Dear [Redacted: s.40(1)]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FA/025/2016]

On September 28, 2016, the Department of Fisheries, Forestry and Agrifoods received your request for access to the following records/information:

"It is my understanding that the Provincial Government loaned a company in Roddickton $8 million dollars to operate a pellet plant. It is my further understanding that in addition to that, the Provincial Government agreed to pay the company's insurance premiums. I would like to be provided with the details regarding this arrangement, including confirmation on the date and amount loaned, insurance premiums paid, current status of the pellet plant operation and whether any of the monies have been repaid and whether or not the government is continuing to pay the insurance premiums."

I am pleased to inform you that a decision has been made by the Deputy Minister for the Department of Fisheries, Forestry and Agrifoods to provide access to some of the requested information. Access to some of the information contained within the records has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

40 Disclosure harmful to personal privacy

(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

The majority of the information requested is provided in the attached documents. The questions not covered in the attached documents are answered below:

Q: Current status of the pellet plant operation?
A: The Pellet plant is currently idle.

Q: Whether any of the monies have been repaid?

A: No money has been repaid to date.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible.

The Access to Information and Protection of Privacy Act requires us to provide an advisory response within 10 days of receiving the request. As this request has been completed prior to day 10, this letter also serves as our Advisory Response.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at http://www.atipp.gov.nl.ca/info/index.html.

Petten Building
P.O. Box 8700, St. John's, NL, A1B 4J6
If you have any further questions, please feel free to contact me by telephone at 709-729-5726 or by e-mail at rodhillyard@gov.nl.ca.

Sincerely,

Rod Hillyard
ATIPP Coordinator
CONTRIBUTION AGREEMENT

BETWEEN: HOLSON FOREST PRODUCTS LIMITED, having offices at Post Office Box 299, Roddickton, Newfoundland and Labrador, A0K 4P0

(“HFP”)

AND: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR, as represented by the Minister of Natural Resources

(“Minister”)

WHEREAS, HFP owns and operates an integrated sawmill in Roddickton, NL and has proposed to modernize its sawmill, construct a wood pelletizing facility and operate a wood inventory yard as outlined in a proposal submitted under the Forest Industry Diversification Fund;

AND WHEREAS, the Minister is interested in maintaining a competitive and sustainable forest industry in Newfoundland and Labrador and has accepted HFP’s proposal for funding under the Forestry Industry Diversification Fund (FIDF);

AND WHEREAS, the Minister has committed support in the form of financial assistance under the Forestry Industry Diversification Fund (FIDF) to HFP for: (i) the establishment of an inventory of wood fiber including sawmill chips; (ii) the acquisition of technical services in relation to the construction of a pellet plant and the retention of a project manager and a pellet plant manager.

NOW THEREFORE in consideration of the mutual covenants set out herein, and as amended, the parties agree as follows:

Definitions:

1. The following terms used in this Agreement hereto, shall have the meaning set out below:

   “Energy Wood” means all woody stems other than sawlogs and would be limited to pulpwood of all softwood species except pine.

   “Wood Yard” means a Regional wood inventory yard that shall be constructed and managed by HFP through a separate agreement with the Nordic Economic Development Corporation for the purpose of storing feedstock for the proposed wood pelletizing facility as well as sawlogs for the proposed modernized sawmill.

   “Project” means: (i) the establishment of an inventory of wood fiber including sawmill chips; and (ii) the acquisition of technical services in
relation to the construction of a pellet plant and the retention of a project manager and a pellet plant manager.

"Work" means activities or tasks performed in relation to the Project.

Contribution Amount, Payment and Reporting

2. Subject to the terms and conditions of this Agreement, the Minister will contribute to the Work performed in relation to this Agreement as follows: (i) up to a maximum of one million five hundred thousand ($1,500,000) for the establishment of an inventory of wood fiber including sawmill chips; and (ii) up to a maximum of five hundred thousand ($500,000) for the acquisition of technical services in relation to; the construction of a pellet plant and sawmill modernization; the retention of a project manager and; hiring of a pellet plant manager.

3. The Minister’s contribution under clause 2 of this Agreement will be disbursed as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Funding Amount</th>
<th>Project Component</th>
<th>Time of disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$1.0M</td>
<td>Working capital for wood purchase, delivery and handling, and project manager.</td>
<td>Signing of Agreement</td>
</tr>
<tr>
<td></td>
<td>$0.2M</td>
<td>Project manager and pellet plant manager.</td>
<td>Upon request with supporting invoices</td>
</tr>
<tr>
<td>2010-11</td>
<td>$0.7M</td>
<td>Wood purchase and delivery, project manager, pellet plant manager, and technical support</td>
<td>Upon request with supporting invoices</td>
</tr>
<tr>
<td>2011-12</td>
<td>$0.1M</td>
<td>Pellet plant manager and technical support.</td>
<td>Upon request with supporting invoices</td>
</tr>
</tbody>
</table>

4. HFP shall:

4.1 Purchase and deliver all wood fiber from harvesting contractors in districts 17 and 18 in accordance with Appendix A attached hereto before April 1, 2010 and additional wood fiber thereafter as agreed upon by the parties.

4.2 Pay harvesting contractors an average price FOB wood yard gate Roddickton of $48/metre or a price acceptable to the Minister. The price FOB wood yard gate Roddickton charged to each harvesting contractor may vary based on percentage of sawlogs, operating conditions, harvesting location and associated transportation costs.
4.3 Scale all Energy Wood and sawlogs received at the Wood Yard separately in order to track volumes applied against the Crown Annual Allowable Cuts and conduct all scaling in accordance with accepted scaling practices;

4.4 Provide the Minister with quarterly progress reports on Energy Wood and sawlog volumes received;

4.5 When requested cooperate and assist the Minister's staff in field inspections and verification of compliance with this Agreement and the Project;

4.6 Address any deficiencies in the Project as identified by the Minister's staff;

4.7 Submit monthly detailed invoices for Work completed which are acceptable to the Minister.

4.8 Submit proof of payment, acceptable to the Minister, with respect to contribution provided to HFP under this Agreement within 30 days from the date on which it was received.

4.9 Retain the services of a project manager who shall:

   4.9.1 oversee and manage the construction of the wood pellet plant and modernization of the sawmill;

   4.9.2 provide engineering and design services in the construction of the pellet plant and sawmill modernization;

   4.9.3 recommend and oversee the installation and coordination of the pellet plant and sawmill equipment; and

   4.9.4 provide assistance and technical support in equipment and plant start-up.

4.10 Retain the services of a pellet plant manager who shall:

   4.10.1 liaison with the project manager during the construction of the pellet plant and oversee the operation of the proposed wood pelletizing facility;

   4.10.2 be responsible for developing and implementing a wood pellet marketing strategy; and

   4.10.3 provide the Minister with a detailed final report on all Wood Yard and pellet marketing activities by March 31, 2010.
Inspection

5. HFP agrees to maintain books and records, including sufficient audit trails, with respect to the Project, as necessary to comply with generally accepted accounting principles and applicable financial reporting regulations.

6. HFP agrees to permit access to the Minister or his or her agents up to a year after the discharge of this Agreement, to all books, electronic information and systems, statements and other documents in relation to the Project, regardless of their nature, for the purpose of examining HFP’s performance and compliance with the terms and conditions of this Agreement, and to verify the accuracy of scales, charges and invoices.

7. Up to a year after the discharge of this Agreement, any person authorized by the Minister to have access to any documentation under clause 7 of this Agreement shall have access at all reasonable times and HFP will be required to render all reasonable assistance to any such person when requested.

8. HFP shall maintain proper books, accounts, and records for six years following the expiry of this Agreement.

Term, Breach and Termination

9. This Agreement, once executed by both parties, shall be effective as of July 23rd, 2009 and shall terminate upon completion of the Project to the satisfaction of the Minister and all payments, as stipulated in this Agreement, have been issued to HFP, unless otherwise terminated in accordance with the provisions of this Agreement.

10. HFP shall be considered to be in breach of this Agreement upon:

   10.1 a determination by the Minister of a breach or failure to satisfy its duties and obligations under this Agreement;

   10.2 submission of a fraudulent invoices; and

   10.3 the insolvency, bankruptcy, winding-up of HFP, or HFP having recourse to or becoming subject to insolvency, bankruptcy or winding-up legislation.

11. The Minister shall provide HFP with fifteen (15) days written notice of a breach. HFP acknowledges and agrees that upon failure by HFP to remedy the breach to the satisfaction of the Minister, at the end of that period the Minister will be entitled to (alone or in combination) do any or all of the following:

   11.1 immediately terminate this Agreement;
11.2. declare the Minister's obligations to make any payments for contribution are suspended;

11.3 take any appropriate action to collect any surplus payments made but not accounted for; and

11.4 recover from HFP any expenses of the Minister in the exercise of any of the above rights.

General Provisions

12. This Agreement shall be interpreted and governed by the laws of Newfoundland and Labrador.

13. This Agreement may only be amended by the mutual written consent of both parties.

14. The invalidity of any particular provision of this Agreement shall not affect any other provision of it, but the Agreement shall be construed as if the invalid provision has been omitted.

15. Time is of the essence of this Agreement.

16. HFP may not assign this Agreement or any part thereof without the written consent of the Minister.

17. This Agreement shall inure to the benefit of and be binding upon the parties and their successors and assigns.

18. This Agreement constitutes the entire agreement between the Minister and HFP with respect to the subject matter of the Agreement and supersedes all other oral and written representations, understandings or agreements relating to the subject matter of the Agreement.

19. Notwithstanding the termination or expiry of this Agreement, HFP shall indemnify and save harmless the Minister, its employees and agents from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted in any manner based upon, occasioned by or attributable to the execution of this Agreement or any action taken or thing done or maintained by virtue hereof; the exercise in any manner of rights arising hereunder; the negligence or want or care of HFP, its officer, servants, agents, or employees under this Agreement.

20. For greater certainty, it is declared and agreed between the parties that nothing stated in this Agreement shall be deemed to create the relationship of employer and employee between the Minister and HFP and its officer, servants, agents, or employees under this Agreement.
21. There shall be no waiver of a breach of any term or condition of this Agreement unless the waiver is in writing signed by both parties. A waiver with respect to specific breach shall not affect any rights of the parties relating to other or future breaches.

22. No member of the House of Assembly of Newfoundland and Labrador shall be permitted to obtain any share or part of this Agreement or be entitled to receive any financial benefit arising there from.

23. Words in this Agreement importing male gender include female and words importing the singular include the plural and vice versa.

24. All payments under this Agreement are subject to annual appropriation by the House of Assembly of Newfoundland and Labrador.

25. The amount of assistance made available to HFP under this Agreement may be released as public information and information provided will be subject to applicable privacy and access legislation.

26. HFP shall comply with the requirements and obtain all necessary permits under relevant Federal, Provincial and Municipal laws and regulations.

27. Should the HFP become aware of any adverse environmental impacts of the Project, such impacts shall be reported to the Minister without delay. The Project may then be subject to an environmental impact assessment and this Agreement may be cancelled or postponed.

28. Any monies received by HFP under this Agreement are subject to tax under the Income Tax Act (Canada), as amended from time to time, and must be declared as income for the year in which the contribution is received.

29. This Agreement may be signed in counterparts and each counterpart shall constitute an original document and these counterparts taken together, shall constitute one and the same Agreement.
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed by their authorized officers.

Honourable Kathy Dunderdale
Minister responsible for the
Department of Natural Resources

Date

Ted Lewis
President and General Manager
Holson Forest Products Company Limited

Date
## District 17

<table>
<thead>
<tr>
<th>Contractor Name</th>
<th>Base Allocation</th>
<th>Class III Allocation</th>
<th>Total Allocation</th>
<th>Allocation to Purchase and Deliver</th>
<th>Pellet Wood</th>
<th>Random Logs</th>
<th>8’ Sawlogs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated</td>
<td>6,330</td>
<td>1,529</td>
<td>7,859</td>
<td>5,012</td>
<td>3,007.01</td>
<td>1,754.09</td>
<td>250.58</td>
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<tr>
<td>Lewis Logging Limited</td>
<td>8,439</td>
<td>2,037</td>
<td>10,476</td>
<td>6,681</td>
<td>4,008.33</td>
<td>2,338.19</td>
<td>334.03</td>
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<td>GNR Enterprise</td>
<td>7,339</td>
<td>1,771</td>
<td>9,110</td>
<td>5,809</td>
<td>3,485.67</td>
<td>2,033.31</td>
<td>290.47</td>
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<tr>
<td>D &amp; B Logging</td>
<td>2,202</td>
<td>532</td>
<td>2,734</td>
<td>1,743</td>
<td>1,046.08</td>
<td>610.22</td>
<td>87.17</td>
</tr>
<tr>
<td>Tatchell’s Trucking</td>
<td>2,202</td>
<td>532</td>
<td>2,734</td>
<td>1,743</td>
<td>1,046.08</td>
<td>610.22</td>
<td>87.17</td>
</tr>
<tr>
<td>B &amp; R Brake Const.</td>
<td>1,208</td>
<td>291</td>
<td>1,499</td>
<td>956</td>
<td>573.55</td>
<td>334.57</td>
<td>47.80</td>
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<tr>
<td>Roads Contractors</td>
<td>1,000</td>
<td>241</td>
<td>1,241</td>
<td>791</td>
<td>474.83</td>
<td>276.98</td>
<td>39.57</td>
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<tr>
<td>Total</td>
<td>28,720</td>
<td>6,933</td>
<td>35,653</td>
<td>22,736</td>
<td>13,641.55</td>
<td>7,957.57</td>
<td>1,136.80</td>
</tr>
</tbody>
</table>

## District 18

<table>
<thead>
<tr>
<th>Contractor Name</th>
<th>Base Allocation</th>
<th>Class III Allocation</th>
<th>Total Allocation</th>
<th>Allocation to Purchase and Deliver</th>
<th>Pellet Wood</th>
<th>Random Logs</th>
<th>8’ Sawlogs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated</td>
<td>22,503</td>
<td>4,189</td>
<td>26,692</td>
<td>17,021</td>
<td>10,212.89</td>
<td>5,957.52</td>
<td>851.07</td>
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<tr>
<td>Lewis Logging Limited</td>
<td>16,645</td>
<td>3,098</td>
<td>19,743</td>
<td>12,590</td>
<td>7,554.07</td>
<td>4,406.54</td>
<td>629.51</td>
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<tr>
<td>Coates Lumber Co. Ltd.</td>
<td>10,268</td>
<td>1,911</td>
<td>12,179</td>
<td>7,767</td>
<td>4,659.93</td>
<td>2,718.29</td>
<td>388.33</td>
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<tr>
<td>Pilgrim’s Trucking Ltd.</td>
<td>5,133</td>
<td>955</td>
<td>6,088</td>
<td>3,882</td>
<td>2,329.39</td>
<td>1,358.81</td>
<td>194.12</td>
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<td>Weir’s Contracting Ltd.</td>
<td>4,277</td>
<td>797</td>
<td>5,074</td>
<td>3,236</td>
<td>1,941.41</td>
<td>1,132.49</td>
<td>161.78</td>
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<tr>
<td>Cutaway Industries</td>
<td>1,925</td>
<td>358</td>
<td>2,283</td>
<td>1,456</td>
<td>873.52</td>
<td>509.55</td>
<td>72.79</td>
</tr>
<tr>
<td>Pisces Enterprises</td>
<td>857</td>
<td>159</td>
<td>1,016</td>
<td>648</td>
<td>386.74</td>
<td>226.17</td>
<td>32.40</td>
</tr>
<tr>
<td>D &amp; L Logging</td>
<td>857</td>
<td>159</td>
<td>1,016</td>
<td>648</td>
<td>386.74</td>
<td>226.77</td>
<td>32.40</td>
</tr>
<tr>
<td>Sealand Enterprises</td>
<td>427</td>
<td>80</td>
<td>507</td>
<td>323</td>
<td>193.99</td>
<td>113.16</td>
<td>16.17</td>
</tr>
<tr>
<td>Roads Contractors</td>
<td>1,860</td>
<td>252</td>
<td>2,112</td>
<td>1,347</td>
<td>808.09</td>
<td>471.39</td>
<td>67.34</td>
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<tr>
<td>Total</td>
<td>64,752</td>
<td>11,958</td>
<td>76,710</td>
<td>48,918</td>
<td>29,350.78</td>
<td>17,121.29</td>
<td>2,445.90</td>
</tr>
</tbody>
</table>

Total Both Districts: 93,472 18,891 112,363 71,654 42,992 25,079 3,583
THIS FIFTH AMENDING AGREEMENT is made as of the ___ day of ___, 2014.

BETWEEN:

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR as represented by the Minister of Natural Resources

(hereinafter called the “Lender”)

AND:

HOLSON FOREST PRODUCTS LIMITED, a body corporate, incorporated under the laws of the Province of Newfoundland and Labrador, having its registered head office at the Town of Croque, in the Province of Newfoundland and Labrador, Canada, AND LEWIS LOGGING LIMITED, a body corporate, incorporated under the law of the Province of Newfoundland and Labrador, having its registered head office at the Town of Croque, in the Province of Newfoundland and Labrador, Canada, AND MTN LOGGING LTD., a body corporate, incorporated under the law of the Province of Newfoundland and Labrador, having its registered head office at the Town of Croque, in the Province of Newfoundland and Labrador, Canada

(hereinafter the “Borrower”)

WHEREAS the parties entered into a loan agreement for seven million dollars ($7,000,000.00) on 29 October 2009 to assist the Borrower with the costs to purchase and install equipment to modernize and increase efficiency and productivity in its sawmill operations at Route 433, Roddickton, Newfoundland and Labrador (the “Loan Agreement”).

AND WHEREAS the Loan Agreement was amended by an amending agreement on 26 November 2012 to assist the Borrower in paying its insurance premiums (the “Amending Agreement”);

AND WHEREAS the Loan Agreement was further amended by a second amending agreement on 30 April 2013 to assist the Borrower in paying its insurance premiums (the “Second Amending Agreement”);

AND WHEREAS the Loan Agreement was further amended by a third amending agreement on 24 October 2013 to assist the Borrower in paying its insurance premiums (the “Third Amending Agreement”);

AND WHEREAS the Loan Agreement was further amended by a fourth amending agreement on June 19, 2014 to assist the Borrower in paying its insurance premiums (the “Fourth Amending Agreement”);
AND WHEREAS the Borrower is again requesting assistance for working capital and the Lender has now agreed to assist;

AND WHEREAS the parties wish to further amend the Loan Agreement as set out in this agreement (the “Fifth Amending Agreement”);

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the sum of one dollar ($1.00), the mutual promises and agreements exchanged between the parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions

Where necessary or applicable, words defined in the Loan Agreement have the same meaning herein.

2. Construction

This Fifth Amending Agreement shall be read together with the Loan Agreement, the Amending Agreement, the Second, Third and Fourth Amending Agreement and take effect as if its provisions were contained in the Loan Agreement.

3. Ratification

Except as amended in this Fifth Amending Agreement, all other provisions of the Loan Agreement shall remain in force and unchanged.

4. Amendments

The Loan Agreement is hereby amended as follows:

(a) Sections 2 and 5 are hereby amended by deleting “Seven million, one hundred and ninety-nine thousand dollars ($7,199,000.00)” and replacing it with “Seven million, three hundred and nineteen thousand dollars ($7,319,000.00)”.

(b) Schedule “A” is hereby amended by deleting the flowing of funding table and replacing it with the following:
5. Acknowledgment

The Borrower acknowledges that the monies provided for working capital by way of this Fifth Amending Agreement, the Fourth Amending Agreement, the Third Amending Agreement, the Second Amending Agreement and the Amending Agreement qualify as "protective disbursements" under clause 6 of the Collateral Mortgage signed by the parties on 29 October 2009.

6. Effective Date of Amendment

The amendments to the Loan Agreement herein provided shall be effective upon the date of this Fifth Amending Agreement.

7. Enurement

Subject to the terms and conditions of the Loan Agreement, this Fifth Amending Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
8. Counterpart Execution

This Fifth Amending Agreement may be executed in counterparts and a set of counterparts executed by each of the Parties shall constitute a single document. A facsimile or other electronically produced signature page of a counterpart executed by a party shall be sufficient evidence of execution for the purposes of this section.