

Island Excavators (1985) Ltd.

Invitation for Offers – Real Property
January 23, 2015



TITLE AND DISCLAIMER

NOTICE TO READER

The purpose of this Invitation for Offers (the “Invitation”) is to provide a description of the real property (together, as the “assets”) owned by Island Excavators (1985) Ltd. (the “Company”). On the 10th day of November, 2014, PricewaterhouseCoopers Inc. (“PwCI”) became the Receiver (the “Receiver”) in respect of certain assets of the Company. PwCI invites offers for the purchase of the assets contained herein. The sale of the assets will be in PwCI’s capacity as Receiver and the Vendor will be PwCI in that capacity.

The information contained herein is based upon information provided by the Company and is intended solely for use by prospective purchasers of the assets described herein.

This Invitation is not all-inclusive and does not contain all of the information that a prospective purchaser of the Company may require. While the Receiver has used reasonable best efforts to ensure that the information contained herein is accurate and reliable, the Receiver does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of such information or any other written or oral communication by the Company, PwCI, or any of the Company’s other advisors or agents. Prospective purchasers should, in accordance with the procedures set forth under the “Sales Process” in Appendix A of this Invitation, conduct their own investigation and analysis and form their own judgment of the data and assets described.

The Receiver, at its sole discretion, reserves the right at any time to withdraw any or all of the assets from the solicitation, terminate this solicitation or alter, add or waive terms and conditions as it deems appropriate.

Dated at Halifax, Nova Scotia this 23rd day of January, 2015.

**PricewaterhouseCoopers Inc.
Receiver of Island Excavators (1985) Ltd.**

A handwritten signature in black ink, appearing to read 'D. Boyd', is written over a horizontal line.

David Boyd, CA, CIRP
Senior Vice President

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ASSETS FOR SALE

Background

The Company operated from its facilities located in the Municipality of Crapaud in Queens County in the central portion of Prince Edward Island. The Company owns seven parcels of land and improvements. The parcels are located through the following communities: Crapaud, Westmoreland, and Springton.

List of Real Property for Sale

The real property being tendered are as described below.

Parcel #	PID	Location	Description	Acres
1A	1007152	Crapaud	Entrance to Office Building/Main Shop	0.31
1B	624437	Crapaud	Office Building	3.67
1C	437228	Crapaud	Main Shop	2.3
1D	798801	Crapaud	Main Shop	0.45
2	455253	Westmoreland	Land	48.0
3	765479	Westmoreland	Land	12.5
4	294058	Springton	Land	16.43

Parcels Overview

Parcels 1A through 1D represent the operating area of the Company and were used as a heavy equipment repair facility, storage, and head office for the business. These PID's are being tendered as one parcel.

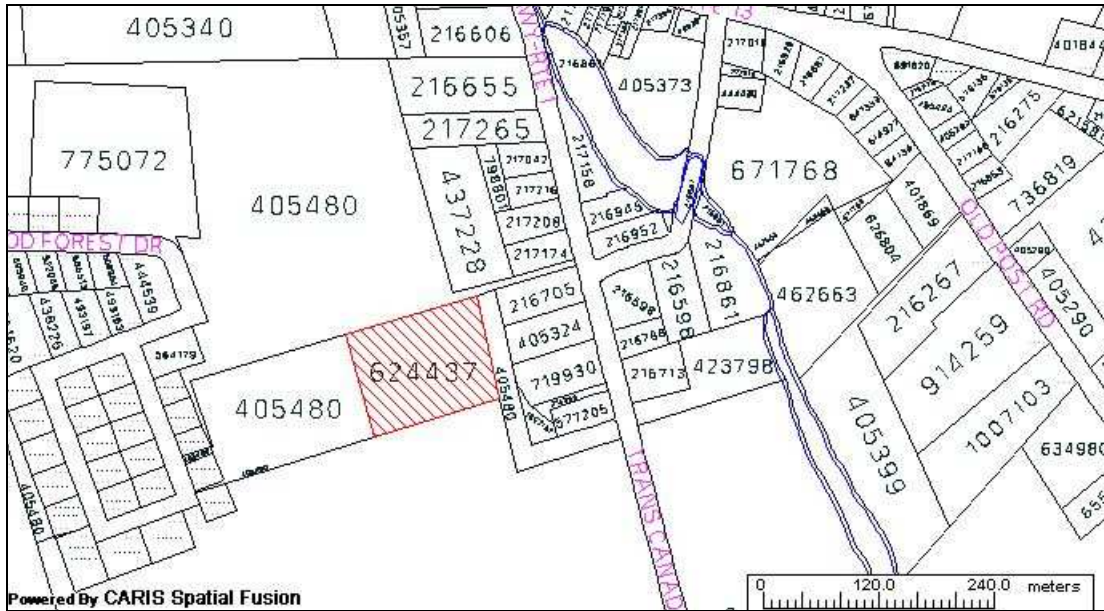
Parcels 2 through 4 represent land owned by the Company and were often used as storage of materials inventory (shale, island riprap, asphalt, etc.). These PID's are being tendered as separate parcels.

Parcel #1A (PID 1007152) – Entrance to Office Building/Main Shop



Mapped Acreage: 0.31 acres

Parcel #1B (PID 624437) – Office Building



Mapped Acreage: 3.67 acres

(Building details on the next page)

Building Details:

Item	Description
Age	Approximate 16 years
Size	Main level – 802 square feet Lower level – 744 square feet
Foundation	Poured concrete
Floors	Main level – hard surface Lower level – concrete/carpet
Exterior Walls	Vinyl siding
Windows	Vinyl windows
Roof	Asphalt
Electrical	100 amp subpanel
Heating	Oil fired boiler
Plumbing	Washroom

Parcel #1C (437228) – Main Shop



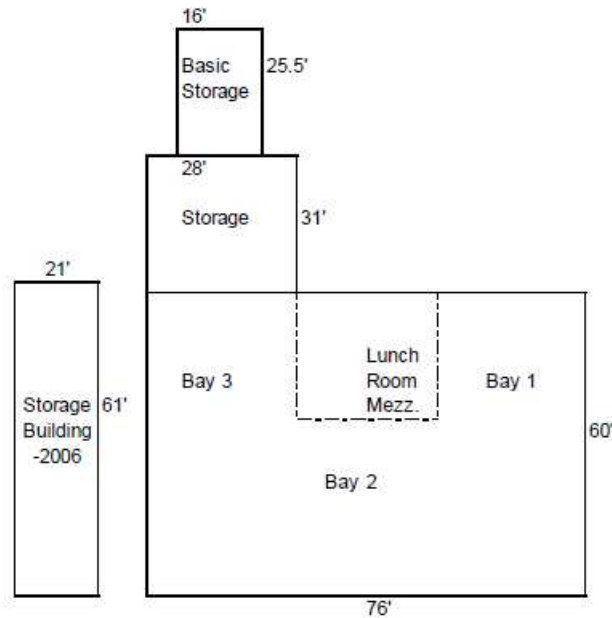
Mapped Acreage: 2.3 acres

(Building details on the next page)

Building Details:

Item	Description
Age	Shop building approximately 45 years Raised in 1994 to accommodate 20' centre ceiling height
	Storage building built in 2006

Site Map (not to scale)



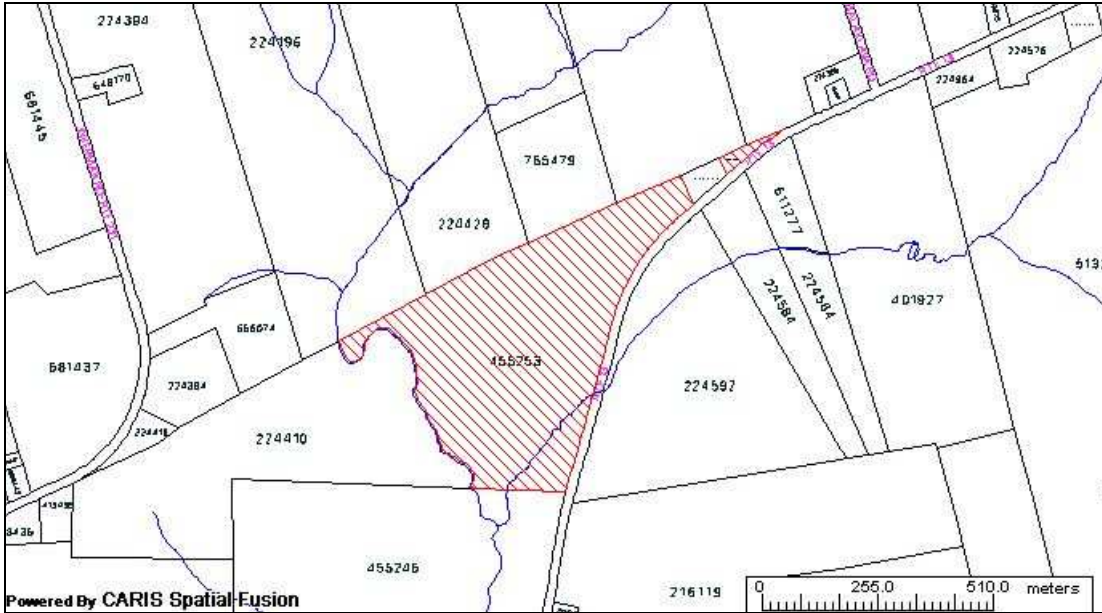
Number of Stories	One with minor mezzanine space
Size	Main shop – 6,236 square feet Storage building – 1,260 square feet
Foundation	Poured concrete
Floors	Poured concrete
Structure	Wood and steel framing / older storage areas are timber and rough lumber framing Shop has reinforced mezzanine section
Exterior Walls	Vertical metal siding for the most part with the exception of a back storage section which has wood shingle exterior
Windows/Doors	Wood sash Three 14' overhead metal doors plus wooden dutch doors in fabrication and detached shop areas
Roof	Low slope with steel covering
Electrical	200 amp, single-phase service
Heating	Main shop – waste oil burner Lunch room – electric hot water 135 litre tank
Plumbing	Minimal

Parcel #1D (798801) – Main Shop



Mapped Acreage: 0.45 acres

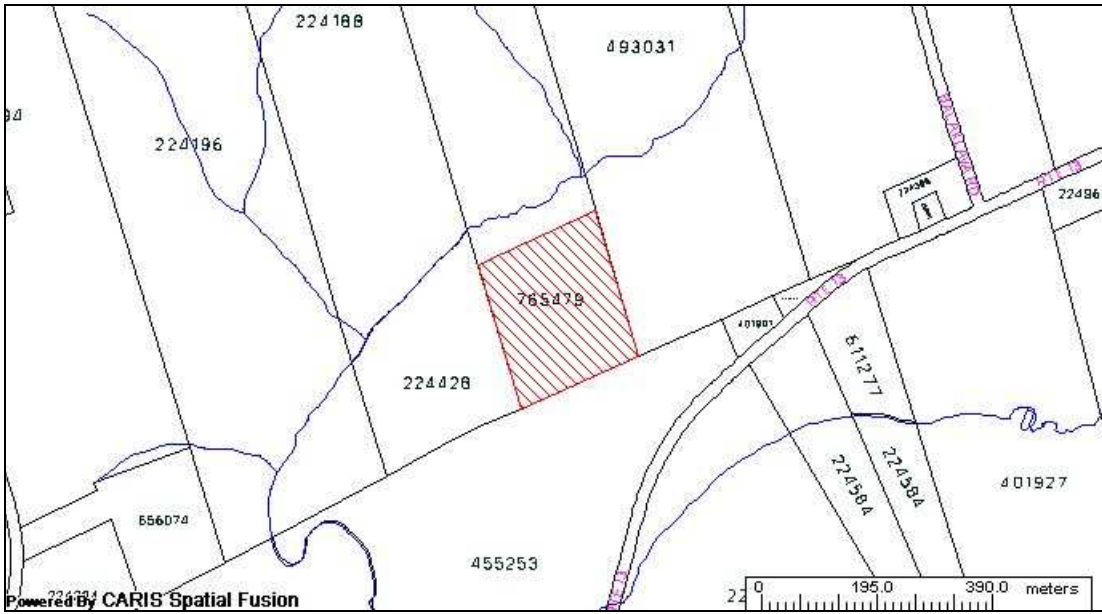
Parcel #2 (455253) – Westmoreland



Mapped Acreage: 48.0 acres

Located north of Route 13

Parcel #3 (765479) – Westmoreland



Mapped Acreage: 12.5 acres

Located north of Route 13

Parcel #4 (294058) – Springton



Mapped Acreage: 16.43 acres

Located south of Route 225

APPENDIX A – SALE PROCESS

Sale Process

PwCI intends to make the Invitation available to all interested parties. Prospective purchasers are invited to submit an offer for the purchase of the assets as described within this Invitation.

The Sale Process will be managed in accordance with the following procedures established by PwCI. PwCI retains the right at any time to terminate or alter the Sale Process without compensation to any party.

Offers to Purchase

Following the review of the Invitation, prospective purchasers are asked to submit a binding offer to purchase in the form attached in Appendix C to the Halifax office of PwCI at the address noted on the form of offer on or before **4:00pm AST, Friday, February 27, 2015**. This binding offer to purchase should include the following details:

- The purchase price, based on the attached Terms & Conditions;
- A certified cheque or bank draft for 15% of the purchase price;
- The names of the legal counsel retained by the prospective purchaser in connection with the proposed transaction.

PwCI will review the offers to purchase and select the final acquirer(s). PwCI does not have to accept the highest or any offer. PwCI intends to select the offer considered to be most favourable in terms of meeting the Receiver's objectives.

Prospective purchasers may obtain a more detailed description of the assets and viewing arrangements of the assets by contacting Paul Pettigrew at 902-491-7412, by email at paul.l.pettigrew@ca.pwc.com or by writing to the address below:

PricewaterhouseCoopers Inc.
Receiver of Island Excavators (1985) Ltd.
1601 Lower Water Street, Suite 400
Halifax, NS B3J 3P6

APPENDIX B – TERMS AND CONDITIONS OF SALE

PRICEWATERHOUSECOOPERS INC.

RECEIVER OF ISLAND EXCAVATORS (1985) LTD.

TERMS AND CONDITIONS OF SALE

1. The Vendor is PricewaterhouseCoopers Inc., in its capacity as Receiver of Island Excavators (1985) Ltd. (“Vendor” or “Receiver”) and not in its personal capacity.
2. The assets being offered for Sale, pursuant to these Terms and Conditions of Sale, consist of the Vendor’s interest in the assets as described in the Invitation for Offers to purchase assets and property description (the “Assets”).
3. Offers marked “Offer – Island Excavators (1985) Ltd.” addressed to PricewaterhouseCoopers Inc., 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia B3J 3P6, must be received by PricewaterhouseCoopers Inc. no later than 4:00 pm AST, Friday, February 27, 2015.
4. Each offer must be accompanied by a certified cheque or bank draft payable to “PricewaterhouseCoopers Inc. - In Trust”, for an amount equal to 15% of the purchase price. If an offer is accepted and approved, the cheque or bank draft shall be deemed a cash deposit and the balance of the purchase price shall be paid to the Vendor, at the times and on the terms and conditions herein set out. The purchaser hereby agrees that the deposit constitutes a genuine pre-estimate of damages and that the deposit will be forfeited as liquidated damages by the purchaser to the Vendor if the offer is withdrawn at any time before notification of the acceptance of the successful offer has been given. Otherwise, the deposit shall be returned to the purchaser if the offer is not accepted; if the offer is accepted, the deposit will be dealt with in accordance with the Terms and Conditions of Sale.
5. All offers shall be submitted on the required Form of Offer, which is attached to these Terms and Conditions of Sale. The Vendor may reject offers that are not on the required Form of Offer.
6. Offers may be submitted for (a) separate parcels or (b) a bulk purchase of all parcels. The Receiver reserves the right to sell individual parcels, groups of parcels or as a bulk sale of all parcels.
7. In consideration of the Vendor making available these Terms and Conditions of Sale, other information and the opportunity of inspection and/or in consideration of the Vendor receiving offers, each prospective Purchaser agrees that its offer is

irrevocable and cannot be retracted, withdrawn, varied or countermanded prior to acceptance or rejection thereof.

8. In the event that some of the offers submitted are substantially for the same terms and/or amounts, the Vendor may in its sole discretion call upon those prospective purchasers to submit further offers. In the event no offers are accepted by the Vendor with respect to any parcel(s), the Vendor shall have the right to negotiate for the sale of any or all such parcels with any person including any person who has previously submitted an offer for the subject Assets.
9. The Vendor, at its discretion, may waive or vary any or all of the Terms and Conditions of Sale or its advertisement, or withdraw this Invitation for Offers.
10. The highest or any offer shall not necessarily be accepted.
11. If the Vendor accepts any offer, then such acceptance shall be communicated to the successful prospective Purchaser within ten (10) business days of the date fixed for the closing of offers. Such notice may be by telephone, email, facsimile or other means of recorded telecommunications or by registered mail or delivery. Notice of acceptance shall be deemed effectively given when so delivered, telephoned or sent by facsimile or other means of recorded telecommunication or on date of deposit in a post office if mailed by registered mail, as the case may be. Upon such acceptance, there shall be an Agreement of Purchase and Sale between the Vendor and the Purchaser on the terms contained herein and the offer, these Terms and Conditions of Sale, and the acceptance shall be sufficient evidence of such Agreement.
12. Certified cheques and bank drafts accompanying offers that are not accepted by the Vendor will be returned, without interest, to the address given in the offer within ten (10) business days of the date fixed for the closing of offers.
13. The balance of the purchase price shall be paid to the Receiver by cash, wire transfer or bank draft upon closing, which closing shall occur within thirty (30) days after acceptance of offers by the Receiver.
14. Upon closing of the sale contemplated by the Agreement of Purchase and Sale, the Purchaser shall be entitled, upon receipt by the Vendor of the Purchase Price, only to such Deeds, Bills of Sale or Assignments as may be considered necessary by the Vendor to convey the Assets to the Purchaser or the Assignee of the Purchaser provided that the Purchaser shall remain liable under the Agreement of Purchase and Sale, notwithstanding any assignment thereof by the Purchaser. Any such Deeds, Bills of Sale or Assignments shall contain only a conveyance of the Vendor's interest in the Assets and shall not contain any warranty or covenant other than a covenant that the Vendor has done no act to encumber the Assets.
15. In addition to the Purchase Price for the Assets being purchased, the Purchaser shall pay to the Vendor on the Closing Date all applicable federal, provincial and

other taxes unless all necessary Certificates to exempt the Purchaser there from are provided to the Vendor on or before the Closing Date. The Purchaser shall arrange its own insurance and there shall be no adjustment for insurance. The Purchaser shall be responsible for all costs with respect to the obtaining of all Federal, Provincial, civic and other licenses necessary to carry on a business.

16. Real Property Taxes will be the responsibility of the Vendor and will be adjusted on the Closing Date so that clear title is passed to the Purchaser.
17. The obligation of the Vendor to sell, and the Purchaser to purchase, the Assets shall, at the option of the Vendor terminate in the event that, prior to the Closing Date of the sale the Assets are substantially destroyed by fire, flood, the elements, Government action, or civil commotion or any other external cause beyond the control of the Vendor. Such option to terminate by the Vendor shall be exercised by giving notice in writing to the Purchaser that it intends to take the proceeds, if any, payable under any existing insurance policies and terminate the Agreement of Purchase and Sale. In such an event, the Agreement of Purchase and Sale shall automatically terminate and be deemed null and void and the deposit money shall be returned to the Purchaser without interest, cost, and compensation or deduction and no party shall be liable to another for any costs or damages whatsoever. If the Vendor does not exercise such option, the Purchaser, at his option may perform the Agreement of Purchase and Sale, such option to be exercised in writing, within seven (7) business days after notice to the Purchaser that the Vendor does not intend to exercise its option to terminate. In such event, the Purchaser shall be entitled only to an assignment of any proceeds payable under the existing insurance policies and transfer of any remaining Assets in full settlement of the Vendor's obligations to repair or replace the damaged assets and in full satisfaction of this Agreement of Purchase and Sale. If the Purchaser does not exercise his option, the Agreement of Purchase and Sale shall be automatically terminated and deemed null and void and the deposit money shall be refunded to the Purchaser without interest, costs, compensation or deduction and neither party shall be liable to the other for any costs or damages whatsoever.
18. The Purchaser shall not have any right of possession of the Assets until the Closing Date and completion of the Agreement of Purchase and Sale. Title to the Assets shall not pass to the Purchaser, nor shall the Purchaser be entitled to possession of same, until the purchase price and all other payments to be made by the Purchaser pursuant to the Agreement of Purchase and Sale have been paid in full.
19. If, on or before closing, it is found that there are title defects with respect to any of the Assets being offered for sale which the Purchaser has not agreed to waive or assume in addition to, or as part of his offer, and which the Vendor is not willing to discharge, then, subject to the Vendor's consent, the offer may be reduced to exclude any such parcel and to reduce the offer by the amount of the value of that parcel as set out in the Offer or the Vendor at its own option may rescind the agreement to sell the assets in question and the Purchaser shall be entitled solely to

the return of the cash deposit without interest and without any other compensation of any kind or nature whatsoever for any loss, damages or other costs.

20. If the Purchaser fails to comply with these Terms and Conditions of Sale, the deposit shall be forfeited to the Vendor on account of liquidated damages and the Assets may be resold by the Vendor in such manner and on such terms as the Vendor in its sole discretion determines and the Purchaser shall pay to the Vendor (i) an amount equal to the amount, if any, by which the Purchase Price under the Agreement of Purchase and Sale exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Agreement of Purchase and Sale.
21. By submitting an offer, the Purchaser acknowledges that it has inspected the Assets and that the Assets are sold on an "as is, where is" basis at the time of closing and that no representation, warranty or condition is expressed or implied as to title, description, environmental conditions, fitness for purpose, merchantability, quantity, condition, cost, or quality thereof or in respect of any other matter or thing whatsoever. Without limitation the Assets are specifically offered as they exist on closing and with no adjustments to be allowed the Purchaser for changes in conditions, qualities or quantities of the Assets from the date hereof to the Closing Date except as specifically provided for in the Terms and Conditions of Sale. Each Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting, of the Assets.
22. PricewaterhouseCoopers Inc. acts in its capacity as Receiver as aforesaid and shall have no personal or corporate liability hereunder or from any Agreement of Purchase and Sale or as a result of any sale contemplated hereby.
23. The Terms and Conditions contained herein shall not merge on closing, but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.
24. In the event that disruption occurs with respect to the Canadian or other postal service, all notices contemplated by these Terms and Conditions of Sale may be forwarded by telegram or facsimile.
25. The validity and interpretation of these Terms and Conditions of Sale, and of each provision and part thereof, and of any Agreement of Purchase and Sale defined herein, shall be governed by the laws of Prince Edward Island and the Courts of the Province of Prince Edward Island shall have exclusive jurisdiction with respect to any disputes arising out of these Terms and Conditions of Sale or any Agreement of Purchase and Sale entered into pursuant to these Terms and Conditions of Sale.
26. If there is any conflict between these conditions and the advertised Invitation for Offers to Purchase Assets, the terms contained in these Terms and Conditions of Sale shall prevail.

27. The submission of an offer by a resident of the Province of Quebec will be deemed to constitute a declaration and acknowledgement by such resident that it has requested these terms and conditions of Sale, the Form of Offer referred to herein and all other documentation relating to its offer and the acceptance thereof to be drawn up in the English language.
28. The Agreement of Purchase and Sale entered into pursuant to these Terms and Conditions of Sale shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors and assigns.
29. All stipulations as to time are strictly of the essence.

PricewaterhouseCoopers Inc.
Receiver of Island Excavators (1985) Ltd.
1601 Lower Water Street, Suite 400
Halifax, Nova Scotia B3J 3P6

APPENDIX C – FORM OF OFFER

RECEIVER'S INTEREST IN CERTAIN ASSETS OF ISLAND EXCAVATORS (1985) LTD.

TO: PRICEWATERHOUSECOOPERS INC.,
Receiver of Island Excavators (1985) Ltd.
1601 Lower Water Street, Suite 400
Halifax, Nova Scotia, B3J 3P6
Attention: David Boyd, CA-CIRP

(Name of Purchaser) _____

(Address of Purchaser _____
- include Postal Code)

(Telephone Number of Purchaser) _____

TERMS & CONDITIONS

1. I, we, hereby submit this offer for **one or more** of the following parcel(s).

The amount shown for each parcel will be considered a separate offer. Parcels 1A to 1D are considered one parcel.

Parcel #	PID	Description	Offer
1A	1007152	Entrance	
1B	624437	Office Building	
1C	437228	Main Shop	
1D	798801	Main Shop	
2	455253	Westmoreland Land	
3	765479	Westmoreland Land	
4	294058	Springton Land	
Total Offer			

2. I, we, hereby submit this offer for the **bulk purchase** of the following parcels:

A bulk offer must indicate the value attributed to each parcel included in the bulk offer. Please make reasonable allocations based on your best knowledge of the value and conditions of the assets.

Parcel #	PID	Description	Value Attributed
1A	1007152	Entrance	
1B	624437	Office Building	
1C	437228	Main Shop	
1D	798801	Main Shop	
2	455253	Westmoreland Land	
3	765479	Westmoreland Land	
4	294058	Springton Land	
Total Offer for Bulk Purchase			

3. The amount of the offer is exclusive of Harmonized and Goods and Services Tax which shall be payable by the purchaser, where applicable, on assets purchased.
4. Enclosed is the Purchaser's certified cheque payable to PricewaterhouseCoopers Inc., In Trust in the amount of \$_____ representing 15% of the total amount of the offer.
5. It is acknowledged that this offer is subject to the Terms and Conditions of Sale issued by the Vendor.

DATED AT _____, this ____ day of _____ 2015.
(City or Town) (day) (month)

(Print name of Purchaser) _____

Per: _____
AUTHORIZED SIGNING OFFICER

For the information of the Vendor, the attached indicate our proposed counsel for purposes of this transaction (if none identified as yet, please so indicate):

Counsel name

Telephone number

Counsel firm name