

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
JUDICIAL CENTRE OF SASKATOON**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF  
101133330 SASKATCHEWAN LTD. AND 101149825 SASKATCHEWAN LTD.,**

**APPLICANTS**

**NINTH REPORT OF THE MONITOR  
DELOITTE RESTRUCTURING INC.**

**August 27, 2018**

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## EXHIBITS

Exhibit A – Actual vs. Forecast Cash Flows for the Period May 21, 2018 to August 19, 2018

Exhibit B – Updated Cash Flow Statement for the Period August 20, 2018 to March 3, 2019

Exhibit C – Request for Proposals

Exhibit D – Affidavit of Brent Warga sworn August 24, 2018

Exhibit E – Affidavit of Jeff Lee sworn August 24, 2018

## INTRODUCTION

1. On May 20, 2016, the Applicants, 101133330 Saskatchewan Ltd. (“**33330**”) and 101149825 Saskatchewan Ltd. (“**825**”) (collectively the “**Applicants**” or the “**Companies**”), filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of the Court of Queen’s Bench for Saskatchewan (the “**Court**”) dated May 20, 2016 (the “**Initial Order**”), restructuring proceedings previously commenced by the Applicants under Division I of Part III of the *Bankruptcy and Insolvency Act* (the “**BIA**”) were taken up and continued under the CCAA. Deloitte Restructuring Inc. was appointed as the Monitor of the Applicants (the “**Monitor**”) in the CCAA proceedings and a stay of proceedings was granted in favour of the Applicants.
2. During these CCAA proceedings, the Court has periodically extended the May 20, 2016 initial stay of proceedings, with the most recent stay of proceedings extended until October 1, 2018.
3. The Monitor has provided the Court with the following reports:
  - a) A Pre-Filing Report of the Proposed Monitor dated May 12, 2016 (the “**Pre-Filing Report**”) in connection with the Applicants’ application for protection under the CCAA;
  - b) A First Report of the Monitor dated June 8, 2016 (the “**First Report**”) in connection with the Applicants’ motion to extend the stay of proceedings to August 31, 2016;
  - c) The Second Report of the Monitor dated August 12, 2016 (the “**Second Report**”) in connection with the Applicants’ motion to extend the stay of proceedings to January 1, 2017;
  - d) The Third Report of the Monitor dated August 15, 2016 (the “**Third Report**”) in connection with the Applicants’ application for additional debtor in possession financing;

- e) The Fourth Report of the Monitor dated December 16, 2016 (the “**Fourth Report**”) in connection with the Applicants’ application for additional debtor in possession financing and the Applicants’ motion to extend the stay of proceedings to June 12, 2017;
  - f) The Supplement to the Fourth Report dated December 19, 2016 (the “**Supplement to the Fourth Report**”) which discussed the timing of certain correspondence received from the City of Regina Legal Department and their position with respect to pre-filing property tax arrears owing by 33330 in respect of the Orr Centre;
  - g) The Fifth Report of the Monitor dated May 24, 2017 (the “**Fifth Report**”) in connection with the Applicants’ application for additional debtor in possession financing and the Applicants’ motion to extend the stay of proceedings to December 24, 2017;
  - h) The Sixth Report of the Monitor dated May 31, 2017 (the “**Sixth Report**”) in connection with the Applicants’ application for additional debtor in possession financing;
  - i) The Seventh Report of the Monitor dated December 15, 2017 (the “**Seventh Report**”) in connection with the Applicants’ application for additional debtor in possession financing (the “**DIP Facility**”) and the Applicants’ motion to extend the stay of proceedings to June 17, 2018;
  - j) The Supplement to the Seventh Report dated December 19, 2017 (the “**Supplement to the Seventh Report**”) which discussed the Companies’ DIP Facility and available financing alternatives; and
  - k) The Eight Report of the Monitor dated May 29, 2018 (the “**Eighth Report**”) in connection with the Applicants’ motion to extend the stay of proceedings to October 1, 2018 (the “**Stay Period**”).
4. Copies of the Initial Order, the Pre-Filing Report, the First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Report(s), the Supplement to the Fourth Report, the Supplement

to the Seventh Report, all motion materials and orders in the CCAA proceedings, and certain other documents related to the CCAA proceedings have been posted and are available on the Monitor's website at [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd).

## PURPOSE

5. The purpose of this ninth report of the Monitor (the “**Ninth Report**”) is to provide the Court with information with respect to the following:
  - a) A summary of the Monitor's activities since the Eighth Report;
  - b) The status of the Applicants' operations and key stakeholder relationships since the Eighth Report;
  - c) An update of the Applicants' cash flow forecast and comments on variances between actual results and forecast results for the period ended August 19, 2018;
  - d) The Applicants' request for a further increase in the amount of the DIP Facility;
  - e) The activities of the Companies since the Eighth Report with respect to restructuring their operations;
  - f) The fees of the Monitor for the period of May 17, 2018 to August 19, 2018 and the fees of its legal counsel for the period May 9, 2018 to August 24, 2018; and
  - g) The Applicants' request for an extension of the Stay Period and the Monitor's recommendations regarding the relief requested.

## TERMS OF REFERENCE

6. In preparing this Ninth Report, the Monitor has relied upon unaudited interim financial information, the Applicants' books and records, the affidavits of John Orr sworn on May 12, May 19, June 6, June 9, August 12, and December 16, 2016, the affidavits of John Orr sworn on May 24, May 30, December 15, and December 19, 2017, the affidavit of John Orr sworn on May 29, 2018, the Affidavit of John Orr sworn on August 27, 2018 (the “**Orr Affidavit**”), the Confidential Supplement to the Tenth Supplemental Affidavit of John Orr

sworn on August 27, 2018 (the “**Confidential Supplement**”), the affidavits of David Calyniuk, Chief Executive Officer of Land and Commercial Development for North Ridge Development Corporation (“**North Ridge**”), sworn on August 12, and December 16, 2016, the affidavits of David Calyniuk sworn on May 23, and December 15, 2017, the confidential affidavit of David Calyniuk sworn on May 23, 2017, the affidavit of David Calyniuk sworn on May 29, 2018 (the “**May 29, 2018 Calyniuk Affidavit**”), the confidential affidavit of David Calyniuk sworn on May 29, 2018, and discussions with management of the Applicants (“**Management**”) and legal advisors to the Applicants.

7. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this Ninth Report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor’s procedures were intended to detect defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Monitor’s attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Ninth Report.
8. The financial projections attached to this Ninth Report were prepared by Management. Although the Monitor has reviewed the assumptions underlying the projections for reasonableness, financial projections, by their nature, are dependent upon future events, which are not susceptible to verification. Actual results will vary from the information presented and the variations may be material. The Monitor has not prepared a compilation as contemplated by Section 4250 of the Chartered Professional Accountants of Canada Handbook.
9. 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 Ninth Report.

Any use which any party makes of this Ninth Report, or any reliance or decision to be made based on this Ninth Report, is the sole responsibility of such party.

10. Unless otherwise stated, all monetary amounts contained in this Ninth Report are expressed in Canadian dollars.
11. Capitalized terms used in this Ninth Report but not defined herein are as defined in all previously filed reports and Court Orders, as applicable, in these proceedings.

#### **ACTIVITIES OF THE MONITOR SINCE THE EIGHTH REPORT**

12. Since the Monitor's Eighth Report, the Monitor has engaged in the following activities, amongst others:
  - a) Monitored on a weekly basis the receipts and disbursements of the Applicants and provided updated cash flow statements and cash flow variance analysis, as appended to the First, Second, Fourth, Fifth, Seventh, and Eighth Reports, for delivery to Affinity Credit Union ("**Affinity**" or the "**DIP Lender**") in accordance with the DIP Lender's term sheet;
  - b) Responded to ongoing inquiries from creditors, tenants, and other stakeholders of the Applicants;
  - c) Provided periodic updates to Affinity on the status of the 825 Land development process and the 33330 property (the "**33330 Property**");
  - d) Participated in meetings and status update calls with Affinity, Affinity's legal counsel, and the Applicants whereat the Applicants detailed proposed strategies and plans to enhance the value of the 33330 Property and initiate a sales process (the "**Proposed Sales Process**");
  - e) Reviewed and discussed with the Applicants and their legal counsel the sales proposals (the "**Sales Proposals**") received by the Applicants to complete the Proposed Sales Process for the 33330 Property;

- f) Participated in hearings and reported to Court in respect to the Applicants' request to extend the stay of proceedings; and
- g) Prepared, reviewed, and finalized this Ninth Report.

## **STAKEHOLDER UPDATE**

13. On August 17, 2016, on application by Firm Capital Mortgage Fund Inc. ("**Firm Capital**") and Frank Pa ("**Pa**"), the Court ordered that the stay of proceedings as against Firm Capital and Pa in these proceedings be lifted in regards to the 825 Land (the "**Lift Stay Order**"). As the contractual stay included in the June 13, 2016 Forbearance Agreement (the "**Initial Forbearance Agreement**") was the equivalent of the stay of proceedings granted in the Initial Order (and extended by the Court at the June 13, 2016 extension hearing), it was determined by the Court that the Lift Stay Order did not prejudice the creditors or other stakeholders in these proceedings.
14. As at the date of this Ninth Report, the Applicants continue to be in compliance with the terms of the Initial Forbearance Agreement, the June 29, 2017 Forbearance Extension Agreement, the December 29, 2017 Forbearance Extension Agreement, and the June 29, 2018 Forbearance Extension Agreement (collectively the "**Forbearance Agreement**"), and there have been no Refusal Notices delivered by Firm Capital or Pa (as defined therein). Additionally, the Applicants have continued to keep Firm Capital apprised of the status of the 825 Land development process on a periodic basis as required by the terms of the Forbearance Agreement.
15. As the Forbearance Agreement expires on October 26, 2018, (the "**Forbearance Expiration**"), the Applicants have advised that they will be approaching Firm Capital and Pa to further extend the Forbearance Agreement prior to the Forbearance Expiration, but as at the date of this Ninth Report, these discussions have not yet occurred. The Applicants further advised that any Forbearance Agreement extension will likely coincide with the stay extension being requested by the Applicants. The Applicants have indicated that a stay extension would allow them time to continue to enhance the value of Firm Capital and Pa's underlying security (i.e. the 825 Land), and Firm Capital's interest obligations will continue



to be satisfied by the Applicants during the extension period. In the event that a Forbearance Agreement extension is not agreed to by the Applicants, Firm Capital, and Pa, the Applicants believe that the Companies' restructuring activities can still continue under the CCAA although there may be some disruption to the proceedings.

16. According to the Applicants' legal counsel, both Firm Capital and Pa continue to be supportive of the Companies during the proceedings.

17. The Companies' other stakeholders continue to support the ongoing operations of the Applicants during these CCAA proceedings:

a) Suppliers

- i. The Monitor has been advised by Management that suppliers to the Applicants have been generally supportive of the Applicants post-filing and continue to supply goods and services on commercially reasonable terms.

b) Tenants

- i. The Monitor has been advised by Management that with the continued involvement of North Ridge and Colliers International ("**Colliers**") as property manager, the tenants at the Orr Centre continue to support the Applicants.

c) Employees

- i. The Applicants continue to pay their two (2) employees and remit statutory deductions in the normal course of business, as authorized by the Initial Order, and the Applicants are current with respect to all financial obligations owed to their employees since the filing. Pre-filing Canada Revenue Agency payroll source deduction arrears of approximately \$68,000 owing as at May 20, 2016 remain unpaid.

18. As detailed in the Supplement to the Fourth Report, the Monitor received correspondence from the City of Regina Legal Department on August 16, 2016 in respect of outstanding property tax arrears owing by the Applicants as at April 20, 2016. The Applicants and the City of Regina Legal Department disagree on how the pre-filing property tax arrears are to be treated within these proceedings, and the City has indicated that they reserve their right to later challenge the classification and payment of their claim when the issue is being considered by the Court. Apart from periodic status update inquiries, the City of Regina has not taken any action since the delivery of the Supplement to the Fourth Report.

### **CASH FLOW STATEMENT AND LIQUIDITY**

19. The Companies' cash receipts and disbursements for the period May 21, 2018 to August 19, 2018 are attached hereto as Exhibit A with a comparison to the updated cash flows that were attached as Exhibit B to the Eighth Report (the "**Revised Cash Flow**").

20. The Monitor has conducted weekly reviews of the Companies' actual cash flow compared to the Revised Cash Flow. As detailed in the DIP Facility agreement with Affinity dated December 19, 2017 (and extended on June 19, 2018) (the "**Affinity DIP Facility**"), a monthly variance analysis has also been provided to the DIP Lender. The Monitor's comments on the actual cash flow to August 19, 2018 are as follows:

- a) Compared with the Revised Cash Flow, the Applicants experienced a favorable variance of approximately \$231,000 in respect of the net cash outflows.
- b) This variance is primarily attributable to the following:
  - i. \$10,000 unfavorable cash receipts variance compared to the forecast due primarily to the timing of rental income payments from the two (2) condominium units in the approximate amount of \$4,000 and certain tenants at the Orr Centre in the approximate amount of \$6,000.
  - ii. \$90,000 favorable development cost variance due primarily to the Applicants not incurring certain of the forecast HVAC, building, and roof repair costs in the approximate amount of \$68,000; not having to incur

additional rezoning costs resulting in savings of approximately \$25,000; not having to draw upon the contingency reserve resulting in forecast savings of approximately \$15,000; offset by the timing of payments to the Orr Centre Owner's Consultant and Owner's Representative (North Ridge) in the approximate amount of \$18,000. The ongoing 825 development costs and the Orr Centre repair costs still to be incurred have been included in the Updated Cash Flow (further defined below).

- iii. \$39,000 favorable operating and other cost variance due to the timing of property tax and insurance payments of approximately \$11,000, a reduction in utility costs of approximately \$20,000, timing of GST remittances of approximately \$5,000, and a net reduction in various other operating costs of approximately \$3,000 as compared to the forecast.
- iv. \$112,000 favorable restructuring cost variance due primarily to the timing of professional fee payments of approximately \$54,000, reductions in DIP fees and interest charges of approximately \$43,000, and not having to draw on the contingency reserve of approximately \$15,000 as compared to the forecast.

- 21. As of the date of this Ninth Report, the Applicants have been able to manage their cash flow through utilization of the Affinity DIP Facility as outlined in the DIP Facility #5 Order and the Eighth Report. As the Applicants are now forecasting to fully utilize the Affinity DIP Facility during the week of November 26, 2018, the Applicants will need additional financing as detailed in the updated cash flow statement attached hereto as Exhibit B (the "**Updated Cash Flow**") for the period ending March 3, 2019.
- 22. The Updated Cash Flow includes the assumptions as set out in the Summary of Notes and Assumptions ("**Notes and Assumptions**") appended as Notes 1 to 18 to the Updated Cash Flow.
- 23. The Monitor's comments on the Updated Cash Flow are as follows:

- a) For the period August 20, 2018 to March 3, 2018, the Applicants are projected to have gross receipts of approximately \$907,000 (inclusive of the additional \$500,000 of additional DIP financing being sought) and disbursements of approximately \$1,440,000, representing a net operating cash outflow of approximately \$533,000.
- b) The \$3,800,000 Affinity DIP Facility granted in the DIP Facility #5 Order is projected to be fully utilized during the week commencing November 26, 2018. Based on the Updated Cash Flow, it is anticipated that approximately \$500,000 in additional DIP financing (the “**Additional DIP Facility**”) will be required to fund ongoing operations, to continue with the development of the 825 Land, and to complete a Proposed Sales Process for the 33330 Property (as further discussed below).
- c) Revisions to the Updated Cash Flow will be necessary in the event of a successful sales transaction. However, as further detailed in the Orr Affidavit, in the absence of a pending transaction, the Updated Cash Flow has been prepared based on the Orr Centre operations continuing status quo.
- d) The Monitor’s review of the Updated Cash Flow consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by certain of the Management and employees of the Companies, Colliers, and the Orr Centre Owner’s Consultant and Owner’s Representative (North Ridge). Since the Notes and Assumptions need not be supported, the Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow. The Monitor has also reviewed the support provided by Management for the Notes and Assumptions, and the preparation and presentation of the Updated Cash Flow.
- e) Based on the Monitor’s review, nothing has come to its attention that causes it to believe that, in all material respects:

- i. The Notes and Assumptions are not consistent with the purpose of the Updated Cash Flow;
  - ii. As at the date of this Ninth Report, the Notes and Assumptions developed by Management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Updated Cash Flow, given the Notes and Assumptions; or
  - iii. The Updated Cash Flow does not reflect the Notes and Assumptions.
24. Since the Updated Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, even if the events described in the Notes and Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Updated Cash Flow will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Ninth Report, or relied upon by the Monitor in its preparation.

#### **DEBTOR IN POSSESSION FINANCING**

25. As detailed in the Eighth Report, the Affinity DIP Facility was expected to provide sufficient funding to allow the Applicants to continue with ongoing operations at the Orr Centre, to continue with the development of the 825 Land, and to finalize and commence a Proposed Sales Process for the 33330 Property while the Applicants continued to develop their plan of arrangement. Given the protracted approval process with the City of Saskatoon Council for the 825 Land, and the anticipated period of time over which the Applicants intend to complete a robust sales and marketing process for the 33330 Property, the Affinity DIP Facility will not be sufficient to complete all reorganization efforts. Based on the Updated Cash Flow and discussions with Affinity and the Applicants, the Additional DIP Facility will be required to pay the ongoing professional fees associated with these restructuring proceedings, to continue to make interest payments to Firm Capital, to fund operations, to complete ongoing maintenance and repairs at the Orr Centre, to complete the Proposed Sales Process for the 33330 Property, and to fund the ongoing development of the 825 Land to March 3, 2019.

26. During the 28-week period from August 20, 2018 to March 3, 2019, the period covered by the Updated Cash Flow, the three (3) largest expenditures projected to be incurred by the Applicants, as compared to the corresponding amounts expended by the Applicants for these purposes over the 13-week period from May 21, 2018 to August 19, 2018 (the “**Actual May to August Expenses**”) are as follows:
- a) Interest and fees to DIP Lender – forecast aggregate cost of approximately \$272,000 (Actual May to August Expenses of approximately \$92,000);
  - b) Professional Fees – forecast aggregate cost of approximately \$275,000 (Actual May to August Expenses of approximately \$106,000); and
  - c) Interest to Firm Capital – forecast aggregate cost of approximately \$196,000 (Actual May to August Expenses of approximately \$80,000).
27. As at the date of this Ninth Report, since the granting of the Initial Order on May 20, 2016, the Applicants have expended approximately \$1,545,000 in Professional Fees and approximately \$1,130,000 in Interest payments to Firm Capital and the DIP Lenders (i.e. both Staheli Construction Co. Ltd. and Affinity). The aggregate of these two expenditures of approximately \$2,675,000 accounts for approximately 70% of the \$3,800,000 advanced under the Affinity DIP Facility.
28. According to the terms of the Affinity DIP Facility, the outstanding amount plus interest is due in full October 1, 2018 (the “**DIP Repayment Date**”), subject to renewal on mutually satisfactory terms. As at the date of this Ninth Report, the Applicants have advised that the DIP Lender has agreed to extend the DIP Repayment Date to March 1, 2019 and has agreed to provide the Additional DIP Facility on terms similar to the terms of the current Affinity DIP Facility (terms of which were summarized in the Supplement to the Seventh Report). The terms of the increased Affinity DIP Facility (the “**New Affinity DIP Facility**”) are attached as Exhibit I to the Orr Affidavit and are summarized in the table below. Terms capitalized in the table have the meaning ascribed to them in the New Affinity DIP Facility agreement.

<b>Summary of the New Affinity DIP Facility</b>	
Proposed Financing	<ul style="list-style-type: none"> <li>• Senior secured super-priority facility where \$3,800,000 has previously been advanced to the Borrowers, and the Additional DIP Facility of \$500,000 to be advanced at any time prior to the maturity of the DIP Facility.</li> </ul>
Borrowers	<ul style="list-style-type: none"> <li>• 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.</li> </ul>
Purpose of Financing	<ul style="list-style-type: none"> <li>• Up to CDN \$4,300,000 comprised of: (a) CDN \$500,000 for working capital requirements and restructuring efforts; and (b) CDN \$3,800,000 to repay the previous DIP Facility.</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>• The entire outstanding DIP Facility plus interest is due in full March 1, 2019, subject to renewal on mutually satisfactory terms.</li> </ul>
Payment	<ul style="list-style-type: none"> <li>• Interest only payments payable on the 1<sup>st</sup> of each month with principal due at maturity. The Borrowers may repay any or all of their obligations under the DIP Facility (including principal, interest, costs and any other amounts) at any time without notice, bonus, or penalty.</li> </ul>
Significant Terms	<ul style="list-style-type: none"> <li>• The Borrower shall pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, PST, EHT, WEPPA and WSIB premiums.</li> <li>• Borrowers to provide monthly reporting to the Lender.</li> <li>• Other covenants which appear customary under the circumstances.</li> </ul>
Fees and Interest	<ul style="list-style-type: none"> <li>• Affinity's prime rate of interest (currently 3.7%) plus 6.8% per annum calculated daily and compounded monthly.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• New Affinity DIP Facility agreement evidencing a first priority court ordered charge (the "<b>DIP Charge</b>") on all of the existing and after-acquired real and personal property, assets, and undertakings of 33330, and a second priority court ordered charge on the 825 Land behind Firm Capital and Pa.</li> </ul>
DIP Charge	<ul style="list-style-type: none"> <li>• DIP Charge to rank subordinate to the Firm Capital and Pa Mortgages on the 825 Land and the Administration Charge (to a maximum of \$150,000). DIP Charge in the amount of CDN \$4,300,000 to ensure fees, costs, and expenses are covered.</li> </ul>

29. The Applicants and their advisors have stated to the Monitor that the New Affinity DIP Facility will provide sufficient funding to allow the Applicants to continue with the development of the 825 Land and the Proposed Sales Process for the 33330 Property while the Applicants continue to develop their plan of arrangement.
30. Management of the Applicants has advised the Monitor that it believes the Applicants can continue to abide by all of the terms of the New Affinity DIP Facility.
31. The Monitor notes that the costs of the New Affinity DIP Facility fall within a range of costs that the Monitor has reviewed in other recent comparable DIP loans in other insolvency proceedings, and the costs are consistent with the advances previously provided throughout these proceedings.

32. The Monitor notes that funding under the New Affinity DIP Facility reflects the cash needs of the Applicants to continue ongoing operations and to continue with their restructuring efforts (as further detailed below).
33. Based upon information provided to it by the Applicants, the Monitor anticipates that the New Affinity DIP Facility will continue to be administered in a manner that furthers the goals of these proceedings.

## **RESTRUCTURING EFFORTS**

### **825**

34. As detailed in the Second, Fourth, Fifth, Seventh and Eighth Reports, on or about June 13, 2016, the Applicants engaged North Ridge to be the Owner's Representative in respect of the 825 Land. North Ridge was given the mandate to provide advice, direction, and take all steps necessary to maximize the value of the 825 Land. As detailed in the May 29, 2018 Calyniuk Affidavit, North Ridge has primarily been acting as the owner's liaison with Dream Development ("**Dream**") in relation to the inclusion of the 825 Land in the Willows development (the "**Willows Development**").
35. Since the Eighth Report, the Companies' restructuring activities have included 825 and North Ridge working with Dream to finalize the Amended Willows Concept Plan Report (the "**Amended Concept Plan Report**") for submission to the City of Saskatoon's Planning and Development Department (the "**Saskatoon PDD**"). As detailed in the May 29, 2018 Calyniuk Affidavit, the Amended Concept Plan Report provides a high-level overview of Dream's vision for the Willows Development, along with the technical information required by the Saskatoon PDD to assess both the viability and the impact on existing communities and infrastructure. As detailed in the Orr Affidavit, the Amended Concept Plan Report was filed with the Saskatoon PDD on June 8, 2018.
36. North Ridge advised the Applicants and the Monitor that Dream is anticipating that the Amended Concept Plan Report may be reviewed by the various departments in the Saskatoon PDD, and may be considered and approved by the City of Saskatoon Council ("**Saskatoon Council**") prior to December 31, 2018. Further details on the Amended



Concept Plan Report and timing of the Saskatoon Council approval are detailed in the confidential affidavit of David Calyniuk sworn May 29, 2018.

37. As the Saskatoon PDD's approval process for the Amended Concept Plan Report continues to unfold, North Ridge has been negotiating with Dream on the infrastructure cost-sharing agreement (the "**Cost-Sharing Agreement**"). The Cost-Sharing Agreement will crystalize 825's proportionate share of the development costs to-date, enabling North Ridge to begin preparing a cost-benefit analysis for the stakeholder's consideration as to whether an additional investment should be made in further developing the 825 Land, or whether a sales process (once the Amended Concept Plan Report is approved) is recommended. As at the date of this Ninth Report, North Ridge continues its work with Dream to quantify the Cost-Sharing Agreement.
38. North Ridge also advised the Applicants and the Monitor that Dream has not encountered any significant issues to date with the City of Saskatoon, and that the process continues to move forward in the usual context of land development.
39. The Applicants, the Applicants' legal counsel, and North Ridge have advised the Monitor that progress updates continue to be provided to Firm Capital and Firm Capital's legal counsel upon request, and that verbal and written updates have been provided to Affinity on a periodic basis as well.

### **33330**

40. As detailed in the Fourth Report, on November 8, 2016, the Applicants retained North Ridge as the Orr Centre Owner's Consultant to analyze existing plans and specifications for improving the 33330 Property, to conceptualize alternatives for the Applicants' consideration including anticipated costs of implementing each alternative, and to analyze the Orr Centre's existing revenue streams, facilities, and lease agreements, and make recommendations for improvement. As detailed in the affidavit of David Calyniuk sworn on December 15, 2017 and the May 29, 2018 Calyniuk Affidavit, North Ridge's work has evolved from a general mandate to provide advice and analysis in relation to improving the Orr Centre, to more specifically dealing with 33330's rezoning application.

41. As detailed in the Eighth Report, North Ridge was of the opinion that the 33330 Property was not currently saleable for a reasonable price due to, among other things, the present zoning designation of the property. North Ridge was of the opinion that in order to maximize the value of the 33330 Property, the 33330 Property needed to be rezoned from its present Institutional Use designation to a Designated Shopping Centre (“**DSC**”) zoning, which would provide for more extensive development opportunities (as detailed in the May 29, 2018 Calyniuk Affidavit).
42. As further detailed in the May 29, 2018 Calyniuk Affidavit, on May 28, 2018, the City of Regina Council (“**Regina Council**”) approved the Applicants’ DSC re-zoning application, subject to the attachment of a “Holding Overlay Zone” designation (the “**Holding Designation**”). As detailed in the Eighth Report, the Holding Designation essentially restricts development (and demolition) on the 33330 Property until the Holding Designation is removed by Regina Council after submission and approval of a redevelopment plan.
43. As further detailed in the Orr Affidavit, with the re-zoning application for the 33330 Property approved, on or about June 13, 2018, the Applicants commenced a request for proposal (“**RFP**”) process seeking a brokerage proponent to manage the Proposed Sales Process in order to facilitate the sale of the 33330 Property. The Applicants’ legal counsel prepared and circulated the RFP document (the “**RFP Document**”), attached hereto as Exhibit C, to five (5) realtors and one (1) professional accounting firm with a submission deadline of June 28, 2018 (the “**RFP Submission Deadline**”).
44. At the RFP Submission Deadline, the Applicants were in receipt of four (4) formal proposals (the “**Sales Proposals**”) from the following realtors:
  - a) Colliers;
  - b) CBRE Limited;
  - c) Cushman & Wakefield; and
  - d) ICR Commercial Real Estate.

The Applicants received an informal estimate of costs associated with conducting the Proposed Sales Process from the professional accounting firm, but no formal submission was received. The Applicants shared the Sales Proposals with the Monitor on July 6, 2018, and held further discussions with the Monitor on July 12, 2018 with respect to the submissions. The Sales Proposals are attached to the Confidential Supplement as Exhibits A to D, and are more fully discussed therein.

45. Based on the Monitor's review of the Sales Proposals, the sales and marketing strategies and proposed timelines were comparable amongst all submissions. The estimated range of selling prices and the fees associated with completing the Proposed Sales Process varied amongst the Sales Proposals.
46. On July 17, 2018 the Applicants discussed with the Monitor the Sales Proposals and the responses received from the realtors to the Applicants' follow up questions (distributed by the Applicants to the realtors on July 10, 2018). The Applicants advised that based on their review, they were prepared to accept the Colliers proposal (the "**Colliers Proposal**") given the estimated selling price, the fixed fee to conduct the Proposed Sales Process and the treatment of outside agent fees, the proposed timelines, and the Applicants' past experience with Colliers.
47. As such, on July 27, 2018, the Applicants and Colliers entered into a services agreement (the "**Services Agreement**"), attached as Exhibit F to the Confidential Supplement, to conduct the Proposed Sales Process. As further detailed in the Orr Affidavit, in addition to working with Colliers and North Ridge to prepare the tender package, marketing materials, confidentiality agreement, confidential information memorandum, list of purchasers, and an on-line data room, the Proposed Sales Process contains the following three (3) phases and estimated timelines:
  - a) Phase 1 (August 31, 2018 to October 15, 2018) – Marketing the 33330 Property which will include on-line and direct advertising, distribution of marketing materials, on-site tours and open houses, and facilitation of access to the data room.

- b) Phase 2 (October 16, 2018 to November 6, 2018) – Analyzing the offers received and negotiating with the preferred bidders.
  - c) Phase 3 (November 7, 2018 to November 30, 2018) – Selecting a successful bidder, executing the asset purchase agreement (and any related sales documents), and applying to Court for approval of the sale transaction (which is to close within fifteen (15) days of Court approval, or as otherwise agreed to by the parties).
48. Based on the Monitor’s review of the Sales Proposals, the Services Agreement, the Proposed Sales Process and the Terms and Conditions of Sale prepared by the Applicants and Colliers, the Applicants’ decision to select the Colliers Proposal and the Proposed Sales Process appear reasonable in the circumstances.
49. As discussed in the Eighth Report, North Ridge engaged Welldone Mechanical (“**Welldone**”) to review and remediate the Orr Centre’s HVAC equipment. The Applicants have advised that Welldone has addressed a number of the issues identified with the HVAC equipment, but that additional repairs are still expected. The Applicants have included the estimated costs for the residual repairs in the Updated Cash Flow.
50. As also discussed in the Eighth Report, on June 1, 2018, the Applicants and Colliers mutually agreed to renew the property management agreement for a one (1) year term under the same terms and conditions as the initial Colliers contract (the “**Property Management Agreement**”) (attached as Exhibit A to the affidavit of John Orr sworn May 24, 2017). In accordance with clause 7.02 of the Property Management Agreement, in the event of a sale of the 33330 Property, the Applicants shall have the right to terminate the contract at any time by giving thirty (30) days written notice to Colliers.
51. The Applicants advised that they continue to employ one part-time bookkeeper and one full-time groundskeeper who is responsible for ongoing grounds maintenance and internal facility cleaning at the Orr Centre.
52. The Applicants have advised that John Orr continues to be the director of both 33330 and 825, and continues to provide all general management necessary for the Companies, in

addition to providing direction to the Companies' legal counsel and consultants as the CCAA proceedings continue.

53. The Applicants' legal counsel advised that periodic updates with respect to the 33330 Property have been provided to Affinity, and that Affinity is supportive of the Applicants' activities since the retention of the Orr Centre Owner's Consultant and Colliers as property manager. The Applicants' legal counsel also advised that Affinity is supportive of the retention of Colliers to facilitate the Proposed Sales Process for the 33330 Property.
54. As detailed in the Second, Fourth, Fifth, Seventh, and Eighth Reports, the Applicants have reported that they have the two Prince Albert Condominiums listed for sale, and that if sold, any equity realized therefrom will be utilized in these CCAA proceedings. As at the date of this Ninth Report, the Applicants advised that the two Prince Albert Condominiums have not yet been sold, and that both of the units are currently being rented on a monthly basis.

#### **FEES AND DISBURSEMENTS OF THE MONITOR AND ITS LEGAL COUNSEL**

55. Professional fees and disbursements charged by the Monitor in relation to the administration of these proceedings for the period May 17, 2018 to August 19, 2018 were \$31,832.50 (excluding GST). A copy of the Monitor's account for this period is included in the Affidavit of Brent Warga sworn August 24, 2018 and is attached hereto as Exhibit D.
56. Professional fees and disbursements charged by MLT Aikins (formerly MacPherson Leslie & Tyerman LLP) ("MLT Aikins"), independent legal counsel to the Monitor, for the period May 9, 2018 to August 24, 2018 were \$3,382.75 (excluding GST and PST). A copy of MLT Aikins' account for this period is included in the affidavit of Jeff Lee sworn August 24, 2018 and is attached hereto as Exhibit E.

#### **REQUEST FOR EXTENSION OF THESE PROCEEDINGS AND RECOMMENDATIONS**

57. Pursuant to the Order made herein on June 1, 2018, the current Stay Period expires on October 1, 2018. In order to facilitate restructuring efforts, the Companies are requesting an extension of the stay of proceedings to March 4, 2019. Management and its counsel have

advised that this extension period will provide the Applicants with the time required to complete the Proposed Sales Process for the 33330 Property (which the Applicants anticipate will include a sale approval application), and to continue to work with North Ridge, Dream, and the City of Saskatoon Council to approve the Willows Development. The Applicants believe that all activities contemplated in this Ninth Report will enhance stakeholder value and will provide the Applicants with time to further consider development of a plan of arrangement to be presented to their creditors.

58. As detailed in the First, Second, Fourth, Fifth, Seventh, and Eighth Reports, the Monitor continues to be aware of its duty under Section 23(1)(h) of the CCAA, which states that, if the Monitor is of the opinion that it would be more beneficial to the Applicants' creditors if proceedings in respect of the Applicants were taken under the BIA, it shall so advise the Court without delay after coming to that opinion. The Monitor has not come to such an opinion.
59. The Monitor is of the view that continuing the Applicants' restructuring under the CCAA proceedings holds the most realistic prospects to preserve the business as a going concern, to maximize and preserve value for stakeholders of the Companies, and to allow time for the Companies to develop a restructuring plan which offers the only opportunity for many of the stakeholders to achieve a recovery. Receivership or bankruptcy at this time would be extremely disruptive and costly and, in the view of the Monitor, would not advance the objectives described in this paragraph and would be counterproductive to the interests of the various stakeholders.
60. The Applicants are working diligently to manage their financial and operational restructuring. In accordance with the Updated Cash Flow, the Applicants are forecasting to be able to operate within the Additional DIP Facility during the requested extension period.
61. The Applicants have advised that none of Firm Capital, Pa, or Affinity have advanced any opposition to the requested extension of the Stay Period.
62. The Monitor is of the view that the Applicants have acted, and are acting, in good faith and with due diligence, and respectfully recommends that this Court approve the following:

- a) An extension of the stay of proceedings to March 4, 2019;
- b) The Proposed Sales Process and the retention of Colliers to facilitate the Proposed Sales Process in accordance with the Services Agreement and the Terms and Condition of Sale; and
- c) The New Affinity DIP Facility and the increase in the DIP Charge to \$4,300,000.

63. Additionally, John Orr has stated that reasonable prospects exist for the Companies to file a plan of arrangement under the CCAA and that it is the intention of the Applicants to do so. Based upon information presently available to it, the Monitor has no reason to take issue with these statements by John Orr.

64. The Monitor also respectfully requests that the Court provide an Order approving the Monitor's Ninth Report, the actions and conduct of the Monitor described therein, and the fees and disbursements of the Monitor and its legal counsel for the period May 17, 2018 to August 19, 2018 and May 9, 2018 to August 24, 2018 respectively.

All of which is respectfully submitted at Saskatoon, Saskatchewan, this 27<sup>th</sup> day of August 2018.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Monitor of  
101133330 Saskatchewan Ltd. and  
101149825 Saskatchewan Ltd.,  
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT  
Senior Vice-President

**Exhibit A – Actual vs. Forecast Cash Flows for the Period May 21, 2018 to August 19, 2018**

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101133330 SASKATCHEWAN LTD. AND  
101149825 SASKATCHEWAN LTD.  
13-Week Forecast to Actual Cash Flows  
May 21, 2018 through August 19, 2018

Week Start	Notes	Forecast Week 1	Actual Week 1	Forecast Week 2	Actual Week 2	Forecast Week 3	Actual Week 3	Forecast Week 4	Actual Week 4	Forecast Week 5	Actual Week 5	Forecast Week 6	Actual Week 6	Forecast Week 7	Actual Week 7	Forecast Week 8	Actual Week 8
Week End		21-May-18	27-May-18	3-Jun-18	10-Jun-18	17-Jun-18	24-Jun-18	1-Jul-18	8-Jul-18	15-Jul-18	22-Jul-18	29-Jul-18	5-Aug-18	12-Aug-18	19-Aug-18	26-Aug-18	2-Sep-18
<b>Receipts</b>																	
DIP Proceeds	(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Prince Albert Condo Income	(2)	-	-	2,400	1,200	-	-	-	-	-	-	-	600	2,400	-	-	600
Rental Income	(3)	-	-	-	11,091	15,000	2,742	50,000	50,086	-	3,000	-	2,940	-	7,957	15,000	50,086
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		-	-	2,400	12,291	15,000	2,742	50,000	50,086	-	503,000	-	3,540	502,400	7,957	15,000	50,686
<b>Disbursements</b>																	
825 Development Costs																	
Dream Developments Pro Rata Cost Sharing	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Representative	(5)	-	-	5,500	-	-	10,500	-	-	-	-	-	-	5,500	5,250	-	-
33330 Development Costs																	
HVAC Costs	(6)	-	-	5,000	-	-	-	10,000	-	-	-	10,000	-	-	-	10,000	-
Owner's Consultant Costs	(7)	-	-	10,500	-	-	22,505	-	-	-	-	-	-	10,500	11,100	-	-
Building and Roof Repairs	(8)	-	-	-	-	10,000	-	-	-	-	-	7,500	-	-	-	-	-
Rezoning Costs	(9)	-	-	5,000	-	-	-	-	-	-	-	10,000	-	-	-	-	-
Development Cost Contingency	(10)	-	-	5,000	-	-	-	-	-	-	-	5,000	-	-	-	-	-
<b>Subtotal</b>		-	-	31,000	-	10,000	33,005	10,000	-	-	-	32,500	-	16,000	16,350	10,000	-
Operating Costs																	
Management Fees	(11)	-	-	4,200	4,200	-	-	-	-	-	-	-	4,242	4,200	-	-	-
Property Insurance		-	-	4,950	129	-	3,741	850	-	-	1,817	-	-	4,950	4,049	-	-
Property Taxes		-	-	8,704	-	-	-	-	-	-	8,704	-	-	8,704	-	-	-
Utilities - Electrical		-	-	11,500	9,684	-	-	-	-	-	10,475	-	-	11,500	-	-	-
Utilities - Gas/Heat		-	-	10,150	7,371	-	-	-	-	-	2,034	-	-	10,150	-	-	-
Utilities - Water/Sewer		-	-	-	-	-	-	2,000	2,586	-	-	-	-	-	-	-	-
Wages & Benefits		2,400	2,328	-	-	2,400	2,269	-	2,400	2,103	-	215	2,400	2,164	-	-	-
Payroll Deductions (CRA)		800	-	-	-	800	-	-	-	800	1,906	-	800	-	-	-	-
Repairs and Maintenance		-	306	7,000	189	-	1,407	-	5,420	-	3,130	-	-	7,000	-	-	5,404
Cleaning		-	-	650	-	-	-	-	73	750	174	-	-	650	-	-	-
Office Expenses		200	-	550	152	200	39	200	-	200	450	200	52	500	125	200	131
Contract Services		-	323	7,125	99	-	-	-	5,630	-	-	-	5,697	7,125	841	-	329
<b>Subtotal</b>		3,400	2,957	54,829	21,824	3,400	7,457	3,050	13,710	4,150	30,793	200	10,206	57,979	7,178	200	5,864
Other Costs																	
Bank Service Charges	(12)	-	45	350	294	-	90	-	-	-	25	-	-	350	306	-	-
Contract Consulting Fee	(13)	-	-	5,775	5,500	-	-	-	-	-	-	-	-	5,775	5,500	-	-
City Taxes (Prince Albert Condos)		-	-	600	-	-	-	-	-	-	-	-	-	600	-	-	-
Computer Internet		-	-	150	-	-	-	-	-	-	-	-	-	150	-	-	-
GST Remittance	(14)	-	-	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500	-
Prince Albert Condo Repairs and Maintenance	(15)	-	-	1,000	-	-	-	-	-	-	-	-	-	1,000	-	-	-
Television		-	-	100	-	-	-	-	-	-	-	-	-	100	-	-	-
Vehicle Expense		75	83	75	-	75	91	75	79	75	91	75	143	75	61	75	-
<b>Subtotal</b>		75	128	11,550	5,794	75	181	75	79	75	116	75	143	8,050	5,867	3,575	-
Restructuring Costs																	
Professional Fees	(16)	-	-	50,000	-	30,000	48,063	20,000	-	-	3,439	-	16,616	20,000	-	-	35,673
Forbearance Agreement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	(17)	-	-	28,000	27,086	-	-	-	-	-	-	-	26,213	28,000	-	-	-
DIP Charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Extension Fee	(18)	-	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-	-
Interest	(19)	-	-	30,000	28,728	-	-	-	-	-	-	-	29,205	38,000	-	-	-
Restructuring Cost Contingency	(20)	-	-	5,000	-	-	-	-	-	-	-	5,000	-	-	-	-	-
<b>Subtotal</b>		-	-	113,000	55,814	30,000	48,063	20,000	-	-	3,439	30,000	72,035	86,000	-	-	35,673
<b>Total Disbursements</b>		3,475	3,085	210,379	83,433	43,475	88,705	33,125	13,789	4,225	34,348	62,775	82,384	168,029	29,395	13,775	41,537
<b>Cash Surplus / (Deficit)</b>		\$ (3,475)	\$ (3,085)	\$ (207,979)	\$ (71,142)	\$ (28,475)	\$ (85,963)	\$ 16,875	\$ 36,297	\$ (4,225)	\$ 468,652	\$ (62,775)	\$ (78,844)	\$ 334,371	\$ (21,438)	\$ 1,225	\$ 9,149
Consolidated Cash Balance (beginning of period)		\$ 453,894	\$ 453,894	\$ 450,419	\$ 450,810	\$ 242,440	\$ 379,668	\$ 213,965	\$ 293,704	\$ 230,840	\$ 330,002	\$ 226,615	\$ 798,654	\$ 163,840	\$ 719,810	\$ 498,211	\$ 698,372
Consolidated Cash Balance (end of period)		\$ 450,419	\$ 450,810	\$ 242,440	\$ 379,668	\$ 213,965	\$ 293,704	\$ 230,840	\$ 330,002	\$ 226,615	\$ 798,654	\$ 163,840	\$ 719,810	\$ 498,211	\$ 698,372	\$ 499,436	\$ 707,521

101133330 SASKATCHEWAN LTD. AND  
101149825 SASKATCHEWAN LTD.  
13-Week Forecast to Actual Cash Flows  
May 21, 2018 through August 19, 2018

Week Start Week End	Notes	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Variance
		Week 9 16-Jul-18 22-Jul-18	Week 9 16-Jul-18 22-Jul-18	Week 10 23-Jul-18 29-Jul-18	Week 10 23-Jul-18 29-Jul-18	Week 11 30-Jul-18 5-Aug-18	Week 11 30-Jul-18 5-Aug-18	Week 12 6-Aug-18 12-Aug-18	Week 12 6-Aug-18 12-Aug-18	Week 13 13-Aug-18 19-Aug-18	Week 13 13-Aug-18 19-Aug-18	Forecast Total 19-Aug-18	Actual Total 19-Aug-18	Actual vs. Forecast surplus/(shortfall)
<b>Receipts</b>														
DIP Proceeds	(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prince Albert Condo Income	(2)	-	-	-	-	2,400	1,060	-	-	-	-	-	-	-
Rental Income	(3)	50,000	-	-	1,680	-	6,808	15,000	410	50,000	52,086	195,000	188,886	(6,114)
Other		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		<b>50,000</b>	<b>-</b>	<b>-</b>	<b>1,680</b>	<b>2,400</b>	<b>7,868</b>	<b>15,000</b>	<b>410</b>	<b>50,000</b>	<b>52,086</b>	<b>702,200</b>	<b>692,346</b>	<b>(9,854)</b>
<b>Disbursements</b>														
825 Development Costs														
Dream Developments Pro Rata Cost Sharing	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Representative	(5)	-	-	-	-	5,500	5,250	-	-	-	-	16,500	21,000	4,500
3330 Development Costs														
HVAC Costs	(6)	-	-	-	-	-	-	-	-	-	-	35,000	-	(35,000)
Owner's Consultant Costs	(7)	-	-	-	-	10,500	11,100	-	-	-	-	31,500	44,705	13,205
Building and Roof Repairs	(8)	7,500	-	-	-	-	-	7,500	-	-	-	32,500	-	(32,500)
Rezoning Costs	(9)	-	-	-	-	10,000	-	-	-	-	-	25,000	-	(25,000)
Development Cost Contingency	(10)	-	-	5,000	-	-	-	-	-	-	-	15,000	-	(15,000)
<b>Subtotal</b>		<b>7,500</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>26,000</b>	<b>16,350</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,500</b>	<b>65,705</b>	<b>(89,795)</b>
Operating Costs														
Management Fees	(11)	-	-	-	-	4,200	4,200	-	-	-	-	12,600	12,642	42
Property Insurance		850	-	-	844	4,950	3,999	-	-	850	-	17,400	14,580	(2,820)
Property Taxes		-	8,704	-	-	8,704	-	-	-	-	-	26,112	17,408	(8,704)
Utilities - Electrical		-	-	-	-	11,500	11,056	-	-	-	-	34,500	31,215	(3,285)
Utilities - Gas/Heat		-	-	-	-	10,150	1,422	-	-	-	-	30,450	10,828	(19,622)
Utilities - Water/Sewer		2,000	3,003	-	-	-	-	-	3,368	2,000	-	6,000	8,958	2,958
Wages & Benefits		2,400	1,957	-	-	2,400	-	-	-	2,400	2,054	16,800	13,090	(3,710)
Payroll Deductions (CRA)		800	1,963	-	-	800	2,461	-	-	800	1,934	5,600	8,264	2,664
Repairs and Maintenance		-	355	-	-	7,000	2,197	-	-	-	1,374	21,000	19,783	(1,217)
Cleaning		-	-	-	-	650	172	-	-	167	-	2,700	774	(1,926)
Office Expenses		200	338	200	1,781	500	93	200	-	200	-	3,550	3,161	(389)
Contract Services		-	6,461	-	2,441	7,125	101	-	569	-	4,726	21,375	27,217	5,842
<b>Subtotal</b>		<b>6,250</b>	<b>22,781</b>	<b>200</b>	<b>5,066</b>	<b>57,979</b>	<b>25,701</b>	<b>200</b>	<b>4,104</b>	<b>6,250</b>	<b>10,278</b>	<b>198,087</b>	<b>167,919</b>	<b>(30,168)</b>
Other Costs														
Bank Service Charges	(12)	-	-	-	1,741	350	378	-	195	-	26	1,050	3,101	2,051
Contract Consulting Fee	(13)	-	-	-	-	5,775	-	-	5,500	-	-	17,325	16,500	(825)
City Taxes (Prince Albert Condos)		-	-	-	-	600	-	-	-	-	-	1,800	-	(1,800)
Computer Internet		-	-	-	-	150	-	-	-	-	-	450	-	(450)
GST Remittance	(14)	-	-	-	-	-	2,044	-	-	-	-	7,000	2,044	(4,956)
Prince Albert Condo Repairs and Maintenance	(15)	-	-	-	-	1,000	-	-	-	-	-	3,000	-	(3,000)
Television		-	-	-	469	100	-	-	-	-	-	300	469	169
Vehicle Expense		75	170	75	173	75	26	75	81	75	-	975	998	23
<b>Subtotal</b>		<b>75</b>	<b>170</b>	<b>75</b>	<b>2,383</b>	<b>8,050</b>	<b>2,448</b>	<b>75</b>	<b>5,776</b>	<b>75</b>	<b>26</b>	<b>31,900</b>	<b>23,112</b>	<b>(8,788)</b>
Restructuring Costs														
Professional Fees	(16)	-	-	20,000	-	-	-	-	2,310	20,000	-	160,000	106,101	(53,899)
Forbearance Agreement		-	-	-	-	28,000	27,086	-	-	-	-	84,000	80,386	(3,614)
Interest	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Charges		-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Extension Fee	(18)	-	-	-	-	-	-	-	-	-	-	25,000	-	(25,000)
Interest	(19)	-	-	-	-	38,000	33,601	-	-	-	-	106,000	91,535	(14,465)
Restructuring Cost Contingency	(20)	-	-	5,000	-	-	-	-	-	-	-	15,000	-	(15,000)
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>66,000</b>	<b>60,688</b>	<b>-</b>	<b>2,310</b>	<b>20,000</b>	<b>-</b>	<b>390,000</b>	<b>278,022</b>	<b>(111,978)</b>
<b>Total Disbursements</b>		<b>13,825</b>	<b>22,951</b>	<b>30,275</b>	<b>7,449</b>	<b>158,029</b>	<b>105,187</b>	<b>7,775</b>	<b>12,190</b>	<b>26,325</b>	<b>10,305</b>	<b>775,487</b>	<b>534,757</b>	<b>(240,730)</b>
<b>Cash Surplus / (Deficit)</b>		<b>\$ 36,175</b>	<b>\$ (22,951)</b>	<b>\$ (30,275)</b>	<b>\$ (5,769)</b>	<b>\$ (155,629)</b>	<b>\$ (97,319)</b>	<b>\$ 7,225</b>	<b>\$ (11,780)</b>	<b>\$ 23,675</b>	<b>\$ 41,781</b>	<b>\$ (73,287)</b>	<b>\$ 157,589</b>	<b>\$ 230,876</b>
Consolidated Cash Balance (beginning of period)		\$ 499,436	\$ 707,521	\$ 535,611	\$ 684,570	\$ 505,336	\$ 678,801	\$ 349,707	\$ 581,482	\$ 356,932	\$ 569,702	\$ 453,894	\$ 453,894	
Consolidated Cash Balance (end of period)		\$ 535,611	\$ 684,570	\$ 505,336	\$ 678,801	\$ 349,707	\$ 581,482	\$ 356,932	\$ 569,702	\$ 380,607	\$ 611,483	\$ 380,607	\$ 611,483	

#### Summary of Notes and Assumptions

- (1) As only \$3,300,000 has been advanced from the \$3,800,000 Court approved DIP Facility, a further \$500,000 draw on the DIP Facility is forecast in Week 7 to accommodate the ongoing cash requirements of the Applicants.
- (2) Prince Albert Condo revenue is based on a monthly rental agreement for the two units owned by 101133330 Saskatchewan Ltd.
- (3) Rental revenue is based on existing long term and monthly tenancy agreements.
- (4) Estimated pro rata share of the development costs from partnering with Dream Developments to complete the 825 Land rezoning. The Owner's Representative has advised that the timing of when these costs will be incurred is uncertain as the convention that has developed is that all parties ultimately pay for their proportionate share of these costs after the development services agreement has been signed and matters are proceeding towards construction. The Owner's Representative estimates that 825's share of these costs may approximate \$54,000, with these costs potentially being incurred in December 2018.
- (5) Consulting costs associated with the engagement of the Owner's Representative that is assisting with facilitation of the 825 Land development.
- (6) Estimated costs of repairs required to continue the HVAC system refurbishment in accordance with the system assessment performed by Welldone Mechanical Services.
- (7) Costs associated with the ongoing engagement of the Orr Centre Owner's Consultant to assist with rezoning and subdivision applications with the City of Regina, and preparing and compiling necessary documents to facilitate a sales process for the 33330 Property.
- (8) Estimated costs associated with ongoing building and roof repairs.
- (9) Estimated costs provided by the Orr Centre Owner's Consultant for completion and submission of the rezoning application for the 33330 Property to the City of Regina.
- (10) Contingency reserve for unbudgeted development costs.
- (11) Operating costs have been budgeted by Colliers International ("Colliers") who was engaged as property manager for the Orr Centre commencing June 1, 2017 for a one (1) year term. The Colliers engagement has been extended for an additional one (1) year term, subject to the sale of the 33330 Property.
- (12) Operating costs are based on historical operations and actual 2017 results. Disbursements exclude any deposits that could be required by the various service providers in order to continue servicing the Orr Centre.
- (13) Contract consulting fee paid to shareholder (inclusive of 5% GST).
- (14) GST remittance is net of GST collected and GST paid to suppliers and is remitted quarterly.
- (15) Estimated expected costs for minor condo repairs for the two rental units.
- (16) Estimated based on expenses already incurred and future expenses pertaining to professional services to be provided with respect to the May 31, 2018 extension hearing and ongoing monitoring and plan development.
- (17) Represents interest payments being made to Firm Capital Mortgage Fund Inc. in accordance with the terms of the December 29, 2017 Forbearance Extension Agreement. The Forbearance Extension Agreement expires on June 29, 2018, and the Applicants have been in discussions with Firm Capital Mortgage Fund Inc. as to terms for a further extension.
- (18) In accordance with the DIP Facility Agreement dated December 19, 2017, the DIP Facility of \$3.3 million (plus interest) is due June 30, 2018, subject to renewal on mutually satisfactory terms. The Applicants are currently in negotiations with the DIP Lender to extend the DIP Facility Agreement, and are uncertain what, if any, DIP extension fee may be required.
- (19) In accordance with the DIP Facility Agreement dated December 19, 2017, the interest rate charged on the DIP Facility is the Lender's prime rate (approximately 3.2%) plus 6.8% per annum (approximately 0.8% per month) on the \$3,300,000 balance outstanding. The entire DIP Facility matures on June 30, 2018, and the Applicants expect an extension will be negotiated with the DIP Lender. As the Applicants require additional funding commencing in Week 7, the interest expense has been increased assuming a further DIP Facility advance is approved by the Court.
- (20) Contingency reserve for unbudgeted restructuring costs.

**Exhibit B – Updated Cash Flow Statement for the period August 20, 2018 to March 3, 2019**

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101133330 SASKATCHEWAN LTD. AND  
101149825 SASKATCHEWAN LTD.  
28-Week Cash Flow Projection  
August 20, 2018 through March 3, 2019

Week Start	Notes	Forecast Week 1	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	Forecast Week 14	Forecast Week 15	Forecast Week 16	Forecast Week 17	
Week End		20-Aug-18	27-Aug-18	3-Sep-18	10-Sep-18	17-Sep-18	24-Sep-18	1-Oct-18	8-Oct-18	15-Oct-18	22-Oct-18	29-Oct-18	5-Nov-18	12-Nov-18	19-Nov-18	26-Nov-18	3-Dec-18	10-Dec-18	
<b>Receipts</b>																			
DIP Proceeds	(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prince Albert Condo Income	(2)	-	-	2,400	-	-	-	2,400	-	-	-	2,400	-	-	-	2,400	-	-	-
Rental Income	(3)	-	-	-	15,000	50,000	-	-	15,000	50,000	-	-	15,000	50,000	-	-	15,000	50,000	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		-	-	2,400	15,000	50,000	-	2,400	15,000	50,000	-	2,400	15,000	50,000	-	502,400	15,000	50,000	-
<b>Disbursements</b>																			
825 Development Costs																			
Dream Developments Pro Rata Cost Sharing	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Representative	(5)	-	5,500	-	-	-	-	5,500	-	-	-	5,500	-	-	-	5,500	-	-	-
33330 Development Costs																			
HVAC Costs	(6)	-	5,000	-	2,500	-	-	2,500	-	-	-	-	-	-	-	-	-	-	-
Owner's Consultant Costs	(7)	-	10,500	-	-	-	-	10,500	10,500	-	-	10,500	-	-	-	-	-	10,500	-
Building and Roof Repairs	(8)	-	7,500	-	2,500	-	-	2,500	-	-	-	-	-	-	-	-	-	-	-
Development Cost Contingency	(9)	-	-	-	5,000	-	-	5,000	-	-	5,000	-	-	5,000	-	-	5,000	-	-
Subtotal		-	28,500	-	10,000	-	-	26,000	-	-	5,000	16,000	-	5,000	-	16,000	5,000	-	-
Operating Costs																			
Management Fees	(10)	-	4,200	-	-	-	-	4,200	-	-	-	4,200	-	-	-	4,200	-	-	-
Property Insurance		-	4,950	-	-	850	-	4,950	-	850	-	4,950	-	850	-	4,950	-	-	-
Property Taxes		-	8,704	-	-	-	-	8,704	-	-	-	8,704	-	-	-	8,704	-	-	-
Utilities - Electrical		-	11,500	-	-	-	-	11,500	-	-	-	11,500	-	-	-	11,500	-	-	-
Utilities - Gas/Heat		-	10,150	-	-	-	-	10,150	-	-	-	10,150	-	-	-	10,150	-	-	-
Utilities - Water/Sewer		-	-	-	-	2,000	-	-	-	2,000	-	-	-	2,000	-	-	-	-	2,000
Wages & Benefits		-	2,400	-	2,400	-	2,400	2,400	2,400	-	2,400	2,400	-	2,400	-	2,400	-	2,400	-
Payroll Deductions (CRA)		-	800	-	800	-	800	800	-	800	-	800	-	800	-	800	-	800	-
Repairs and Maintenance		-	8,525	-	-	-	-	8,525	-	-	-	8,525	-	-	-	8,525	-	-	-
Cleaning		-	650	-	-	-	-	650	-	-	-	650	-	-	-	650	-	-	-
Office Expenses		200	500	200	200	200	200	500	200	200	200	500	200	200	200	500	200	200	200
Contract Services		-	7,125	-	-	-	-	7,125	-	-	-	7,375	-	-	-	7,625	-	-	-
Subtotal		200	59,504	200	3,400	3,050	3,400	59,504	200	6,250	200	59,754	200	6,250	200	60,004	200	5,400	-
Other Costs																			
Bank Service Charges	(11)	-	350	-	-	-	-	350	-	-	-	350	-	-	-	350	-	-	-
Contract Consulting Fee	(12)	-	5,775	-	-	-	-	5,775	-	-	-	5,775	-	-	-	5,775	-	-	-
City Taxes (Prince Albert Condos)		-	600	-	-	-	-	600	-	-	-	600	-	-	-	600	-	-	-
Computer Internet		-	150	-	-	-	-	150	-	-	-	150	-	-	-	150	-	-	-
GST Remittance	(13)	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500	-	-	-	-	-
Prince Albert Condo Repairs and Maintenance	(14)	-	1,000	-	-	-	-	1,000	-	-	-	1,000	-	-	-	1,000	-	-	-
Television		-	100	-	-	-	-	100	-	-	-	100	-	-	-	100	-	-	-
Vehicle Expense		75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75
Subtotal		3,575	8,050	75	75	75	75	8,050	75	75	75	8,050	75	3,575	75	8,050	75	75	75
Restructuring Costs																			
Professional Fees	(15)	30,000	50,000	20,000	-	-	20,000	-	-	-	15,000	20,000	15,000	-	-	20,000	-	-	-
Forbearance Agreement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	(16)	-	28,000	-	-	-	28,000	-	-	-	-	28,000	-	-	-	28,000	-	-	-
DIP Charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	(17)	-	38,000	-	-	-	38,000	-	-	-	-	38,000	-	-	-	38,000	-	-	-
Restructuring Cost Contingency	(18)	5,000	-	-	-	5,000	-	-	-	5,000	-	-	-	5,000	-	-	-	-	5,000
Subtotal		35,000	116,000	20,000	-	5,000	86,000	-	-	5,000	15,000	86,000	15,000	5,000	-	86,000	-	-	5,000
<b>Total Disbursements</b>		<b>38,775</b>	<b>212,054</b>	<b>20,275</b>	<b>13,475</b>	<b>8,125</b>	<b>89,475</b>	<b>93,554</b>	<b>275</b>	<b>11,325</b>	<b>20,275</b>	<b>169,804</b>	<b>15,275</b>	<b>19,825</b>	<b>275</b>	<b>170,054</b>	<b>5,275</b>	<b>10,475</b>	<b>-</b>
<b>Cash Surplus / (Deficit)</b>		<b>\$ (38,775)</b>	<b>\$ (212,054)</b>	<b>\$ (17,875)</b>	<b>\$ 1,525</b>	<b>\$ 41,875</b>	<b>\$ (89,475)</b>	<b>\$ (91,154)</b>	<b>\$ 14,725</b>	<b>\$ 38,675</b>	<b>\$ (20,275)</b>	<b>\$ (167,404)</b>	<b>\$ (275)</b>	<b>\$ 30,175</b>	<b>\$ (275)</b>	<b>\$ 332,346</b>	<b>\$ 9,725</b>	<b>\$ 39,525</b>	<b>\$ -</b>
Consolidated Cash Balance (beginning of period)		\$ 611,483	\$ 572,708	\$ 360,654	\$ 342,779	\$ 344,304	\$ 386,179	\$ 296,704	\$ 205,550	\$ 220,275	\$ 258,950	\$ 238,675	\$ 71,271	\$ 70,996	\$ 101,171	\$ 100,896	\$ 433,242	\$ 442,967	\$ 442,967
Consolidated Cash Balance (end of period)		\$ 572,708	\$ 360,654	\$ 342,779	\$ 344,304	\$ 386,179	\$ 296,704	\$ 205,550	\$ 220,275	\$ 258,950	\$ 238,675	\$ 71,271	\$ 70,996	\$ 101,171	\$ 100,896	\$ 433,242	\$ 442,967	\$ 482,492	\$ 482,492

101133330 SASKATCHEWAN LTD. AND  
101149825 SASKATCHEWAN LTD.  
28-Week Cash Flow Projection  
August 20, 2018 through March 3, 2019

Week Start	Notes	Forecast Week 18 17-Dec-18	Forecast Week 19 24-Dec-18	Forecast Week 20 31-Dec-18	Forecast Week 21 7-Jan-19	Forecast Week 22 14-Jan-19	Forecast Week 23 21-Jan-19	Forecast Week 24 28-Jan-19	Forecast Week 25 4-Feb-19	Forecast Week 26 11-Feb-19	Forecast Week 27 18-Feb-19	Forecast Week 28 25-Feb-19	Forecast Total 20-Aug-18
Week End		23-Dec-18	30-Dec-18	6-Jan-19	13-Jan-19	20-Jan-19	27-Jan-19	3-Feb-19	10-Feb-19	17-Feb-19	24-Feb-19	3-Mar-19	3-Mar-19
<b>Receipts</b>													
DIP Proceeds	(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Prince Albert Condo Income	(2)	-	-	2,400	-	-	-	2,400	-	-	-	2,400	16,800
Rental Income	(3)	-	-	-	15,000	50,000	-	-	15,000	50,000	-	-	390,000
Other		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		-	-	<b>2,400</b>	<b>15,000</b>	<b>50,000</b>	-	<b>2,400</b>	<b>15,000</b>	<b>50,000</b>	-	<b>2,400</b>	<b>906,800</b>
<b>Disbursements</b>													
825 Development Costs													
Dream Developments Pro Rata Cost Sharing	(4)	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Representative	(5)	-	-	5,500	-	-	-	5,500	-	-	-	5,500	38,500
33330 Development Costs													
HVAC Costs	(6)	-	-	-	-	-	-	-	-	-	-	-	10,000
Owner's Consultant Costs	(7)	-	-	-	-	-	-	-	-	-	-	-	42,000
Building and Roof Repairs	(8)	-	-	-	-	-	-	-	-	-	-	-	12,500
Development Cost Contingency	(9)	-	5,000	-	-	-	-	-	-	-	-	-	30,000
Subtotal		-	5,000	5,500	-	-	-	5,500	-	-	-	5,500	133,000
Operating Costs (10)													
Management Fees		-	-	4,200	-	-	-	4,200	-	-	-	4,200	29,400
Property Insurance		850	-	4,950	-	850	-	4,950	-	850	-	4,950	39,750
Property Taxes		-	-	8,704	-	-	-	8,704	-	-	-	8,704	60,928
Utilities - Electrical		-	-	11,500	-	-	-	11,500	-	-	-	11,500	80,500
Utilities - Gas/Heat		-	-	10,150	-	-	-	10,150	-	-	-	10,150	71,050
Utilities - Water/Sewer		-	-	-	-	2,000	-	-	-	-	-	-	10,000
Wages & Benefits		-	2,400	-	2,400	-	2,400	-	2,400	-	2,400	-	33,600
Payroll Deductions (CRA)		-	800	-	800	-	800	-	800	-	800	-	11,200
Repairs and Maintenance		-	-	8,525	-	-	-	8,525	-	-	-	8,525	59,675
Cleaning		-	-	650	-	-	-	650	-	-	-	650	4,550
Office Expenses		200	200	500	200	200	200	500	200	200	200	500	7,700
Contract Services		-	-	7,625	-	-	-	7,625	-	-	-	7,625	52,125
Subtotal		1,050	3,400	56,804	3,400	3,050	3,400	56,804	3,400	1,050	3,400	56,804	460,478
Other Costs (11)													
Bank Service Charges		-	-	350	-	-	-	350	-	-	-	350	2,450
Contract Consulting Fee	(12)	-	-	5,775	-	-	-	5,775	-	-	-	5,775	40,425
City Taxes (Prince Albert Condos)		-	-	600	-	-	-	600	-	-	-	600	4,200
Computer Internet		-	-	150	-	-	-	150	-	-	-	150	1,050
GST Remittance	(13)	-	-	-	-	-	-	-	-	3,500	-	-	10,500
Prince Albert Condo Repairs and Maintenance	(14)	-	-	1,000	-	-	-	1,000	-	-	-	1,000	7,000
Television		-	-	100	-	-	-	100	-	-	-	100	700
Vehicle Expense		75	75	75	75	75	75	75	75	75	75	75	2,100
Subtotal		75	75	8,050	75	75	75	8,050	75	75	3,575	8,050	68,425
Restructuring Costs													
Professional Fees	(15)	-	20,000	-	-	-	-	20,000	-	-	20,000	25,000	275,000
Forbearance Agreement		-	-	-	-	-	-	-	-	-	-	-	-
Interest	(16)	-	28,000	-	-	-	-	28,000	-	-	-	28,000	196,000
DIP Charges		-	-	-	-	-	-	-	-	-	-	-	-
Interest	(17)	-	40,000	-	-	-	-	40,000	-	-	-	40,000	272,000
Restructuring Cost Contingency	(18)	-	-	-	5,000	-	-	-	5,000	-	-	-	35,000
Subtotal		-	88,000	-	5,000	-	-	88,000	5,000	-	20,000	93,000	778,000
<b>Total Disbursements</b>		<b>1,125</b>	<b>96,475</b>	<b>70,354</b>	<b>8,475</b>	<b>3,125</b>	<b>3,475</b>	<b>158,354</b>	<b>8,475</b>	<b>1,125</b>	<b>26,975</b>	<b>163,354</b>	<b>1,439,903</b>
<b>Cash Surplus / (Deficit)</b>		<b>\$ (1,125)</b>	<b>\$ (96,475)</b>	<b>\$ (67,954)</b>	<b>\$ 6,525</b>	<b>\$ 46,875</b>	<b>\$ (3,475)</b>	<b>\$ (155,954)</b>	<b>\$ 6,525</b>	<b>\$ 48,875</b>	<b>\$ (26,975)</b>	<b>\$ (160,954)</b>	<b>\$ (533,103)</b>
Consolidated Cash Balance (beginning of period)		\$ 482,492	\$ 481,367	\$ 384,892	\$ 316,938	\$ 323,463	\$ 370,338	\$ 366,863	\$ 210,909	\$ 217,434	\$ 266,309	\$ 239,334	611,483
Consolidated Cash Balance (end of period)		\$ 481,367	\$ 384,892	\$ 316,938	\$ 323,463	\$ 370,338	\$ 366,863	\$ 210,909	\$ 217,434	\$ 266,309	\$ 239,334	\$ 78,380	\$ 78,380

#### Summary of Notes and Assumptions

- (1) An estimated additional DIP Facility of \$500,000 is expected to be necessary for the Applicants to continue with their restructuring activities.
- (2) Prince Albert Condo revenue is based on a monthly rental agreement for the two units owned by 101133330 Saskatchewan Ltd.
- (3) Rental revenue is based on existing long term and monthly tenancy agreements.
- (4) Estimated pro rata share of the development costs from partnering with Dream Developments to complete the 825 Land rezoning. The Owner's Representative has advised that the timing of when these costs will be incurred is uncertain as the convention that has developed is that all parties ultimately pay for their proportionate share of these costs after the development services agreement has been signed and matters are proceeding towards construction. The Owner's Representative estimates that 825's share of these costs may approximate \$54,000, but the Applicants do not anticipate having to pay same during the forecast period.
- (5) Consulting costs associated with the engagement of the Owner's Representative that is assisting with facilitation of the 825 Land development.
- (6) Estimated costs of repairs and maintenance for the HVAC system.
- (7) Costs associated with the ongoing engagement of the Orr Centre Owner's Consultant to assist with preparing and compiling necessary documents to facilitate a sales process for the 33330 Property.
- (8) Estimated costs associated with ongoing building and roof repairs.
- (9) Contingency reserve for unbudgeted development costs.
- (10) Operating costs have been budgeted by Colliers International ("Colliers") who was engaged as property manager for the Orr Centre commencing June 1, 2017 for a one (1) year term. The Colliers engagement has been extended for an additional one (1) year term, subject to the sale of the 33330 Property.
- (11) Operating costs are based on historical operations and actual 2017/18 results. Disbursements exclude any deposits that could be required by the various service providers in order to continue servicing the Orr Centre.
- (12) Contract consulting fee paid to shareholder (inclusive of 5% GST).
- (13) GST remittance is net of GST collected and GST paid to suppliers and is remitted quarterly.
- (14) Estimated expected costs for minor condo repairs for the two rental units.
- (15) Estimated based on expenses already incurred and future expenses pertaining to professional services to be provided with respect to the August 30, 2018 extension hearing and ongoing monitoring and plan development.
- (16) Represents interest payments being made to Firm Capital Mortgage Fund Inc. in accordance with the terms of the June 29, 2018 Forbearance Extension Agreement. The Forbearance Extension Agreement expires on October 26, 2018, and the Applicants have not yet been in discussions with Firm Capital Mortgage Fund Inc. to further extend the terms of same.
- (17) In accordance with the DIP Facility Extension Agreement dated June 19, 2018, the interest rate charged on the DIP Facility is the Lender's prime rate (approximately 3.2%) plus 6.8% per annum (approximately 0.8% per month) on the \$3,800,000 balance outstanding. The entire DIP Facility matures on October 1, 2018, and the Applicants expect an extension will be negotiated with the DIP Lender prior to its maturity. As the Applicants require additional funding commencing in Week 15, the interest expense has been increased assuming a further \$500,000 DIP Facility is provided.
- (18) Contingency reserve for unbudgeted restructuring costs.

**Exhibit C – Request for Proposals**





REFER TO: CRAIG FRITH  
DIRECT DIAL: (306) 665-5432  
FAX NO.: (306) 652-1323  
E-MAIL: [cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com)  
Assistant: Alecia Iwanchuk  
Direct dial: (306) 665-5472  
Email: [aiwanchuk@mcdougallgauley.com](mailto:aiwanchuk@mcdougallgauley.com)  
Our File No.: 524974.11

June 13, 2018

To Whom It May Concern:

**Re: Request for Proposals – Sales Process  
Orr Centre, 4400 – 4<sup>th</sup> Avenue, Regina SK**

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## **I. INTRODUCTION**

We are legal counsel to the registered owner of the Orr Centre, 101133330 Saskatchewan Ltd. (“33330”). 33330 is seeking the services of a real estate brokerage to assist in the formulation of a public tender sales process for the Orr Centre (the “**Tender Process**”), which will be presented to the Court of Queen’s Bench for approval in proceedings initiated by 33330 (and a related corporation) pursuant to the *Companies Creditors’ Arrangement Act*. If the Tender Process is approved, the successful proponent would then be responsible for implementing and managing the same, as more particularly described below.

## **II. TERMS AND CONDITIONS**

### **1. Non-Binding RFP**

This RFP shall not:

- (a) constitute an offer of any kind to the recipients;
- (b) commit 33330 to any specific course of action, including, but not limited to, the retention of a proponent to provide the scope of services outlined herein; or
- (c) otherwise bind 33330 in any way.

For greater certainty but without limiting the generality of the foregoing, 33330 retains the unfettered right to enter into negotiations and subsequently contract with whomever it desires regardless of the issuance of this RFP, and accepts no liability of any kind to a proponent except to the extent that it arises after the execution of a written services agreement.

### **2. 33330’s Right to Amend, Supplement, Suspend, Cancel, or Re-issue the RFP**

33330 shall have the right and absolute discretion at any time, for any reason, and without explanation, liability, cost, or penalty to:

- (a) amend or supplement any aspect of this RFP;
- (b) suspend the RFP process for any period of time;
- (c) cancel the RFP process entirely; or
- (d) re-issue this RFP at a later date.

In the event of any of the foregoing, 33330's sole obligation to the proponents is to inform them that the RFP has been amended, supplemented, suspended, or canceled, as the case may be.

### **3. Costs**

Proponents shall bear their own costs related to participating in this RFP, and in no circumstances whatsoever shall 33330 be liable to reimburse proponents for any such costs incurred.

### **4. Governing Law**

This RFP shall be governed by the laws of the Province of Saskatchewan.

## **III. BACKGROUND TO THE PROPERTY**

The Orr Centre is situated on four surface parcels totaling 10.39 acres at the northwest corner of 4<sup>th</sup> Avenue and Lewvan Drive in Regina's Rosemont Mount Royal neighborhood (the "**Campus**"). The Campus is zoned Designated Shopping Centre with a Holding Overlay Zone designation. In total, there are six buildings located on the Campus (i.e., five residential dorms and the various improvements comprising the Orr Centre itself).

The Orr Centre is home to a variety of commercial tenants, including various office users and a daycare. The most significant tenant is the University of Saskatchewan, which leases a portion of the Orr Centre as the Regina campus for its College of Nursing.

The Orr Centre is professionally managed and generates cash flow. This being said, in light of the condition of many portions of the Orr Centre and the residential dorms, a substantial investment would be required in order for it to attract additional tenants and continue as a viable commercial project. The desired outcome of the sales process will be to have this property widely marketed to qualified bidders who have the financial capacity and expertise to evaluate the opportunity and close the sale relatively quickly. It is anticipated the eventual purchaser will demolish portions of the Orr Centre and substantially redevelop the Campus.

## **IV. SCOPE OF PROPOSAL**

Subject to the Terms and Conditions outlined herein, 33330 is requesting a comprehensive proposal addressing the following:

**1. Services**

At minimum, 33330 will require the successful proponent to:

- (a) assist with the formulation of the Tender Process for Court approval;
- (b) distribute and collect confidentiality and non-disclosure agreements prior to the release of due diligence materials to prospective bidders;
- (c) host the data room, track access to the same by prospective purchasers, and provide progress reports;

NOTE: The majority of the data room due diligence materials have already been accumulated and will be supplied to the successful proponent for the data room.

- (d) prepare the tender package to be distributed to prospective bidders; and
- (e) schedule and facilitate at least one site visit for prospective bidders.

While the foregoing have been identified as the minimum required services, 33330 would ask that you consider and describe any additional services your firm would recommend in order to maximize the exposure of this unique property to widest pool of potential bidders.

NOTE: Any items proposed as additional to the above mentioned scope should have any additional fees identified, if applicable. Any additional services may not ultimately form part of the services agreement ultimately executed.

**2. Fees**

The proposal must also include a detailed summary of the proposed fees to be charged for all services on a FLAT FEE basis. There will be no additional commissions paid by 33330 to the purchaser's agent(s).

Preference will be shown to proposals that break down the flat fee to be charged in relation to each service category.

**3. Miscellaneous**

Please feel free to include any additional information you feel may assist 33330 in evaluating your proposal (e.g., your proposed team members, client references, etc.).

**V. TENTATIVE TIMELINE**

The tentative timeline for this process is as follows:

- 1. June 29, 2018 – deadline for proposals;



2. July 13, 2018 – anticipated selection of the successful proponent;
3. July 16 – August 3, 2018 – enter into services agreement with the successful proponent, finalize the Tender Process, and apply to Court to approve the same; and
4. Implementation of the Tender Process and deadline for offers to be determined.

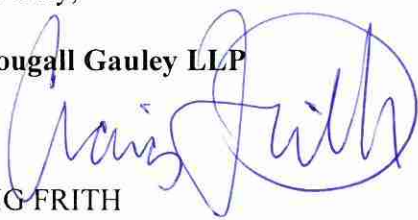
Please submit your proposal no later than 4:00 p.m. CST on June 28, 2018. Proposals can be submitted electronically to the undersigned at [cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com).

Yours truly,

**McDougall Gauley LLP**

Per:

CRAIG FRITH  
CPF~aai



**Exhibit D - Affidavit of Brent Warga sworn August 24, 2018**

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**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
JUDICIAL CENTRE OF SASKATOON**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF  
101133330 SASKATCHEWAN LTD. AND 101149825 SASKATCHEWAN LTD.,**

**APPLICANTS**

**AFFIDAVIT OF BRENT M. WARGA  
(Sworn August 24, 2018)**

I, BRENT M. WARGA, of the City of Winnipeg, in the Province of Manitoba, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of Deloitte Restructuring Inc. ("**Deloitte**"), the Court appointed Monitor of the Applicants (the "**Monitor**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and were so stated I verily believe it to be true.

2. On May 20, 2016, the Applicants, 101133330 Saskatchewan Ltd. (“33330”) and 101149825 Saskatchewan Ltd. (“825”) (collectively the “Applicants” or the “Companies”), filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “CCAA”). Pursuant to the Order of the Court of Queen’s Bench for Saskatchewan (the “Court”) dated May 20, 2016 (the “Initial Order”), restructuring proceedings previously commenced by the Applicants under Division I of Part III of the *Bankruptcy and Insolvency Act* (the “BIA”) were taken up and continued under the CCAA. Deloitte was appointed as the Monitor in the CCAA proceedings and a stay of proceedings was granted in favour of the Applicants. On June 13, 2016, the Court extended the stay of proceedings until August 31, 2016. On August 17, 2016, the Court extended the stay of proceedings until January 1, 2017. On December 22, 2016, the Court extended the stay of proceedings until June 12, 2017. On May 31, 2017, the Court extended the stay of proceedings until December 24, 2017. On December 20, 2017, the Court extended the stay of proceedings until June 17, 2018. On June 1, 2018, the Court extended the stay of proceedings until October 1, 2018.

3. Attached hereto and marked as Exhibit “A” is a copy of the twentieth and twenty-first interim invoices rendered by the Monitor in respect of the period May 17, 2018 to August 19, 2018 and time details related thereto.

4. The invoices contain the fees (including details of the total hours of each of the members of Deloitte who acted on behalf of the Monitor in these proceedings), disbursements, and GST charged by Deloitte in these proceedings. The time details provide a description of the time spent by each staff person for the tasks fulfilled on each particular date.

5. Attached hereto and marked as Exhibit “B” is a schedule summarizing each invoice in Exhibit “A”, the total billable hours charged by invoice, the total fees charged per invoice, and the average hourly rate charged per invoice. The Monitor expended a total of 69.6 hours in connection with this matter during the period May 17, 2018 to August 19, 2018, giving rise to fees and disbursements totalling \$33,424.13, including GST.

6. To the best of my knowledge, Deloitte’s rates and disbursements are consistent with those in the market for these types of matters and the hourly billing rates charged by Deloitte are comparable to the rates charged by Deloitte for services rendered in similar proceedings.

SWORN before me in the City of Winnipeg,  
in the Province of Manitoba, on this 24<sup>th</sup> day  
of August, 2018.



A Commissioner for taking affidavits  
Name: Todd Dew



BRENT M. WARGA

*A Commissioner for Oaths  
in and for the Province of Manitoba*  
My Commission Expires March 13 20 19



This is Exhibit "A" referred to in the  
affidavit of Brent M. Warga  
sworn before me, this 24th  
day of August, 2018



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A Commissioner for Taking Affidavits

*A Commissioner for Oaths  
in and for the Province of Manitoba*  
My Commission Expires March 18 20 19



**Invoice 8000160365**

**Deloitte Restructuring Inc.**

360 Main St  
Suite 2300  
Winnipeg MB R3C 3Z3

ATTN: John Orr  
101133330 Saskatchewan Ltd.  
101149825 Saskatchewan Ltd.  
4400 4th Avenue  
Regina SK S4T 0H8  
Canada

Tel: (204) 942-0051  
Fax: (204) 947-9390  
www.deloitte.ca

Date: June 22, 2018  
Client No.: 1182238  
WBS#: 101C0020  
Engagement Partner: Brent Warga

GST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

Professional services rendered in accordance with the CCAA proceedings for the period May 17, 2018 to June 18, 2018:

Warga, Brent - Partner (28.9 hrs) - \$13,727.50  
Taylor, Robert - Partner (0.9 hrs) - \$427.50  
Fritz, John - Senior Manager (4.0 hrs) - \$1,500.00  
Brown, Rose - Technician (0.4 hrs) - \$40.00  
Faria, Cecilia - Technician (1.3 hrs) - \$130.00

Total - 35.5 hrs - \$15,825.00

GST applicable 15,825.00

**Sales Tax**

GST at 5.00% 791.25

**Total Amount Due (CAD) 16,616.25**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**Time Detail**  
**Invoice No: 8000160635**

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	<u>Narrative</u>
5/17/2018	Warga, Brent	0.8	475.00	380.00	Updates to Eighth Report; call with I. Sutherland and C. Frith re: DIP.
5/21/2018	Warga, Brent	2.6	475.00	1,235.00	Updates to Eighth Report; review of Colliers Reporting.
5/22/2018	Warga, Brent	1.2	475.00	570.00	Review of bank details; e-mail correspondence with Sam and J. Orr; updates to forecast to actual reporting; updates to revised cash flows.
5/23/2018	Brown, Rose	0.2	100.00	20.00	Update website page.
5/23/2018	Fritz, John	1.0	375.00	375.00	Eighth Report edits.
5/23/2018	Warga, Brent	3.3	475.00	1,567.50	Drafting of Eighth Report; updates to Cash Flow Forecast; e-mail correspondence with J. Orr and I. Sutherland.
5/24/2018	Warga, Brent	1.8	475.00	855.00	Finalization of Warga affidavit; updates to Eighth Report; e-mail correspondence with J. Lee.
5/26/2018	Warga, Brent	2.0	475.00	950.00	Review of Affidavit materials and drafting of Eighth Report.
5/27/2018	Warga, Brent	2.2	475.00	1,045.00	Drafting of Eighth Report; review of affidavit materials; updates to cash flows; e-mail correspondence with J. Orr.
5/28/2018	Brown, Rose	0.2	100.00	20.00	Update website page.
5/28/2018	Fritz, John	3.0	375.00	1,125.00	Finalize and filing of Eighth Report.
5/28/2018	Warga, Brent	3.4	475.00	1,615.00	Finalization of Eighth Report; review of Affidavit materials; e-mail correspondence and calls with C. Frith and J. Lee.
5/28/2018	Taylor, Robert	0.9	475.00	427.50	QAR
5/29/2018	Warga, Brent	1.6	475.00	760.00	Review and finalization of Eighth Report; review of Orr Affidavit.
5/30/2018	Faria, Cecilia	1.0	100.00	100.00	Posted: Notice of Application – May 29, 2018; Affidavit of John Orr – May 29, 2018; Affidavit of David Calyniuk – May 29, 2018; Affidavit of Jordan Richards – May 29, 2018; Eighth Report of the Monitor – May 29, 2018; Service List.
5/30/2018	Warga, Brent	1.8	475.00	855.00	Review of bank details; review of Colliers reporting; updates to forecast to actual results; e-mail correspondence with J. Orr and Sam.
6/1/2018	Faria, Cecilia	0.3	100.00	30.00	Post Order (Sixth Extension) to the website.
6/1/2018	Warga, Brent	0.3	475.00	142.50	E-mail correspondence re: website postings and updates.
6/4/2018	Warga, Brent	1.8	475.00	855.00	Review of bank details; updates to forecast to actual reporting; review of Colliers reporting.
6/5/2018	Warga, Brent	1.1	475.00	522.50	Forecast to actual updates; e-mail correspondence with J. Orr and Sam.
6/12/2018	Warga, Brent	2.1	475.00	997.50	Review of bank details; updates to forecast to actual reporting; review of Colliers reporting; e-mail correspondence with J. Orr and Sam.
6/18/2018	Warga, Brent	2.9	475.00	1,377.50	Review of bank details; updates to forecast to actual results; review of Colliers reporting; draft update for Affinity; e-mail correspondence with J. Orr and Sam.
			35.5	\$ 15,825.00	



**Invoice 8000211051**

**Deloitte Restructuring Inc.**

360 Main St  
Suite 2300  
Winnipeg MB R3C 3Z3

ATTN: John Orr  
101133330 Saskatchewan Ltd.  
101149825 Saskatchewan Ltd.  
4400 4th Avenue  
Regina SK S4T 0H8  
Canada

Tel: (204) 942-0051  
Fax: (204) 947-9390  
www.deloitte.ca

Date: August 22, 2018  
Client No.: 1182238  
WBS#: 101C0020  
Engagement Partner: Brent Warga

GST Registration: 122893605RT0001

**For professional services rendered**

**Fees**

Professional services rendered in accordance with the CCAA proceedings for the period June 19, 2018 to August 19, 2018:

Warga, Brent - Partner (32.2 hrs) - \$15,295.00  
Fritz, John - Senior Manager (1.9 hrs) - \$712.50  
Total - 34.1 hrs - \$16,007.50

GST applicable 16,007.50

**Sales Tax**

\*GST at 5.00% 800.38

**Total Amount Due (CAD) 16,807.88**

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

**Time Detail**  
**Invoice No: 8000211051**

Date	Name	Hours	Rate	Amount	Narrative
6/19/2018	Warga, Brent	0.7	475.00	332.50	Review of bank details; updates to forecast to actual results; review of Colliers reporting; draft update for Affinity; e-mail correspondence with J. Orr and Sam.
6/25/2018	Warga, Brent	1.7	475.00	807.50	Review of bank details; updates to forecast to actual reporting; review of Colliers reporting; e-mail correspondence to J. Orr and Sam.
6/26/2018	Warga, Brent	0.6	475.00	285.00	Updates to forecast to actual reporting; e-mail correspondence with J. Orr and Sam.
6/29/2018	Warga, Brent	0.2	475.00	95.00	Call with I. Sutherland re: review of parties making submissions to sell the Orr Centre.
7/3/2018	Warga, Brent	1.6	475.00	760.00	Review of bank details; review of Colliers reporting; review of DIP reporting; updates to forecast to actual reporting; e-mail correspondence with Sam and J. Orr.
7/9/2018	Warga, Brent	1.4	475.00	665.00	Review of bank details; review of Colliers reporting; review of DIP account; e-mail correspondence with Sam and J. Orr.
7/10/2018	Fritz, John	0.7	375.00	262.50	Review of realtor proposals and commentary to B. Warga.
7/10/2018	Warga, Brent	1.1	475.00	522.50	Update to forecast to actual results; e-mail correspondence with Sam and J. Orr.
7/11/2018	Fritz, John	0.5	375.00	187.50	Review and summarization of realtor proposals.
7/12/2018	Fritz, John	0.7	375.00	262.50	Call with the Applicants' counsel re: sale proposals and follow-up information requests.
7/12/2018	Warga, Brent	1.3	475.00	617.50	Call with J. Orr and McDougall re: sales proposals; review of sales proposals in advance of call.
7/16/2018	Warga, Brent	2.6	475.00	1,235.00	Review of bank details; review of Colliers reporting; drafting update e-mail to Affinity; updates to forecast to actual reporting; review of submissions from realtors re: sales proposals; e-mail correspondence with C. Frith.
7/17/2018	Warga, Brent	0.6	475.00	285.00	Call with C. Frith and J. Orr re: sales process proposals.
7/18/2018	Warga, Brent	0.5	475.00	237.50	Review of various e-mail correspondence from C. Frith and counsel to Affinity.
7/19/2018	Warga, Brent	0.8	475.00	380.00	Drafting of cash flow template for Aug 30 hearing; provision of same by e-mail to J. Orr and C. Frith.
7/23/2018	Warga, Brent	1.2	475.00	570.00	Updates to forecast to actual results; review of Colliers reporting; e-mail correspondence to J. Orr and Sam; review of bank details.
7/25/2018	Warga, Brent	0.5	475.00	237.50	Review of various e-mail correspondence re: sales process; e-mail to J. Lee re: same.
7/30/2018	Warga, Brent	2.4	475.00	1,140.00	Updates to forecast to actual results; review of bank details; review of Colliers reporting; drafting of Ninth Report.
8/1/2018	Warga, Brent	1.2	475.00	570.00	Updates to forecast to actual results; e-mail to J. Orr and Sam.
8/7/2018	Warga, Brent	2.3	475.00	1,092.50	Review of bank details; review of Colliers reporting; review of DIP account activity; updates to forecast to actual reporting; e-mails to J. Orr and Sam.
8/8/2018	Warga, Brent	0.7	475.00	332.50	Updates to forecast to actual reporting; e-mail correspondence with J. Orr and Sam.
8/9/2018	Warga, Brent	0.4	475.00	190.00	E-mail correspondence with C. Frith re: draft cash flow projections.
8/10/2018	Warga, Brent	1.0	475.00	475.00	Call with Affinity and McDougall Gauley; review of cash flows.
8/13/2018	Warga, Brent	2.9	475.00	1,377.50	Review of bank details; review of Colliers Reporting; updates to forecast to actual reporting; updates and revisions to cash flows; e-mail correspondence with J. Orr and C. Frith.
8/14/2018	Warga, Brent	6.2	475.00	2,945.00	Drafting of Ninth Report; updates to cash flow forecast; call with C. Frith re: file matters and Aug 30, 2018 hearing.
8/15/2018	Warga, Brent	0.3	475.00	142.50	Updates to cash flows; e-mail correspondence with C. Frith.
<b>Total</b>		<b>34.1</b>		<b>\$ 16,007.50</b>	

This is Exhibit "B" referred to in the  
affidavit of Brent M. Warga  
sworn before me, this 24th  
day of August, 2018



---

A Commissioner for Taking Affidavits

*A Commissioner for Oaths  
in and for the Province of Manitoba*  
My Commission Expires March 18 20 19

# EXHIBIT B

## Monitor's Invoice and Time Summary for the period of May 17, 2018 to August 19, 2018

Invoice #	Date	Fees	Disbursements	GST	Total	Hours	Average Rate
8000160635	6/22/2018	\$ 15,825.00	\$ -	\$ 791.25	\$ 16,616.25	35.5	\$ 445.77
8000211051	8/22/2018	16,007.50	-	800.38	16,807.88	34.1	469.43
<b>Total</b>		<b>\$ 31,832.50</b>	<b>\$ -</b>	<b>\$ 1,591.63</b>	<b>\$ 33,424.13</b>	<b>69.6</b>	<b>\$ 457.36</b>

**Exhibit E – Affidavit of Jeff Lee sworn August 24, 2018**

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COURT FILE NUMBER                    Q.B. 643 of 2016  
COURT                                        QUEEN'S BENCH FOR SASKATCHEWAN IN  
  BANKRUPTCY AND INSOLVENCY  
JUDICIAL CENTRE                        SASKATOON  
APPLICANTS                                101133330 SASKATCHEWAN LTD. and  
  101149825 SASKATCHEWAN LTD.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
RSC 1985 c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF 101133330 SASKATCHEWAN LTD AND 101149825 SASKATCHEWAN LTD.

**AFFIDAVIT OF JEFF LEE**  
**(Sworn August 24, 2018)**

I, JEFF LEE, of the City of Saskatoon, in the Province of Saskatchewan, **MAKE OATH AND SAY:**

1. I am a barrister and solicitor qualified to practice in the Province of Saskatchewan and am a Partner with the law firm of MLT Aikins LLP ("**MLT Aikins**"), and therefore have knowledge of the matters sworn to in this affidavit. Where this affidavit is based on information and belief, I have stated the source of that information and believe it to be true.
2. On May 20, 2016, the Applicants, 101133330 Saskatchewan Ltd. ("**33330**") and 101149825 Saskatchewan Ltd. ("**825**") (collectively the "**Applicants**" or the "**Companies**") filed for and obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Pursuant to the Order of the Court of Queen's Bench for Saskatchewan (the "**Court**") dated May 20, 2016 (the "**Initial Order**"), restructuring proceedings previously commenced by the Applicants under Division I of Part III of the *Bankruptcy and Insolvency Act* (the "**BIA**") were taken up and continued under the CCAA. Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the Monitor (the "**Monitor**") in the CCAA proceedings and a stay of proceedings was granted in favour of the Applicants. On June 13, 2016, the Court extended the stay of proceedings until August 31, 2016. On August 17, 2016, the Court

further extended the stay of proceedings until January 1, 2017. On December 22, 2016, the Court further extended the stay of proceedings until June 12, 2017. On May 31, 2017, the Court further extended the stay of proceedings until December 24, 2017. On December 20, 2017, the Court further extended the stay of proceedings until June 17, 2018. On June 1, 2018, the Court further extended the stay of proceedings until October 1, 2018. MLT Aikins are lawyers of record for Deloitte in its capacity as Monitor.

3. Attached and marked collectively as Exhibit "A" to this Affidavit are true copies of the twentieth and twenty-first interim invoices rendered by MLT Aikins in respect of the period from May 8, 2018 to August 24, 2018.

4. The invoices contain the fees (including details of the time spent by each staff person for the tasks fulfilled on each particular date), disbursements, GST and PST charged by MLT Aikins in these proceedings.

5. Attached and marked as Exhibit "B" to this Affidavit is a schedule summarizing each of the two invoices comprising Exhibit "A" to this Affidavit, the total billable hours charged by invoice, the total fees charged per invoice, and the average hourly rate charged per invoice. MLT Aikins expended a total of 4.7 hours in connection with this matter during the period from May 8, 2018 to August 24, 2018, giving rise to fees and disbursements totalling \$3,749.30, including GST and PST.

6. To the best of my knowledge, based upon my communications with senior insolvency lawyers from other Western Canadian law firms, MLT Aikins' rates and disbursements are consistent with those charged in the market for these types of matters. Further, the hourly billing rates charged by the MLT Aikins lawyers who have worked on this matter are the normal rates charged by such lawyers for services rendered in similar proceedings.

7. I swear this Affidavit for filing in a matter on which I intend to appear as counsel on the basis that the matters herein deposed to by me are mere formalities which are uncontroverted.

**SWORN BEFORE ME** at the City of  
Saskatoon, in the Province of Saskatchewan,  
this 24<sup>th</sup> day of August, 2018.

*[Handwritten signature]*

\_\_\_\_\_  
A COMMISSIONER FOR OATHS for the  
Province of Saskatchewan.

)  
)  
)  
)  
*[Handwritten signature]*  
\_\_\_\_\_  
**JEFF LEE**



This is Exhibit "A" referred to in the  
Affidavit of Jeff Lee  
sworn before me this 24th  
day of August, 2018



---

A Commissioner for Oaths in and for  
the Province of Saskatchewan





For payments by electronic funds transfer, instructions are provided on  
the remittance copy of this invoice

GST # 121 975 544  
BC PST # PST-1016-8828  
SK PST # 1868751  
MB RST # 121975544MT0001

Jun 13, 2018  
Invoice #: 745797

## STATEMENT OF ACCOUNT

Deloitte Restructuring Inc.  
2300, 360 Main Street  
Winnipeg, MB R3C 3Z3  
Brent Warga

[bwarga@deloitte.ca](mailto:bwarga@deloitte.ca)

RE: Restructuring of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.  
FILE: 056074-0009

### TO PROFESSIONAL SERVICES RENDERED

May 15/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland to R. Sandbeck regarding June 1 court application
May 22/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from B. Warga and preparing reply correspondence
May 23/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland to D. Gerecke regarding June 1 hearing
May 24/18	0.40	Lee, Jeffrey M.	Attending to finalize and swear Affidavit describing fees and disbursements
May 24/18	0.10	Lee, Jeffrey M.	Correspondence to B. Warga regarding delivery of sworn Affidavit
May 24/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from D. Gerecke and I. Sutherland regarding proposed Consent Order
May 28/18	0.20	Lee, Jeffrey M.	Reviewing correspondence from G. Metivier regarding filing of Monitor's Report and preparing reply
May 28/18	0.60	Lee, Jeffrey M.	Revising draft Eighth Report of the Monitor
May 28/18	0.10	Lee, Jeffrey M.	Reviewing draft Affidavits of D. Calyniuk
May 28/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from B. Warga regarding Eighth Report and preparing reply
May 28/18	0.20	Lee, Jeffrey M.	Reviewing correspondence from B. Warga and preparing reply correspondence
May 29/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from B. Warga regarding Eighth Report of Monitor and preparing reply
May 29/18	0.20	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland regarding service of Eighth Monitor's Report and preparing reply

Page: 2  
Jun 13, 2018  
Invoice #: 745797

May 29/18	0.20	Lee, Jeffrey M.	Giving instructions to arrange filing of Eighth Monitor's Report at court house
May 29/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland and preparing reply correspondence
May 29/18	0.10	Lee, Jeffrey M.	Reviewing court application materials for June 1 hearing
May 30/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from B. Warga regarding Monitor's participation in June 1 hearing; preparing reply
May 31/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from G. Metivier regarding telephone attendance on June 1 hearing
May 31/18	0.10	Lee, Jeffrey M.	Correspondence to Prince Albert Court house regarding request for telephone attendance
Jun 01/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland; preparing reply correspondence
Jun 01/18	0.20	Lee, Jeffrey M.	Reviewing court application materials
Jun 01/18	0.20	Lee, Jeffrey M.	Preparing oral submissions for court application
Jun 01/18	0.50	Lee, Jeffrey M.	Attending court application by telephone and reporting to B. Warga
Jun 01/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from McDougall Gauley regarding service of Extension Order
Jun 10/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland regarding Willows Concept Plan

Jeffrey M. Lee

4.30 Hours @ \$700.00 = \$3,010.00

TOTAL FEES:

\$3,010.00

**DISBURSEMENTS**

Photocopying / Printing

\$92.75

TOTAL DISBURSEMENTS:

\$92.75

Page: 3  
Jun 13, 2018  
Invoice #: 745797**BILL SUMMARY**

Total Fees	\$3,010.00
SK PST	\$180.60
GST/HST	\$150.50
Total Disbursements	\$92.75
SK PST	\$0.00
GST/HST	<u>\$4.65</u>

**TOTAL AMOUNT DUE****CDN Dollars**     **\$3,438.50**+PST TAXABLE DISBURSEMENT  
\*GST EXEMPT**MLT Aikins LLP**

To the extent possible, we have made every effort to include fees and disbursements for the current billing period. In the event further fees or disbursements are incurred on your behalf, a subsequent account will be forwarded.

Interest at the rate of 14% per annum is added to all amounts overdue by 30 days or more.

**REMITTANCE COPY**Deloitte Restructuring Inc.  
2300, 360 Main Street  
Winnipeg, MB R3C 3Z3  
Brent Warga  
[bwarga@deloitte.ca](mailto:bwarga@deloitte.ca)GST # 121 975 544  
BC PST # PST-1016-8828  
SK PST # 1868751  
MB RST # 121975544MT0001Jun 13, 2018  
Invoice #: 745797RE: Restructuring of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.  
FILE: 056074-0009 JML**INVOICE SUMMARY**

Total Fees	\$3,010.00
SK PST	\$180.60
GST/HST	\$150.50
Total Disbursements	\$92.75
SK PST	\$0.00
GST/HST	\$4.65
Subtotal	\$3,438.50

<b>TOTAL AMOUNT DUE</b>	<b>CDN Dollars</b>	<b><u>\$3,438.50</u></b>
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**Remittance Copy**  
Please return this copy with your payment.

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**-EFT Payments Option – Canadian Funds**

For EFT payments, the required information for payments to the firm's bank account is as follows:

<b>Recipient Company:</b>	MLT Aikins LLP
<b>Company Address:</b>	1500 – 1874 Scarth Street, Regina, Saskatchewan S4P 4E9
<b>Bank Name:</b>	TD Canada Trust, 1904 Hamilton St., Regina, Saskatchewan S4P 3N5
<b>Bank Account Number:</b>	0790 0701820
<b>Transit/Branch Number:</b>	75448
<b>Bank ID Number:</b>	004
<b>Swift Code:</b>	<b>TDOMCATTOR</b>
<b>ABA Routing#</b>	<b>026009593</b>

**-Web Banking Option – Canadian Funds**

For your convenience payment is available via Web Banking, at the following Financial Institutions:

TD Canada Trust, CIBC, Scotiabank, RBC, Conexus Credit Union &amp; Telpay

**Please note:** The account number to be entered is the 10 digit file # indicated above (enter as one continuous number excluding the dash)To ensure your payment is properly credited to your account, please return this remittance copy to Accounts Receivable, either by e-mail ([receivables@mltaikins.com](mailto:receivables@mltaikins.com)) or by fax (306-352-5250).



**For payments by electronic funds transfer, instructions are provided on  
the remittance copy of this invoice**

GST # 121 975 544  
BC PST # PST-1016-8828  
SK PST # 1868751  
MB RST # 121975544MT0001Aug 15, 2018  
Invoice #: 754506

## STATEMENT OF ACCOUNT

Deloitte Restructuring Inc.  
2300, 360 Main Street  
Winnipeg, MB R3C 3Z3  
Brent Warga

bwarga@deloitte.ca

RE: Restructuring of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.  
FILE: 056074-0009

### TO PROFESSIONAL SERVICES RENDERED

Jun 12/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from I. Sutherland regarding DIP Facility
Jul 11/18	0.10	Lee, Jeffrey M.	Reviewing correspondence from C. Frith regarding proposed hearing date and preparing reply
Jul 26/18	0.20	Lee, Jeffrey M.	Reviewing proposed Services Agreement with Colliers and proposed tender process

Jeffrey M. Lee	0.40	Hours @	\$700.00 =	\$280.00
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TOTAL FEES:				\$280.00
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### DISBURSEMENTS

TOTAL DISBURSEMENTS:				\$0.00
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Page: 2  
 Aug 15, 2018  
 Invoice #: 754506

**BILL SUMMARY**

Total Fees		\$280.00
SK PST		\$16.80
GST/HST		\$14.00
Total Disbursements		\$0.00
SK PST		\$0.00
GST/HST		<u>\$0.00</u>

**TOTAL AMOUNT DUE****CDN Dollars****\$310.80**

+PST TAXABLE DISBURSEMENT  
 \*GST EXEMPT

**MLT Aikins LLP**

To the extent possible, we have made every effort to include fees and disbursements for the current billing period. In the event further fees or disbursements are incurred on your behalf, a subsequent account will be forwarded.

Interest at the rate of 14% per annum is added to all amounts overdue by 30 days or more.

**REMITTANCE COPY**

Deloitte Restructuring Inc.  
 2300, 360 Main Street  
 Winnipeg, MB R3C 3Z3  
 Brent Warga  
 bwarga@deloitte.ca

GST # 121 975 544  
 BC PST # PST-1016-8828  
 SK PST # 1868751  
 MB RST # 121975544MT0001

Aug 15, 2018  
 Invoice #: 754506

RE: Restructuring of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.  
 FILE: 056074-0009 JML

**INVOICE SUMMARY**

Total Fees	\$280.00
SK PST	\$16.80
GST/HST	\$14.00
Total Disbursements	\$0.00
SK PST	\$0.00
GST/HST	\$0.00
Subtotal	\$310.80

**TOTAL AMOUNT DUE** **CDN Dollars** **\$310.80**

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**Remittance Copy**  
 Please return this copy with your payment.

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**-EFT Payments Option – Canadian Funds**

For EFT payments, the required information for payments to the firm's bank account is as follows:

**Recipient Company:** MLT Aikins LLP  
**Company Address:** 1500 – 1874 Scarth Street, Regina, Saskatchewan S4P 4E9  
**Bank Name:** TD Canada Trust, 1904 Hamilton St., Regina, Saskatchewan S4P 3N5  
**Bank Account Number:** 0790 0701820  
**Transit/Branch Number:** 75448  
**Bank ID Number:** 004  
**Swift Code:** TDOMCATTOR  
**ABA Routing#** 026009593

**-Web Banking Option – Canadian Funds**

For your convenience payment is available via Web Banking, at the following Financial Institutions:

TD Canada Trust, CIBC, Scotiabank, RBC, Conexus Credit Union & Telpay

**Please note:** The account number to be entered is the 10 digit file # indicated above (enter as one continuous number excluding the dash)

To ensure your payment is properly credited to your account, please return this remittance copy to Accounts Receivable, either by e-mail ([receivables@mltaikins.com](mailto:receivables@mltaikins.com)) or by fax (306-352-5250).

This is Exhibit "B" referred to in the  
Affidavit of Jeff Lee  
sworn before me this 24th  
day of August, 2018



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A Commissioner for Oaths in and  
For the Province of Saskatchewan



# EXHIBIT B

## MLT's Invoice and Time Summary for the period of May 8, 2018 to August 24, 2018

Invoice #	Date	Fees	Disbursements	GST	PST	Total	Hours	Average Rate
745797	6/13/2018	\$ 3,010.00	\$ 92.75	\$ 155.15	\$ 180.60	\$ 3,438.50	4.3	\$ 700.00
754506	8/15/2018	\$ 280.00	\$ -	\$ 14.00	\$ 16.80	\$ 310.80	0.4	\$ 700.00
<b>Total</b>		<b>\$ 3,290.00</b>	<b>\$ 92.75</b>	<b>\$ 169.15</b>	<b>\$ 197.40</b>	<b>\$ 3,749.30</b>	<b>4.7</b>	<b>\$ 700.00</b>