

COURT FILE NUMBER 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.

NOTICE OF APPLICATION
(Eighth Extension and Sales Process)

NOTICE TO RESPONDENTS: All parties listed on the Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Where: Court of Queen's Bench for Saskatchewan
 Judicial Centre of Saskatoon
 520 Spadina Crescent East
 Saskatoon, SK S7K 3G7

Date: February 22, 2019

Time: 10:00 a.m.

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. The Applicants seek an order pursuant to the *Companies' Creditors Agreement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA"):

- (a) deeming service of this notice of application and materials in support thereof timely and sufficient;
- (b) providing that the Initial Order, the stay of proceedings in favour of the Applicants contained in the Initial Order, and the period of time within which the Applicants shall be permitted to file one or more plans of compromise or arrangement shall be extended to and including 11:59 p.m. (Saskatchewan Time) on May 6, 2019;
- (c) approving the Tenth Report of the Monitor, Deloitte Restructuring Inc. (the “**Monitor**”), and the conduct and activities of the Monitor described therein;
- (d) approving the fees and disbursements of the Monitor for the period of August 20, 2018 to February 4, 2019, and its legal counsel, MLT Aikins LLP, for the period of August 23, 2018 to January 30, 2019;
- (e) providing that the Confidential Supplement to the Eleventh Supplementary Affidavit of John Orr sworn February 19, 2019 shall be sealed until:
 - (i) further order of the Court;
 - (ii) 60 days having passed since the issuance of an order confirming the sale of the Property; or
 - (iii) the Court receives written notice from the Applicants or Monitor that no sale of the Property is likely to occur;
- (f) directing the Monitor to market the Property with in accordance with the Stalking Horse Sale Process more particularly described in Schedule “B” to the draft Order filed herein;
- (g) directing, authorizing, and empowering the Monitor and 33330 to take such further steps as they consider necessary or desirable in the course of the Stalking Horse Sale Process to finalize an asset purchase agreement with a prospective purchaser for the purchase of the Property, to be presented for approval of this Honourable Court on a future application; and
- (h) granting such other and further relief as the circumstances may require and this Honourable Court deems appropriate.

Grounds for making this application:

2. Capitalized terms not otherwise defined herein shall have the meanings ascribed

to them in the Orders of this Honourable Court made, and affidavits filed, in these proceedings.

3. The stay of proceedings granted by the Initial Order was most recently extended by the Order of the Honourable Mr. Justice G.A. Meschishnick dated August 30, 2018 (the “**Seventh Extension Order**”), and expires on Monday, March 4, 2019, at 11:59 p.m. Saskatchewan time.

4. Since the granting of the Seventh Extension Order, the Applicants have worked diligently and in good faith with their professional advisors to:

- (a) complete the sales process contemplated by the Seventh Extension Order; and
- (b) negotiate and conceptualize the new sales process for the Property when the Colliers Sales Process failed to yield satisfactory results.

5. As more particularly described in the materials filed in support of this application, the Applicants submit that the new sales process, which includes a Stalking Horse Credit bid by the senior secured creditor, Affinity, is fair and reasonable given the outcome of the previous sales process. A sale is warranted at this time, no objections have been raised to date, and there is no better viable alternative of which the Applicants are presently aware.

Material or evidence to be relied on:

- (a) this Notice of Application and proof of service;
- (b) the Eleventh Supplementary Affidavit of John Orr sworn February 19, 2019;
- (c) the Confidential Supplement to the Eleventh Supplementary Affidavit of John Orr sworn February 19, 2019;
- (d) the Tenth Report of the Monitor;
- (e) proof of compliance with General Application Practice Directive #3;

- (f) Brief of Law;
- (g) draft Order; and
- (h) such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

- 6. The Applicants rely on Rules 12-1(1) and 13-7(2).

Applicable Acts and Regulations:

- 7. The Applicants rely on the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and, in particular, sections 11, 11.02(2) and (3), and 36.

NOTICE

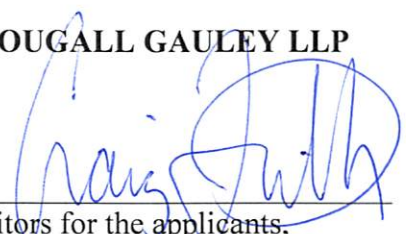
If you wish to oppose the application, you or your lawyer must prepare an affidavit in response, serve a copy at the address for service given at the end of this document, and file it in the court office, with proof of service, at least 7 days before the date set for hearing the application. You or your lawyer must also come to court for the hearing of the application on the date set.

AND FURTHER TAKE NOTICE that if you do not appear at the hearing an order may be made in your absence and enforced against you. YOU WILL NOT RECEIVE FURTHER NOTICE OF THIS APPLICATION.

Dated at the City of Saskatoon, in the Province of Saskatchewan this 19th day of February, 2019.

McDOUGALL GAULEY LLP

Per:


Solicitors for the applicants,
101133330 Saskatchewan Ltd., and
101149825 Saskatchewan Ltd.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm: McDougall Gauley LLP
Name of lawyer in charge of file: Ian A. Sutherland / Craig Frith
Address of legal firm: 500-616 Main Street, Saskatoon, SK S7H 0J6
Telephone / Facsimile: (306) 653-1212 / (306) 652-5432
Email address: isutherland@mcdougallgauley.com
cfrith@mcdougallgauley.com