

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.

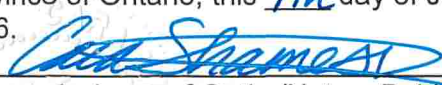
AFFIDAVIT OF FRANK PA

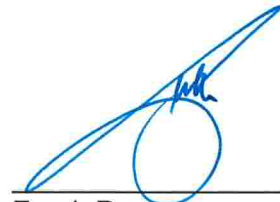
I, Frank Pa, of Markham, Ontario, mortgage broker, MAKE OATH AND SAY AS
FOLLOWS:

1. I am a secured creditor of 101149825 Saskatchewan Ltd. ("825") and 101133330 Saskatchewan Ltd. ("330"), such that I have personal knowledge of the facts and matters deposed to herein, except where stated to be on information and belief, and where so stated I believe the same to be true.
2. I have reviewed a draft of the Affidavit of Jonathan Mair and am in full agreement with the facts as set out by Jonathan Mair, and with the positions taken by Firm Capital Mortgage Fund Inc. ("FCMF").
3. I was approached by a mortgage agent about the possibility of becoming a lender to John Orr to enable him to raise the funds to purchase the shares of 825, which would indirectly give him ownership of certain lands near Saskatoon, Saskatchewan legally described as Blk/Par A Plan No 101456197 Extension 76, Surface Parcel # 136165091 (the "Saskatoon Lands").
4. Ultimately, I agreed to provide financing in the amount of \$2,100,000, taking a subordinate position to FCMF with respect to both 825 and 330 (collectively, the "Debtors").
5. The loan and security documents granted to me include the following:

- (a) Mortgage granted by 825 and 330 in the amount of \$2,100,000 dated September 17, 2015, a true copy of which is attached to this Affidavit as Exhibit "A";
 - (b) Promissory Note and Security Agreement granted by John Orr in the amount of \$2,100,000, dated September 17, 2015, a true copy of which is attached to this Affidavit as Exhibit "B";
 - (c) Guarantee granted by John Orr dated September 17, 2015, a true copy of which is attached to this Affidavit as Exhibit "C";
 - (d) Assignment of Rent granted by 825 dated September 17, 2015, a true copy of which is attached to this Affidavit as Exhibit "D"; and
 - (e) Security Agreement granted by John Orr dated September 17, 2015, a true copy of which is attached to this Affidavit as Exhibit "E".
6. The loan that I advanced was in the amount of \$2,100,000 (the "Loan"). The terms were that payments would be interest only until the maturity date of September 15, 2016. Interest to cover the term, in the amount of \$294,000 (the "Interest Reserve"), was withheld by me from the loan advance.
7. After the Debtors each served a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act*, Mike Russell of the McDougall Gauley law firm wrote to me to demand payment of the Interest Reserve. On May 6, 2016, I sent the amount of \$119,210.96 to McDougall Gauley, leaving me with no Interest Reserve. As a result, interest on the Loan was paid up to and including April 20, 2016. The next interest payment was due on May 20, 2016. That payment was not made and I have received no payments since paying the remainder of the Interest Reserve to McDougall Gauley.
8. As of June 8, 2016, the outstanding interest is \$40,274,00, with a per diem of \$805.48.

9. I make this Affidavit in opposition to the request by 825 for an extension of its stay of proceedings as against FCMF and me.

SWORN BEFORE ME at Markham, in the)
Province of Ontario, this 9th day of June,)
2016.)
)
A Commissioner of Oaths/Notary Public)
in and for the Province of Ontario.)
My Appointment Expires:)
or being a Solicitor)



Frank Pa

This Affidavit was delivered by:

MILLER THOMSON LLP
15-23 Street East
Saskatoon, SK S7K 0H6

whose address for service is same as above.
Lawyer in charge of file: David Gerecke
Telephone Number: (306) 667.5615
Facsimile: (306)652.1586
email:dgerecke@millerthomson.com