier Auctioneers"

583 - 105 Hwy Maugerville N.B. E3A 8L5 Phone (506) 458-5679 Email- auctionc@rogers.com

April 13, 2020

Business Development Bank
Special Accounts
Moncton, N.B.

Mr. Patrick Caissie
c.c. Ms Brigitte Dupuis

"Hillspring Farms Ltd" -Account 136375
Monquart, N.B.

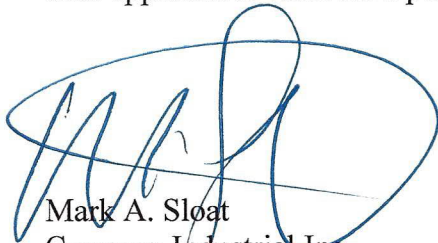
The following is an appraisal of assets re: the subject heading. A breakdown of individual and or group lots are contained in attached schedule "A".

LOW.....\$
HIGH.....\$
AVERAGE.....\$

Our appraisals are determined from the sale of similar commodities at **auction** where possible. Vintage, cosmetic as well as current economic conditions have been considered

These results should be anticipated at a professionally conducted public auction prior to auction fees and commissions.

This appraisal is valid for a period of sixty days.



Mark A. Sloat
Cameron Industrial Inc
Auctioneers & Appraisers

*This appraisal is prepared for and may be relied upon solely by the party for whom these documents were prepared for and paid by. Reliance on such information by third parties shall be at their own risk and we assume no responsibility or liability for any such reliance. No person may copy, reproduce, distribute, or alter these documents in whole or in part without written permission from Cameron Industrial Inc.

SCHEDULE "A"

April 13,2020

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Hillspring Farms Ltd-Account #136375

Monquart, N.B.

<u>DESCRIPTION</u>	<u>LOW</u>	<u>HIGH</u>
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1. R.C.O. 36" telescopic bin piler

s/n - CTEL36BF350118, serial #plate is missing (identified by the owner)

located at Tarrtown Rd. Monquart, N.B., marked unit #2

2. 2016 Spudnik 6621 AirSep two row potato harvester

s/n - 6621-55-037

located at Tarrtown Rd. Monquart, N.B.

3. 2018 Spudnik 6631 AirSep 3 row potato harvester

s/n - 6631-55-50

"Field Ready", one new set of infeed chains to be installed

located at HJV Equipment-GrandFalls, N.B. (dealer)

4. 2018 Spudnik 6631 AirSep 3 row potato harvester

s/n - 6631-55-52

"Field Ready", one new set of infeed chains to be installed

located at HJV Equipment-Grand falls, N.B. (dealer)

5. 2016 Lockwood 554 (W21) 4 row windrower

s/n G01001

located at Tarrtown Rd, Monquart, N.B.

6. 3 - Lockwood 673AH potato harvesters

Sold back to Lockwood-2017

7. 1998 International F2674 SBA tractor only

s/n - 1HTGLATR9WH522791, Unit #63

Harvey Farm - Glassville, N.B.

Not found - day of visit

estimate only

SCHEDULE "A"

April 13,2020

Page 2 of 2

Hillspring Farms Ltd-Account #136375

Monquart, N.B.

<u>DESCRIPTION</u>	<u>LOW</u>	<u>HIGH</u>
8. 1989 Kenworth C550 truck s/n - 2NKJXATX5KM920855	Not found-reported to be locked in the warehouse building Centerville, N.B. New Owners-McCains have the only access	
9. 1986 International truck w/ bulk body s/n - 1HTZVJUT1GHA58073 -Unit #62 Harvey Farm - Glassville N.B. **estimated value only Not found day of visit		

Appendix G

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.

AGREEMENT (the "Agreement")

This Agreement, dated as of July 24 2020, is by and among the Estate of 693528 NB LTD.. formerly Hillspring Farms Ltd. ("**Hillspring**"), HSF Foods Ltd. ("**HSF**") and 693206 NB INC, formerly Hillspring Warehouse & Logistics Inc. (collectively, the "**Vendor**") as represented by Ernst & Young Inc., as court appointed receiver and receiver manager ("**Receiver**") over certain equipment of the Vendor including the equipment listed in Schedule "A" hereto (the "**Purchased Assets**") and McCain Farms, a division of McCain Produce Inc. (the "**Purchaser**").

WHEREAS:

- A. the Receiver was appointed by Order of the Honourable Justice Stephenson of the Court of Queen's Bench of New Brunswick (the "**Court**") made June 26, 2020 (the "**Appointment Order**");
- B. the Purchaser had reached an agreement prior to the Appointment Order (the "**BDC Agreement**") with Business Development Bank of Canada ("**BDC**") for the sale of the Purchased Assets to the Purchaser for the sum of [REDACTED] plus harmonized sales tax of [REDACTED] for a total of [REDACTED] (the "**Purchase Price**");
- C. the Purchaser required BDC to obtain a vesting order in relation to the Purchased Assets but it failed to do so;
- D. the Purchaser requested that the Vendor complete the sale of the Purchased Assets on the same terms as the BDC Agreement and that the Receiver seek approval of the Court of the sale of the Purchased Assets (the "**Transaction**") in the form of an approval and vesting order;
- E. BDC has consented to the Vendor completing the Transaction;
- F. the Receiver, subject to approval of the Court, has agreed to cause the Vendor to agree to complete the Transaction on the same terms as the BDC Agreement as set out herein and the Receiver will seek approval of the Transaction from the Court;

NOW THEREFORE WITNESS THAT in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the Vendor hereby bargains, sells, assigns, transfers, conveys and sets over the Purchased Assets to the Purchaser as hereinafter provided:

1. Adoption

The Vendor hereby agrees to complete the Transaction on receiving the approval of the Transaction by the Court. The Receiver shall bring a motion for the issuance of an approval and vesting order (the "**Vesting Order**") substantially in the form and substance as the approval and vesting order issued concurrently with the Appointment Order.

2. **Representation**

The Receiver represents and warrants to the Purchaser that: i) the Receiver since its appointment as Receiver has taken no action to encumber the Purchased Assets; and ii) any interest or charge of the Receiver pursuant to the Appointment Order in the Purchased Assets shall be released on closing of the Transaction.

3. **Purchaser Acknowledgment**

The Purchaser hereby acknowledges and confirms that:

- a. the Purchased Assets are being sold on an "as is, where is" basis as of the date of closing of the Transaction and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, merchantability, quantity, health, conditions or quality thereof or as to permitted uses or compliance with any laws or with provincial or other governmental laws and/or regulations of or respecting the Purchased Assets or any part or parts thereof in respect of any other matter or thing whatsoever. It shall be the Purchaser's sole responsibility to obtain, at its own risk, cost and expense, any further documents or assurances which are necessary or desirable in the circumstances including, without limitation, any necessary licenses, leases, authorizations, permits and permissions to utilize the Purchased Assets for any purpose whatsoever;
- b. the Transaction shall be concluded only after issuance of the Vesting Order and the only items required to be delivered by the Vendor to complete the Transaction is a certified copy of the Vesting Order together with a certificate from the Receiver as contemplated therein;
- c. this Agreement constitutes the entire agreement between the parties along with any attached schedules and/or exhibits and supersedes all prior and contemporaneous agreements, understandings and discussions, whether oral or written, including the BDC Agreement, and there are no warranties or representations between the parties except as expressly provided in this Agreement; and
- d. the Receiver acts in its capacity as such, and shall have no personal or corporate liability hereunder, from the Transaction contemplated hereby or as a result of seeking approval of the Court or any action or other matter associated with the issuance thereof.

4. **Governing Law**

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of New Brunswick and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

5. **Enurement**

This Agreement shall enure to the benefit of and be binding on the parties and their respective successors and assigns.

6. **Headings, Extended Meanings**

The headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof and are not to be considered in the interpretation hereof. In this Agreement, words importing the singular include the plural and vice versa; words importing the masculine gender include the feminine and vice versa; and words importing persons include firms or corporations and vice versa.

7. **Survival**

The provisions of this Agreement shall survive the closing of the Transaction.

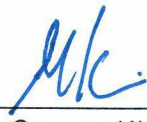
8. **Counterparts**

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts and facsimiles (or other electronic deliveries) shall together constitute one and the same agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF the parties has executed this Agreement as of the date first above written.

THE ESTATES OF 693528 NB LTD. HSF
FOODS LTD. AND 693206 NB INC, AS
REPRESENTED BY ERNST & YOUNG INC.
AS COURT APPOINTED RECEIVER AND
NOT IN ANY OTHER CAPACITY

by 
Name: George Kinsman
Title: Senior Vice-President

ERNST & YOUNG INC. AS COURT
APPOINTED RECEIVER AND NOT IN ANY
OTHER CAPACITY

by 
Name: George Kinsman
Title: Senior Vice-President

MCCAIN FARMS, a division of MCCAIN
PRODUCE INC.

by _____
Name: Stephen McCain
Title: Managing Director

IN WITNESS WHEREOF the parties has executed this Agreement as of the date first above written.

**THE ESTATES OF 693528 NB LTD. HSF
FOODS LTD. AND 693206 NB INC, AS
REPRESENTED BY ERNST & YOUNG
INC. AS COURT APPOINTED RECEIVER
AND NOT IN ANY OTHER CAPACITY**

by _____
Name: George Kinsman
Title: Senior Vice-President

**ERNST & YOUNG INC. AS COURT
APPOINTED RECEIVER AND NOT IN
ANY OTHER CAPACITY**

by _____
Name: George Kinsman
Title: Senior Vice-President

**MCCAIN FARMS, a division of MCCAIN
PRODUCE INC.**

by Stephen McCain
Name: Stephen McCain
Title: Managing Director

SCHEDULE A

Purchased Assets

Item No.	Item	Item Category	Serial Number
1.	Kenworth C550	Trucks	2NKJXATX5KM920855
2.	Spudnik 2 Row Harvester	Equipment	662155037 / 66215537
3.	Spudnik 3 Row Harvester	Equipment	66315552 / 66315532
4.	Spudnik 3 Row Harvester	Equipment	66315550
5.	2016 LKWD Model 554 Windrower / Hillspring	Equipment	G01001
6.	International F-2674	Trucks	1HTZVJUT1GHA58073
7.	International F-2674	Trucks	1HTGLATR9WH522791
8.	1 Bin Piler 36" telescopic Bin Piler	Equipment	CTEL36BF350118

Appendix H

TO REPORT

of Ernst & Young Inc. as receiver and receiver manager of HSF Foods Ltd., Hillspring Farms Ltd. and Hillspring Warehouse & Logistics Inc.

1849 Route 640, Hanwell Rd
Fredericton NB
E3C 2A7



Office: 506.454.4400
Toll-free: 877.499.4400
Fax: 506.450.3288

AUCTION CONTRACT
BETWEEN

Jardine Auctioneers Inc ("the auctioneer")
1849 Route 640, Hanwell Road
Fredericton NB, Canada E3C 2A7
John Jardine, President

&

Ernst & Young Inc
"acting in its capacity as receiver for
FCC (Farm Credit Canada)"
RBC Waterside Centre
1871 Hollis Street, Suite 500
Halifax, Nova Scotia B3J 0C3
Att: George Kinsman CPA, CA, CIRP, LIT
Partner | Turnaround & Restructuring
Strategy

1. The Auction will be held on Friday, August 21, 2020 beginning at 9:00am A.S.T.
2. All the assets will be sold unreserved to the highest bidder.
3. The consignor guarantees that there are no liens or encumbrances on any of the auction assets and guarantee clear title to the buyer.
4. The auctioneer will be responsible for all advertising costs associated with the auction as set out in the proposal.
5. The auctioneer will move the assets to the auctioneers facility and charge the expense to the consignor as set out in the auction proposal.
6. The agreed upon commission rate due to the auctioneer will be 5% (five percent) of the hammer price.
7. The consignor agrees to all terms and conditions set out in the auction proposal.
8. The auctioneer will provide an unaudited spreadsheet of results 2 (two) business days following the auction sale.
9. The auctioneer will provide an audited spreadsheet 7 (seven) days following the auction sale date that includes commission & transportation deductions that will represent the amount due to the consignor. Upon acceptance of this document, the auctioneer will wire transfer the proceeds as directed by the consignor.
10. The auction will proceed via a simulcast on line and live auction open to all members of the public and on line buyers.

AGREEMENT DATE: JULY 7, 2020

X _____
JOHN JARDINE, PRESIDENT
I have the authority to bind this agreement

X _____
GEORGE KINSMAN, PARTNER
acting in capacity as receiver for FCC