



COURT FILE NUMBER 1603 20319

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

DOCUMENT SIXTH 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 OCTOBER 23, 2017

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Table of Contents

Introduction	1
Notice to Reader	2
Purpose of this report	2
Monitor's Activities	3
Stay of Proceedings	3
Tolling Period on Questioned Transactions	4
Conclusions and Recommendations	5

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. On May 2, 2017 (the "May 2nd Order"), the Court directed, *inter alia*, that the Company distribute to the market, a tender package for completion of the Phase I work as outlined previously in the Chief Restructuring Officer's Reports. The Court empowered the Company to proceed with a simultaneous process for the sale of the remaining lots in Phase I and the entire airport, including all lands owned by the Company. In addition, the limitation periods for pursuing potentially preferential or under value transactions were suspended and tolled until November 1, 2017.
7. The sale process closed on September 1, 2017, and no acceptable offers were received by the Company under the sale process. On September 13, 2017, the Company applied to this Court for an extension of the stay of proceedings to November 3, 2017 (the "Third Extension Order"), which was granted.
8. Capitalized terms not otherwise defined herein have the meanings given to them in the First Report.
9. 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

10. 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.
11. 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.
12. 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.
13. All amounts included herein are in Canadian dollars unless otherwise stated.

Purpose of this report

14. This is the Sixth Report of the Monitor (the "Sixth Report").
15. The purpose of the Sixth Report is to:
 - 15.1. Provide an update on the Monitor's activities;
 - 15.2. Provide a report on the reasonableness of the Company's request to extend the stay of proceedings to February 28, 2018;
 - 15.3. Seek an extension of the limitation and tolling period on the Questioned Transactions, as defined in the Court Order dated May 2, 2017, to February 28, 2018.

Monitor's Activities

16. The Monitor continues to post information with respect to these proceedings to the Monitor's Website, including all materials circulated by the Company in these proceedings. The Monitor will continue to make regular updates to the Monitor's Website to ensure that creditors and interested parties have access to all available information in these proceedings.
17. The Monitor reports that it has attended various meetings and had discussions with Management, the Company's legal counsel and the CRO to discuss the progress of the Company's sale process and in developing a plan of compromise or arrangement.
18. The Monitor continues to monitor the Company's cash flow projections and the Company's business and financial affairs during the Stay.

Stay of Proceedings

19. The Company is making an application to extend the Stay from November 3, 2017 to February 28, 2018.
20. The current stay of proceedings was granted by the Court to allow the Company to consider development and construction of Phase 1 of the airport and to conduct a simultaneous sale process for the Company.
21. The sale process has closed without any acceptable offers and the cost of construction of Phase 1 is expected to exceed the resources available to the Company.
22. The Monitor understands that the Company will require additional time to put forward a plan of arrangement or compromise contemplating a revised payment-in-kind model, blanket mortgage model, or other form of arrangement acceptable to creditors. The Monitor has attended conference calls with the CRO, the Company, and its creditors discussing the potential arrangement.
23. The Monitor is cognizant of the first mortgagee's desire to foreclose, but agrees that the model developed by the Company may be a viable solution for the general body of creditors.
24. Based on the Monitor's dealing with Management, the CRO and the Monitor's review of the Company's operations and restructuring efforts to date, the Monitor advises that:

21.1 The Company is acting in good faith and with due diligence;

21.2 The Company is cooperating with the Monitor and is making efforts to formulate a Plan to present to its creditors; and

21.3 The Monitor is of the view that the creditors of the Company will not be materially prejudiced by a further extension of the Stay until February 28, 2018.

25. Based on the above, the Monitor supports the requested extension of the Stay.

26. The Company has not yet provided its cash-flow forecast for proposed stay extension period, but previously provided the Monitor with a forecast to December 1, 2017, which the Monitor reported on in the Fifth Report of the Monitor. The Company has not provided any revision to the forecast and the Monitor will request an updated forecast to February 28, 2018.

Tolling Period on Questioned Transactions

27. The Monitor previously advised the Court that the Monitor had performed a preliminary review of the Questioned Transactions but did not proceed with an extensive investigation for the reasons stated in the Third Report of the Monitor.

28. The Court Order of May 2, 2017, suspended and tolled the limitation periods on the Questioned Transactions until November 1, 2017, to preserve the Monitor's and creditors' remedies as it was unknown if it would be beneficial to creditors for the Monitor to investigate the Questioned Transactions until it was known that creditors would suffer a deficiency.

29. The Order of May 2, 2017, also empowered the Monitor to file caveats attaching the Order of May 2, 2017, on the land titles to the lots subject to the Questioned Transfers, which the Monitor's counsel has done.

30. The Monitor understands that a revised sale process or plan of compromise or arrangement is forthcoming from the Company. The Monitor's position remains that it is questionable if an extensive investigation of the complex Questioned Transfers would benefit creditors at this stage of the Company's restructuring. Even if such an investigation would be of value, the Monitor would still require time to undertake a claims process and investigation in any case.

31. Based on the above reasons, the Monitor is seeking the extension of the below remedies, previously granted by Court, to February 28, 2018:

31.1. a suspension and tolling of the 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; and;

- 31.2. 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.

Conclusions and Recommendations

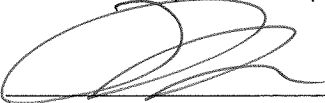
26. Based on the Monitor's dealings with Management and the Monitor's review of the Company's operations and restructuring efforts to date, we advise that:

- 26.1 The Company appears to be acting in good faith and with due diligence and that an extension to file a Plan is appropriate in the circumstances;
- 26.2 The Company is cooperating with the Monitor and appears to be making efforts with the CRO to identify strategies to put forth a Plan;
- 26.3 The Company has been proactive in providing information to the Monitor with respect to the tender process and the concurrent sales process;
- 26.4 The Monitor is of the view that the Company's creditors will not be materially prejudiced by a further extension of the Stay.

All of which is respectfully submitted this 23rd day of October, 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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