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THIRD REPORT OF THE MONITOR

IN THE MATTER OF THE COMPANIES CREDITORS'

ARRANGEMENT ACT. R.S.C. 1985 c. C-36 AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF PARKLAND AIRPORT DEVELOPMENT
CORPORATION

DATED APRIL 24, 2017

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Introduction

1. On November 29, 2016 (the "Filing Date"), Parkland Airport Development Corporation (the "Company") made application to the Court of Queen's Bench of Alberta (the "Court") for an Initial Order (the "Initial Order") under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). Deloitte Restructuring Inc. ("Deloitte") was appointed as Monitor (the "Monitor") in the CCAA proceedings.
2. The Initial Order provided for an initial stay of proceedings until December 28, 2016 (the "Initial Stay").
3. On December 15, 2016, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order, until February 28, 2017. The Honourable Mr. Associate Chief Justice J.D. Rooke granted an Order (the "First Extension Order") extending the stay until February 28, 2017 (the "Stay").
4. On February 27, 2017, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order until September 15, 2017. The Honourable Mr. Justice S.D. Hillier granted an Order (the "Second Extension Order") extending the Stay until September 15, 2017.
5. The Second Extension Order also directed that, within 30 days of the date of the Second Extension Order, the Chief Restructuring Officer ("CRO") call a meeting of creditors and other affected parties to address the selection of a creditors' committee, the alternatives as described in the report of the CRO filed with this Honourable Court on February 16, 2017, and any other matters the CRO saw fit.
6. Capitalized terms not otherwise defined herein have the meanings given to them in the First Report.
7. Information on the CCAA proceedings can be accessed on Deloitte's website at www.insolvencies.deloitte.ca under the link "Parkland Airport Development Corporation" (the "Monitor's Website").

Notice to reader

8. In preparing this report, the Monitor has relied on unaudited financial information, the books and records of the Company and discussions with the Company's employees, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
9. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in this report are the responsibility of management ("Management") for the Company. Management's responsibility extends beyond ensuring that the individual assumptions used to

prepare the financial forecasts are appropriate in the circumstances and to ensuring that the assumptions as a whole are appropriate. While the Monitor has reviewed the information, the Monitor has not performed an audit or other verification of such information. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the financial forecasts, or relied upon by it in reporting on the financial forecasts. Future oriented financial information included in this report is based upon Management's assumptions regarding future events. Actual results achieved may vary and these variations may be material.

10. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report.

11. All amounts included herein are in Canadian dollars unless otherwise stated.

Purpose of this report

12. This report represents the third report of the Monitor ("Third Report"). The Third Report provides additional information with respect to the following:

12.1. The Monitor's activities since the Second Report;

12.2. The Monitor's preliminary findings and recommendations with respect to transactions to which Section 36.1 of the CCAA may apply.

Activities of the Monitor

13. Subsequent to the filing of the Second Report, the Monitor's activities have included the following:

13.1. Monitoring the Company's cash-flow projections, business and financial affairs;

13.2. Review of the expenses proposed to be paid by the Company from the Interim Financing to ensure that they comply with paragraph 7 of the First Extension Order;

13.3. Attending various meetings and calls with Company representatives, the Company's legal counsel and the CRO to discuss restructuring efforts;

13.4. Review of documentation and information pertaining to the sale and/or transfer of certain real estate lots to various parties, and

13.5. Responding to various stakeholder inquiries.

Monitor's Review of Transactions

Scope of review to date and identification of questionable transactions

14. The Monitor has performed a preliminary review of certain lot transactions (the "Questioned Transactions") that may or may not result in a recommendation to apply to set aside certain of these Questioned Transactions as either preference payments or transfers at under value as contemplated in Section 95 to 101 of the *Bankruptcy and Insolvency Act* (the "BIA").
15. The Monitor's review consisted of reviewing Company records relating to the sale and/or transfer of certain lots, discussions with representatives of the Company and discussions with legal counsel.
16. The Monitor has not spent a significant amount of time or expense in conducting extensive investigations into the Questioned Transactions. Depending on the course of action that the Company takes with respect to its Plan of Arrangement, it is unknown at this time whether the completion of an extensive investigation, including the time and expense to complete such review, would result in a benefit to the Company's creditors.
17. The Monitor advises the Court that the Questioned Transactions under review are complicated and while the Company records and discussions with representatives of the Company have been informative, there is more work required to be done prior to the Monitor drawing conclusions.
18. The Monitor is therefore recommending that all rights of the parties, which may be subject to the review and investigation of the Questioned Transactions, be preserved, including rights to bring applications to set aside certain of the Questioned Transactions until it is determined whether there would be a benefit to the Company's creditors.
19. If it is determined that further extensive investigations should be completed, the Monitor is requesting additional powers of investigation to examine any party thought to have knowledge of the Questioned Transactions in a manner similar to the powers granted to a Licensed Insolvency Trustee under Section 163 of the BIA.
20. With respect to the Questioned Transactions, the Monitor believes it would be prudent for the Court to direct that an Order be filed on title to any lands subject to the Questioned Transactions and that the Monitor be required to provide notice that the lands or any interest therein may be involved in transactions which may be subject to future litigation.

Conclusions and Recommendations

21. As reported above, the Monitor has completed a preliminary review of information relating to the Questioned Transactions as well as held meetings with representatives of the Company and legal counsel.
22. At the present stage of the CCAA proceedings, the Monitor respectfully submits that it is questionable whether the effort and expense in pursuing further investigation and possible applications to set aside certain of the Questioned Transactions would provide any benefit to the Company's creditors.
23. The Monitor therefore seeks an Order which provides the following:
 - 23.1. The suspension of all limitation periods respecting potential claims by the Monitor and any creditor with respect to transfers, preferences and/or conveyances at under value of any property of the Company;
 - 23.2. Granting to the Monitor the power and authority to conduct examinations of any person reasonably thought to have knowledge of the Questioned Transactions in the manner and subject to the limitations as provided to a Licensed Insolvency Trustee pursuant to Section 163 of the BIA;
 - 23.3. Directing that an Order be filed on the title to any lands subject to the Questioned Transactions and providing notice that the lands may be involved in transactions which may be subject to future litigation; and
 - 23.4. Such further and other relief as this Honourable Court deems just in the circumstances.

All of which is respectfully submitted this 24th day of April, 2017.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed Monitor in
re: The plan of compromise or arrangement of
Parkland Airport Development Corp.
and not in its personal capacity



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