



Clerk's Stamp:

COURT FILE NUMBER

1603 20319

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, As Amended

AND IN THE MATTER OF PARKLAND
AIRPORT DEVELOPMENT CORPORATION

DOCUMENT

AFFIDAVIT OF ROBERT GILGEN

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Reynolds Mirth Richards & Farmer LLP
Barristers & Solicitors
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File No: 114984-001-MJM

AFFIDAVIT OF ROBERT GILGEN

Sworn on December 9, 2016

I, ROBERT GILGEN, of Edmonton, Alberta, SWEAR AND SAY THAT:

1. I am the President of the Applicant, Parkland Airport Development Corporation ("Parkland"), and as such have a personal knowledge of the facts and matters hereinafter deposed to except where stated to be based upon information and belief and where so stated do verily believe the same to be true.
2. I am also, in my personal capacity, the "Accountable Executive" appointed by Parkland pursuant to the Canadian Aviation Regulations ("CARs").

Purpose of Affidavit

3. I make this Affidavit in support of an application to extend the stay of proceedings granted in paragraph 11 of the Initial Order to February 28, 2017.

4. I believe that the Applicant has acted and continues to act in good faith and with due diligence and that circumstances exist that justify an extension of the Initial Order.
5. As deposed in my First Affidavit, I believed and continue to believe that it is likely that a plan of arrangement can be made with the creditors of all classes. Parkland and its Chief Restructuring Officer are working diligently in that direction.

The Initial Order

6. The Initial Order in this matter was granted November 29, 2016 and provided for a stay to December 28, 2016.
7. December 28, 2016 is in the Christmas vacation and it is not viable to bring an application for an extension on or near December 28, 2016.
8. I am advised by my counsel, Michael J. McCabe, and believe, that the last week of sittings of the Commercial Court of Queen's Bench is the week of December 12, 2016.
9. The latest convenient date to bring an application for a further extension was discovered to be Thursday, December 15, 2016. I am advised by my counsel, Michael J. McCabe, and believe, that, in the ordinary course, a hearing on that date would require that all of the Applicant's materials be filed and served by Monday, December 5, 2016, just 3 clear days after the granting of the Initial Order.
10. An extension of the time for filing materials was sought, and granted, to Friday, December 9, 2016 which gave Parkland 8 clear days to proceed towards the development of a plan.


Current Activities

11. During that time:
 - a. I have been conducting the various activities required of me as Accountable Executive, as described in my First Affidavit, to ensure that the Airport continues to operate, which it does.
 - b. I have been working with the Monitor with respect to cash flow statements, as required.
 - c. I have been working with the Chief Restructuring Officer, generally, with respect to the various possibilities for a restructuring. Particulars of this are set forth in **Exhibit "A"** to this my Affidavit, a letter from the representative of the Chief Restructuring Officer, Donald A. MacLean, setting forth his activities, to date.
 - d. I have spoken with several of the Lot Owners with respect to Parkland's financial situation, the Court proceeds and the efforts of the Chief Restructuring Officer to solve the current financial situation and continue in the future with a viable airport. All Lot Owners that I have spoken with have expressed support of both

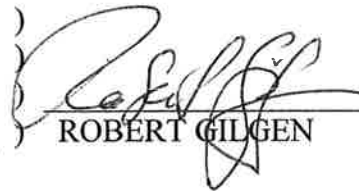
the plan to resolve matters, generally, and the appointment of the Chief Restructuring Officer, specifically.

- e. I have continued to work with Parkland's accountants with respect to an accurate presentation of current circumstances and for the preparation of overdue annual financial statements.
 - f. I have had extensive discussions with Lillian Speedtsberg, assistant to Michael J. McCabe, with respect to ensuring that the Service List is complete in that all creditors of all classes are notified and in respect to complying with an instruction given by Mr. Justice Burrows at the end of the hearing on November 29, 2016 to the effect that all Lot Owners should be notified. I have also taken steps to rectify the List of Creditors in that some errors in names, contact information and the fact that some of the named creditors have been paid.
12. I have observed that, shortly after the Initial Order, I have been able to dedicate far more of my time to the future of the Airport and far less of my time with respect to matters relating to creditor concerns.

SWORN before me at Edmonton, Alberta
this 9th day of December, 2016



A Commissioner for Oaths in and for Alberta



ROBERT GILGEN

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LILLIAN SPEEDTSBERG
COMMISSION EXPIRES
NOVEMBER 24, 20 18

December 8, 2016

Attention: Robert Gilgen
Parkland Airport Development Corporation
10336 - 107 St NW
Edmonton, Alberta Canada T5J 1K2

This is Exhibit " A " referred to in the
Affidavit of
Robert Gilgen
Sworn before me this 9th day
of December A.D. 2016
Lillian Speedtsberg
A Notary Public, A Commissioner for Oaths
in and for Alberta

Dear Sir:

Re: Parkland Airport Development Corporation – CCAA

LILLIAN SPEEDTSBERG
COMMISSION EXPIRES
NOVEMBER 24, 2018

On November 29, 2016 an Order was granted by the Court of Queen's Bench of Alberta pursuant to which Parkland Airport Development Corporation ("PADC") was granted relief under the CCAA and ordered, among other things, to immediately hire Richmond Corporate Finance, M&A Advisory Inc. ("Richmond"), represented by Donald A. MacLean, as the Chief Restructuring Officer ("CRO").

As CRO, we provide the following brief preliminary report to PADC, its legal counsel, Reynolds Mirth Richards & Farmer LLP, and to Deloitte Restructuring Inc. as court appointed Monitor.

Richmond was, in fact, engaged by PADC as CRO pursuant to the terms of an Engagement Letter dated November 12, 2016 as subsequently approved by the Court.

The CRO has commenced the process of gathering all available information (some of which has already been obtained) in respect of the PADC assets being its airport project and its liabilities , specifically, but not limited to the following:

- Costs incurred since inception of PADC and predecessors;
- Current inventory of hangar lots;
- Construction and other costs to complete servicing of the unsold lots, including taxi-ways and utilities;
- Assessment of current demand for lots and potential sales value;
- Review of option agreements on adjoining lands and development potential;
- Detailed quantification of existing debts;

During this process, the CRO will identify any additional information required from other stakeholders or third parties, including the cost and timing of obtaining such, being mindful to obtain and review all information already available from management so as not to incur unnecessary costs.

The CRO will seek to identify any opportunities for “quick wins” to generate cash for PADC or simply to create enthusiasm for the airport project. However, we are still very much in the data gathering mode with analysis to commence reasonably soon.

Some preliminary general thoughts as to possible viable options for dealing with the assets, subject to more detailed analysis, include:

- Conducting a process to solicit proposals to either refinance or outright purchase the assets of PADC;
- Preparation of a budget to complete the construction of the taxi-ways and lots in stages and offer them for sale, before, during and after completion; or,
- A combination of the above.

A mechanism will have to be developed and put forth to treat fairly, those creditors with liens and other registrations against any lots to be sold on an interim basis.

There have been some enquiries from third parties with respect to possible refinancing and purchase opportunities and while encouraging their continued interest, we have advised them that any process will require approval of the court which will be sought early in the New Year and any offer, unless it entails payment of the creditors in full, will require a vote by all of the creditors following a claims analysis process. However, it is too early to speculate and thus the need for an extension of the stay to allow for the gathering and assessment of better information.

In reviewing the cash flow and the current operations of the airport, it is apparent that some funding will be required as soon as possible. Each month there is a small shortfall in the operating cash flow of approximately \$2,000 and there are currently wage arrears of approximately \$8,000 that must be paid.

There is also some deferred maintenance to be addressed on certain equipment, approximately \$10,000 and overdue insurance premiums which must be paid, approximately \$42,000. There will no doubt be other miscellaneous expenditures required.


The CRO recommends that an application be made to the court as soon as possible seeking approval for some limited interim financing. PADC expects to receive a term sheet shortly from a related entity, Parkland Aerospace Corporation ("PAC"), offering to provide interim financing on the following key terms:

Amount:	Up to \$200,000
Interest Rate:	15% p.a.
Security:	First charge on the assets ahead of all other registrations.
Repayment:	From realizations of assets.

We understand that there may be some interest on the part of one or more of the creditors in providing interim financing and, therefore, RMRF have written to all counsel on the service list in this regard.

The CRO will report further on the above matters and on the alternatives available to optimize recoveries or monetization together with its recommendations at such future date as is determined by the court. However, it is reasonable to assume, based on the interest expressed to date, that a viable plan of arrangement should be possible.

Richmond Corporate Finance, M&A Advisory Inc.

Per: 
Donald A. MacLean (Dec 7 2018)

Donald A. MacLean, CA, CPA, CIRP, LIT
President