

COURT FILE NO 1603 20319
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c C-
36, as amended

AND IN THE MATTER OF THE PARKLAND
AIRPORT DEVELOPMENT CORPORATION

DOCUMENT **AFFIDAVIT OF STEVE FROESE**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Darren Bieganeck, QC
Barrister & Solicitor
Phone: 780.441.4386
Fax: 780.428.9683
File #204-201086

DUNCAN CRAIG LLP
LAWYERS MEDIATORS
2800 Scotia Place
10060 Jasper Avenue
Edmonton, Alberta Canada T5J 3V9

AFFIDAVIT OF STEVE FROESE

Sworn on November 28, 2018

I, STEVE FROESE, of the City of Vancouver, in the Province of British Columbia, Businessman,
SWEAR AND SAY THAT:

1. I am a director of 2155734 Alberta Ltd. (the "Creditor" or "215") and as such, the matters herein deposed to are based on my personal knowledge, except where stated to be based on information and belief and whereso stated I do verily believe the same to be true.
2. The Creditor has acquired the first secured position of 383501 Alberta Ltd. ("383") and is now the first mortgage holder in respect of the remaining parcels of land owned by Parkland Airport Development Corporation ("PADC") together with additional parcels of land which were transferred out by PADC but remain subject to 383's first mortgage. Attached and marked respectively as **Exhibits "A"** and **"B"** to this my Affidavit are copies of:
 - (a) The Transfer of Mortgage; and

- (b) The Transfer of the Foreclosure Proceedings being Court of Queen's Bench Action Number 1603 12839 (the "Foreclosure Action").
- 3 The transaction closed on November 27, 2018. As of the time of swearing of this Affidavit the Transfer of Mortgage as not yet been registered and the Foreclosure Action Transfer has not yet been filed but both of which should be completed by the hearing of this application.
- 4 Part of the consideration paid for the acquisition of the first mortgage requires the outstanding property tax arrears and current property taxes against the PADC lands to be paid. I am informed by counsel for 215 and do verily believe that the outstanding total amount to be paid is approximately \$750,000.00. As of the swearing of this Affidavit those funds are being held in trust to be paid over to the County of Parkland in order to retire the outstanding tax obligations against the PADC lands once confirmation of the outstanding amount is obtained. Confirmation of payment will be provided prior to the Court application.

Intentions of 215

- 5 It is the intention of 215 to make application to the Court to have a credit bid offer, in conjunction with other consideration, be accepted in exchange for the acquisition by 215 of:
- (a) All of the operating and physical assets of PADC including the licences and permits to operate the facility as an airport; and
- (b) All of the land subject to the existing first mortgage which now belongs to 215.
- 6 Unfortunately, time has not permitted that offer to be finalized for submission to the Court for consideration on December 7, 2018.
- 7 It is, however, 215's intention to proceed with that application no later than the second week of February, 2019. In the interim, 215 is prepared to pay any ongoing operational cash shortfalls in respect of the continued operations of PADC.

Request for an Extension

- 8 In the circumstances, as first secured creditor behind only Court-ordered and, at present, statutory charges, 215 is making application to the Court to extend the stay of proceedings in this matter to afford it the opportunity of putting together the offer as noted above for consideration by PADC and the Court.
- 9 The payment of the outstanding property taxes to the County of Parkland represents a significant payment and is done in good faith to establish 215's bona fides in respect of making its credit bid. We still must, however, engage in discussions with some of the prior Court-ordered stakeholders in order to finalize terms of the intended credit bid.
- 10 Recognizing that there will be expenses incurred by the airport to maintain operations over that period of time, 215 is prepared to pay any operational cash shortfalls during this brief extension.

- 11 In the circumstances, while the PADC continues to operate, I do not know of any facts to suggest they are not operating other than in good faith and with due diligence. 215 is proceeding in good faith and moving with due diligence in an effort to put forward its credit bid.
- 12 I make this Affidavit in support of an application to extend the stay of proceedings


Vancouver, British Columbia

SWORN BEFORE ME at ~~Edmonton, Alberta~~)
this 28th day of November, 2018)

Notary Public)


KATRINA S. YAWORSKY
BARRISTER & SOLICITOR

A Notary in and for the Province of British Columbia
SUITE 700, TWO BENTALL CENTRE, 555 BARRARD STREET
VANCOUVER, B.C., CANADA V7X 1M8
TEL: 604-684-0727 FAX: 604-684-7094



STEVE FROESE

FORM 18
LAND TITLES ACT
(Section 109)


TRANSFER OF MORTGAGE

383501 ALBERTA LTD., the Mortgagee, in consideration of the sum of ONE MILLION TWO HUNDRED FIFTY THOUSAND (\$1,250,000.00) DOLLARS and other good and valuable consideration this day paid to it by 2155734 ALBERTA LTD. of #110, 33456 South Fraser Way, Abbotsford, British Columbia, V2S 2B5, the receipt of which sum 383501 ALBERTA LTD hereby acknowledges, hereby transfers to 2155734 ALBERTA LTD. the Mortgage registered as Instrument No. 142 018 341 together with all our rights, powers, title, and interest therein.

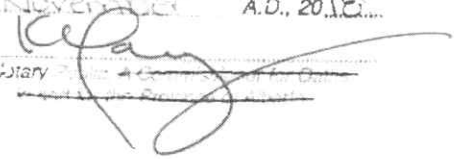
The duly authorized officer of 383501 ALBERTA LTD. has hereunto caused this Transfer of Mortgage to be signed this 28th day of November, 2018



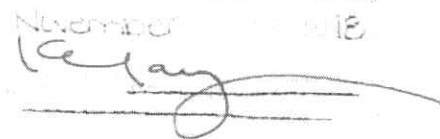
Witness
BARRON A. SPENCER
BARRON A. SPENCER

383501 ALBERTA LTD.
Per 

Lawrence Berube - President

This is Exhibit "A" referred to in the
Affidavit of
Steve Fries
Sworn before me this 28 day
of November A.D., 2018


A Notary

B
Steve. Fruese
November 28 2018


COURT FILE NO. 1603 12839
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFF 383501 ALBERTA LTD
DEFENDANTS PARKLAND AIRPORT DEVELOPMENT CORPORATION AND SUN SET INDUSTRIES INC. AND STEWART OILFIELD SERVICES LTD. AND ROSEIKO ENTERPRISES INC. AND ROB WIEDEMAN AND BROOKLYN WHYTE & CO. LTD.
DOCUMENT ASSIGNMENT OF ACTION

TAKE NOTICE THAT the Plaintiff has a claim or cause of action against the Defendants (the "Action"); AND TAKE NOTICE that the Plaintiff hereby acknowledges receipt of valuable consideration now paid by 2155734 ALBERTA LTD. (the "Assignee") to the Plaintiff, the receipt whereof is hereby acknowledged, and does accordingly hereby grant, bargain, sell, assign, transfer and set over unto the Assignee, their successors and assigns the within Action together with all benefits to be derived therefrom, whether at law, in equity, or under any statute.

DATED at the City of Edmonton, in the Province of Alberta, this 28th day of November, 2018.

383501 ALBERTA LTD.
Per: 
Lawrence Berube

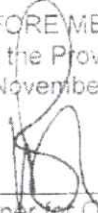
TO: CLERK OF THE COURT
AND TO: SERVICE LIST

AFFIDAVIT OF CORPORATE SIGNING AUTHORITY

I, Lawrence Berube, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY,


1. THAT I am an authorized signing agent of 383501 ALBERTA LTD. (the "Corporation") named in the within or annexed instrument.
2. THAT I am authorized by the Corporation to execute the within or annexed instrument on behalf of the Corporation with or without the Corporate Seal of the Corporation.
3. THAT the within or annexed instrument was executed at the City of Edmonton, in the Province of Alberta.

SWORN BEFORE ME at the City of Edmonton, in the Province of Alberta, this 25th day of November, 2018.



A Commissioner for Oaths in and for the Province of Alberta

CARLEEN R. BINGHAM
BARRISTER & SOLICITOR



Lawrence Berube