



COURT FILE NUMBER 1603 20319

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

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

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF PARKLAND AIRPORT DEVELOPMENT
CORPORATION

DATED APRIL 25, 2017

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Introduction

1. On November 29, 2016 (the "Filing Date"), Parkland Airport Development Corporation (the "Company") made application to the Court of Queen's Bench of Alberta (the "Court") for an Initial Order (the "Initial Order") under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). Deloitte Restructuring Inc. ("Deloitte") was appointed as Monitor (the "Monitor") in the CCAA proceedings.
2. The Initial Order provided for an initial stay of proceedings until December 28, 2016 (the "Initial Stay").
3. On December 15, 2016, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order, until February 28, 2017. The Honourable Mr. Associate Chief Justice J.D. Rooke granted an Order (the "First Extension Order") extending the stay until February 28, 2017 (the "Stay").
4. On February 27, 2017, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order until September 15, 2017. The Honourable Mr. Justice S.D. Hillier granted an Order (the "Second Extension Order") extending the Stay until September 15, 2017.
5. The Second Extension Order also directed that, within 30 days of the date of the Second Extension Order, the Chief Restructuring Officer ("CRO") call a meeting of creditors and other affected parties to address the selection of a creditors' committee, the alternatives as described in the report of the CRO filed with this Honourable Court on February 16, 2017, and any other matters the CRO saw fit.
6. Capitalized terms not otherwise defined herein have the meanings given to them in the First Report.
7. Information on the CCAA proceedings can be accessed on Deloitte's website at www.insolvencies.deloitte.ca under the link "Parkland Airport Development Corporation" (the "Monitor's Website").

Notice to reader

8. In preparing this report, the Monitor has relied on unaudited financial information, the books and records of the Company and discussions with the Company's employees, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
9. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in this report are the responsibility of management ("Management") for the Company. Management's responsibility extends beyond ensuring that the individual assumptions used to

prepare the financial forecasts are appropriate in the circumstances and to ensuring that the assumptions as a whole are appropriate. While the Monitor has reviewed the information, the Monitor has not performed an audit or other verification of such information. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the financial forecasts, or relied upon by it in reporting on the financial forecasts. Future oriented financial information included in this report is based upon Management's assumptions regarding future events. Actual results achieved may vary and these variations may be material.

10. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report.
11. All amounts included herein are in Canadian dollars unless otherwise stated.

Purpose of this report

12. This is the fourth report of the Monitor. ("Fourth Report").
13. The CRO's Supplemental Report proposes, *inter alia*, that:
 - 13.1. Construction for improvements for Phase 1 be completed.
 - 13.2. That a contract be entered into with a general contractor for completion of Phase 1.
 - 13.3. The amounts which would be due to the general contractor who completes Phase 1 be partially paid by transfer to the general contractor of Lot 8 in Phase 1 of the airport development.
14. The purpose of this report is to outline the Monitor's position with respect to the foregoing and to provide a report to this Honourable Court in accordance with s. 36(3)(b) and (c) of the CCAA.

Use of Transfer of Lot for Payment of Services

15. The Monitor is aware of the meeting held by the CRO with the creditors of the Company and is aware that the general consensus of the CRO and the creditors is that completion of Phase 1 of the development of the airport is desirable.
16. The Monitor concurs that completion of Phase 1 of the airport is a reasonable and appropriate action to take at this time.
17. The Monitor is aware that the Company has limited resources at this time to pay for the costs of completion of Phase 1 of the airport.
18. The Monitor agrees that the exchange of Lot 8 in Phase 1 of the airport for valuable services provided in completion of Phase 1 is a reasonable process for partial payment of the costs of completion of Phase 1.

19. The Monitor has reviewed documentation of the Company respecting the apparent arms' length sale of lots in Phase 1 of the airport development and notes that the consideration received by the Company is approximately equivalent to \$15.00 per square foot of each lot sold.
20. The Monitor notes that the proposed value to be received on transfer of Lot 8 is \$500,000.00.
21. According to information available to the Monitor, Lot 8 comprises 31,322.98 square feet. A transfer at a value of \$500,000.00 would equate to \$15.96 per square foot.
22. Based on the foregoing, the Monitor is of the opinion that a transfer of Lot 8 in exchange for services valued at at least \$500,000.00 results in reasonable value being obtained by the Company for the transfer of Lot 8.
23. The Monitor is further of the opinion that:
 - 23.1. The Monitor approves of the process undertaken by the CRO to proceed with the completion of Phase 1 of the airport development and the transfer of Lot 8 to the party providing the services in exchange for services of a value of not less than \$500,000.00.
 - 23.2. In the circumstances, the completion of Phase 1 of the development of the airport has the potential of enhancing the value of the balance of the airport and, in the opinion of the Monitor, the use of Lot 8 and the transfer thereof to a party providing services for the completion of Phase 1 of the airport for a value of not less than \$500,000.00 is more beneficial to the creditors than the sale or disposition of Lot 8 in circumstances where the Company were to be adjudged bankrupt at this time.


Conclusions and Recommendations

21. For the foregoing reasons, the Monitor supports the proposal by the CRO to use the transfer of Lot 8 to pay for services supplied for the completion of Phase 1 of the airport in an amount not less than \$500,000.00.

All of which is respectfully submitted this 24th day of April, 2017.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed Monitor in
re: The plan of compromise or arrangement of
Parkland Airport Development Corp.
and not in its personal capacity



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