

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.

**SIXTH SUPPLEMENTARY AFFIDAVIT OF JOHN ORR**


I, JOHN ORR, of the City of Saskatoon, in the Province of Saskatchewan, businessman,  
MAKE OATH AND SAY THAT:

1. I am the sole director, a shareholder, and the president of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd., such that I have personal knowledge of the facts and matters hereinafter deposed, except where stated to be on information and belief and, where so stated, I believe the same to be true.

2. Attached as **Exhibit "A"** is an executed term sheet for the additional DIP Financing sought on this application (the "**Staheli Term Sheet**"). The Staheli Term Sheet contains the same terms and conditions as the Secondary DIP Facility Term Sheet attached to my Fifth Supplementary Affidavit as Exhibit "B."

SWORN (OR AFFIRMED) BEFORE ME )  
at the City of Saskatoon, in the Province of )  
Saskatchewan, this 30<sup>th</sup> day of May, 2017. )

\_\_\_\_\_  
A COMMISSIONER FOR OATHS for  
Saskatchewan - Being a Solicitor.

  
\_\_\_\_\_  
**JOHN ORR**

**CONTACT INFORMATION AND ADDRESS FOR SERVICE:**

Name of firm: McDougall Gauley LLP

Name of lawyer in charge of file: Ian A. Sutherland

Address of legal firm: 500-616 Main Street  
Saskatoon, SK S7H 0J6

Telephone / fax number: (306) 665-5417 / (306) 652-1323

Email address (if any): [isutherland@mcdougallgauley.com](mailto:isutherland@mcdougallgauley.com)

THIS IS EXHIBIT "A" REFERRED TO IN THE SIXTH SUPPLEMENTARY AFFIDAVIT OF JOHN ORR SWORN BEFORE ME AT THE CITY OF SASKATOON, IN THE PROVINCE OF SASKATCHEWAN THIS 30<sup>TH</sup> DAY OF MAY, 2017.

  
A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR



STAHeli CONSTRUCTION CO. LTD.  
PH. 780-447-3518

May 24, 2017

McDougall Gauley  
LLP 500-616 Main  
Street Saskatoon SK  
S7H 0J6

Attention: Ian A. Sutherland and Craig Frith, McDougall Gauley LLP, Counsel for the Borrower

**Re: Term Sheet – Debtor in Possession Facility  
101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.**

You have advised us that 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd. (collectively, the “**Borrowers**”) applied to the Court of Queen’s Bench for Saskatchewan, Judicial Centre of Saskatoon in QB No. 643 of 2016 and were granted an order from Mr. Justice N.G. Gabrielson under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

You have further advised us that it is the Borrowers’ intention to remain in possession and control of their assets and business during the course of the CCAA proceedings. Staheli Construction Co. Ltd (the “**Lender**”) is pleased to offer its commitment to provide to the Borrower with the financing described herein during the CCAA proceeding, subject to the terms and conditions of this Term Sheet.

<b>BORROWERS:</b>	101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.
<b>PURPOSE OF FINANCING:</b>	To support working capital requirements and restructuring efforts.
<b>PROPOSED FINANCING:</b>	A secondary DIP Facility in an amount of up to CDN \$500,000.00 (the “ <b>Secondary DIP Facility</b> ”).
<b>INTEREST:</b>	1.05% per month (12.60% per annum) calculated on the daily balance outstanding under the DIP Facility.
<b>TERM:</b>	The entire DIP Facility plus interest is due in full on January 31, 2018, subject to renewal on mutually-satisfactory terms.
<b>PAYMENT:</b>	Interest only payments payable on the 1 <sup>st</sup> of each month with the 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.

**DOCUMENTATION AND SECURITY:**

**The Borrowers shall provide or cause to be provided, the security and agreements listed below, in form and substance satisfactory to the Lender, including, but not limited to:**

1. DIP Financing Agreement, evidencing a second priority court ordered charge (the "**Secondary Charge**") on all of the existing and after-acquired real and personal property, assets, and undertakings of the Borrowers that is subject only to:
  - (a) the Administration Charge granted by the Court up to maximum amount of \$150,000;
  - (b) the first DIP Lender's Charge in the amount of \$2,000,000; and
  - (c) in respect of all current and future assets, undertakings and property of any nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 101149825 Saskatchewan Ltd. (collectively, the "**Saskatoon Property**"), the Charge shall rank behind the Administration Charge, the mortgage in favour of Firm Capital Mortgage Fund Inc. registered as Interest Register No. 121088167, the mortgage in favour of Frank Pa registered as Interest Register No. 121113155, and the First DIP Lender's Charge;
2. Promissory Note;
3. Borrowers to provide monthly reporting to the Lender;
4. Assignment of insurance; and
5. Such further security and other documentation that the Lender and its solicitor may reasonably require.

**ASSIGNMENTS:**

The Lender may assign or transfer or grant participations in its rights or obligations in whole or in part at any time without notice to or consent of the Borrowers.

**ONGOING COVENANTS:**

The Borrowers shall pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, PST, EHT, WEPPA and WSIB premiums.

**CONDITIONS:**

Availability of the DIP Facility is conditional upon, but not limited to:

1. Acceptance by the Borrowers of this Term Sheet;
2. The Borrowers obtaining an Order in form and content satisfactory to the Lender and Lender's Counsel, authorizing the borrowing under the Secondary DIP Facility;
3. An Order granting the Secondary Charge in favour of the Lender as security for repayment of the Secondary DIP Facility, and all interest, fees, expenses and other amounts

- payable by the Borrowers;
4. Delivery and registration of the security in a form acceptable to the Lender;
  5. The Borrowers having paid statutory liens, trust and other Crown Claims including confirmation of paid property taxes on the subject property.

**FACILITY FEE:** \$15,000 upon draw down of the DIP Facility, and not in advance.

**ACCEPTANCE:** This Term Sheet must be accepted by the Borrowers by May 30, 2017 after which this commitment before null and void

**Costs:** The costs of all appraisals and environmental reports, the legal costs of the Lender, cost consultant and insurance consultant and all other out-of-pocket costs and expenses incurred in the approval and making of the Secondary DIP Facility and the preparation, execution, delivery, registration and discharge of the security or in the collection of any amount owing under the terms of the Secondary DIP Facility shall be for the account of the Borrowers and may be debited to advances to be made under the terms of the Secondary DIP Facility. Until paid, all such costs and expenses shall bear interest at the rate described under the Interest Rate section of this Agreement.

Yours truly,

Staheli Construction Co. Ltd



Per: Glen Staheli - President

On behalf of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd., I agree with the terms and conditions as stated above:



Per: John Orr Date: