

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.

ORDER (Seventh Extension, Sales Process Approval, and DIP Facility #6)

BEFORE THE HONOURABLE) THURSDAY, THE 30th DAY
MR. JUSTICE G.A. MESCHISHNICK) OF AUGUST, 2018
IN CHAMBERS)

ON THE APPLICATION of counsel on behalf of the Applicants, 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd, and on having read the Notice of Application with proof of service thereof, the Tenth Supplementary Affidavit of John Orr sworn August 27, 2018, the Confidential Supplement to the Tenth Supplementary Affidavit of John Orr sworn August 27, 2018 (the "**Confidential Supplement**"), the Draft Order, the Order of the Honourable Justice N.G. Gabrielson dated May 20, 2016 (the "**Initial Order**"), as well as the Orders of the Honourable Justice G.A. Meschishnick dated June 13, 2016, August 17, 2016, December 22, 2016, May 31, 2017, December 20, 2017, and June 1, 2018 (the "**Sixth Extension and DIP Facility #5 Order**") (all orders following the Initial Order are hereafter sometimes referred to collectively as the "**Subsequent Orders**"), the Ninth Report of the Monitor, Deloitte Restructuring Inc. (the "**Monitor**"), and the Applicants' Brief of Law, all filed; and the pleadings and proceedings herein:

IT IS HEREBY ORDERED, ADJUDGED, AND DECLARED THAT:

VALIDATION OF SERVICE

1. Service of the Notice of Application and all other materials filed in support of this application upon all parties listed in the Service List established in these proceedings and maintained by the Monitor (a current copy of which is attached as Schedule "A" hereto) shall be and is hereby deemed good, valid, timely, and sufficient.

EXTENSION OF THE INITIAL ORDER

2. The Initial Order, including the stay of proceedings provided for therein, as further extended by the Subsequent Orders, is confirmed and extended and shall continue to apply in accordance with its terms and conditions, save as amended by this and any other Order of this Court, until 11:59 p.m. on Monday, March 4, 2019.

APPROVAL OF THE REPORTS AND ACTIVITIES OF THE MONITOR

3. The Ninth Report of the Monitor and the conduct and activities of the Monitor described therein are hereby approved.

APPROVAL OF THE FEES AND DISBURSEMENTS OF THE MONITOR AND ITS LEGAL COUNSEL

4. The fees and disbursements of the Monitor for the period of May 17, 2018 to August 19, 2018, and those of its legal counsel, MLT Aikins LLP, for the period of May 9, 2018 to August 24, 2018, as more particularly described in the Ninth Report of the Monitor are hereby approved.

APPROVAL OF DIP FACILITY #6

5. The Applicants are hereby:

- (a) authorized and empowered to obtain and borrow under a credit facility (“**DIP Facility #6**”) from Affinity Credit Union 2013 (the “**DIP Lender**”) in order to:
 - (i) finance the Applicants’ working capital requirements;
 - (ii) repay the New DIP Facility previously borrowed from the DIP Lender pursuant to the Fifth Extension and DIP Facility #5 Order; and
 - (iii) finance other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$4,300,000.00, unless permitted by further Order of this Court;
- (b) authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the DIP Lender under and pursuant to the DIP Lender Documents (as that term is defined below) as and when the same become due and are to be performed, notwithstanding any other provision of this Order;

6. The DIP Facility #6 shall be on the same terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated August 27, 2018 (the “**Commitment Letter**”), a copy which is appended as Exhibit “I” to the Tenth Supplementary Affidavit of John Orr sworn August 27, 2018. The Commitment Letter is hereby approved, and the Applicants’ execution of the Commitment Letter is hereby authorized and approved.

7. The Applicants are hereby authorized to execute and deliver such commitment letters, credit agreements, mortgages, charges, hypothecs and security documents, guarantees, and other definitive documents (collectively the “**DIP Lender Documents**”) necessary to give effect to this order.

8. The DIP Lender shall be entitled to the benefits of a charge (the “**DIP Lender’s Charge**”) on the Property (as that term is defined in the Initial Order), which charge shall neither exceed the aggregate amount advanced on or after the date of this Order under the DIP Lender Documents nor secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the respective priorities set out in paragraphs 35 and 38 of the Initial Order.

9. Notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the DIP Lender Documents;
- (b) subject to subparagraph 9(c) hereof, in the event of a default under the DIP Lender Documents or the DIP Lender’s Charge, the DIP Lender shall, prior to exercising any or all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Lender Documents and the DIP Lender’s Charge (the “**DIP Lender’s Remedies**”), first apply to the Court for leave to exercise such DIP Lender’s Remedies, including (without limitation) to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants;
- (c) upon the occurrence of an event of default under the DIP Lender Documents or the DIP Lender’s Charge, the DIP Lender shall be at liberty, without Court Order, but after first providing the Applicants with 48 hours’ written notice of its intention to do so, to set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Lender Documents or the DIP Lender’s Charge and to seize and retain proceeds from the sale of the Property and the cash flow of the Applicants to repay amounts owing to the DIP Lender in accordance with the DIP Lender Documents and the DIP Lender’s Charge, but subject to the priorities as set out in paragraphs 35 and 38 of the Initial Order; and
- (d) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any of the Applicants or the Property.

10. The DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the DIP Lender Documents.

SEALING OF CONFIDENTIAL DOCUMENTS

11. The Confidential Supplement, including the exhibits thereto (collectively, the “**Confidential Documents**”), shall be kept sealed and confidential, and shall not form part of the public record but shall be kept separate and apart from the other contents of the Court file in respect of this matter in a sealed envelope which sets out the style of cause of these proceedings and a statement that the contents thereof are subject to a Sealing Order, and shall not be opened except by the Honourable Mr. Justice G.A. Meschishnick, further order of the Court, or following:

- (a) written notice to the Court from the Applicants or the Monitor that the particulars of the proposals submitted by CBRE, CIR Commercial Realty Inc. o/a Colliers International (“**Colliers**”), ICR Commercial Real Estate, and Cushman & Wakefield, as well as the Services Agreement dated July 27, 2018 between 101133330 Saskatchewan Ltd. (“**33330**”) and Colliers, have become public such that the same are no longer confidential; or
- (b) 60 days having passed since the issuance of an order confirming the sale of the Campus and Orr Centre (as those terms are defined in the affidavits of John Orr), or alternatively written notice to the Court from the Applicants or the Monitor that no such sale is likely to occur.

APPROVAL OF THE SALES PROCESS

12. 33330’s retention of Colliers to act as 33330’s listing agent pursuant to the Services Agreement dated July 27, 2018, a copy of which is attached as Exhibit “F” to the Confidential Supplement, is hereby authorized and approved.

13. 33330 is authorized and empowered to market the Property (as that term is defined in the Tenth Supplementary Affidavit of John Orr sworn August 27, 2018) in

accordance with the Sales Process more particularly described in Schedule "B" to this Order, and take such further steps as 33330 considers necessary or desirable in the course of the Sales Process to secure 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.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 30th day of August, 2018.


DEPUTY LOCAL REGISTRAR

This Order was delivered by:

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 number:	(306) 665-5417
Fax number:	(306) 652-1323
Email address:	isutherland@mcdougallgauley.com cfrith@mcdougallgauley.com

TO: ALL PARTIES ON THE ATTACHED SERVICE LIST

SCHEDULE "A" – SERVICE LIST

PARTY	COUNSEL
<p>101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.</p>	<p><u>Attention: Ian Sutherland</u> McDougall Gauley LLP 500 – 616 Main Street Saskatoon, SK S7H 0J6 Phone: (306) 665-5417 FAX: (306) 664-4431 Email: isutherland@mcdougallgauley.com</p> <p><u>Attention: Craig Frith</u> McDougall Gauley LLP 500 – 616 Main Street Saskatoon, SK S7H 0J6 Phone: (306) 665-5432 FAX: (306) 664-4431 Email: cfrith@mcdougallgauley.com</p>
<p>Firm Capital Corp.</p>	<p><u>Attention: David Gerecke</u> Miller Thomson LLP 300, 15 – 23rd Street East Saskatoon, SK S7K 0H6 Phone: (306) 667-5615 FAX: (306) 652-1586 Email: dgerecke@millerthomson.com</p>
<p>Deloitte Restructuring Inc.</p>	<p><u>Attention: Jeff Lee, Q.C.</u> MacPerson Leslie & Tyerman LLP 1500, 410 – 22nd Street East Saskatoon, SK S7K 5T6 Phone: (306) 975-7136 FAX: (306) 975-7145 Email: jmlee@mlt.com Email: polfert@mlt.com</p>
<p>Deloitte Restructuring Inc.</p>	<p><u>Attention: Brent Warga</u> 2300 - 360 Main Street Winnipeg, MB R3C 3Z3 Phone: (204) 944-3611 FAX: (204) 947-2689 Email: bwarga@deloitte.ca</p> <p><u>Attention: John R. Fritz</u> 2300 - 360 Main Street Winnipeg, MB R3C 3Z3 Phone: (204) 944-3611 FAX: (204) 947-2689 Email: jofritz@deloitte.ca</p>

Atlantic (HS) Financial Corporation	<p>Attention: Frank Pa 211 – 80 Acadia Ave Markham, ON L3R 9V1 Phone: (905) 940-2783 Email: frankpa@atlfn.com</p>
Affinity Credit Union	<p>Attention: <u>Randall M. Sandbeck, Q.C.</u> 1000 – 2002 Victoria Avenue Regina, SK S4P 0R7 Phone: (306) 347-2105 FAX: (306) 352-0771 Email: rsandbeck@owzw.com Attention: <u>Shelley Joyce</u> Phone: (306) 347-2109 Email: sjoyce@owzw.com</p>
SaskPower	<p>Attention: <u>Anne Laliberte</u> Phone: 1-888-757-6937 (option 1,1,4&5) FAX: (306) 566-2430 Email: estatesandinsolvencies@saskpower.com</p>
SaskEnergy	<p>Attention: <u>Florence Goertz</u> 900 – 1777 Victoria Avenue Regina, SK S4P 4K5 Phone: (306) 777-9321 FAX: (306) 777-9223 Email: collections@saskenergy.com Email: FGoertz@saskenergy.com</p>
Cobra Mortgage Services Ltd.	<p>Attention: <u>Eric Johnson</u> c/o Miller Thomson LLP 600, 2103 11th Avenue, Regina, Saskatchewan S4P 3Z8 Phone: (306)-347-8337 Fax (306)-347-8350 Email: ejohnson@millერთhompson.com</p>
Canadian Western Trust Company	<p>Attention: <u>M. Kim Anderson, Q.C.</u> Robertson Stromberg LLP Suite 600, 105 – 21st Street East Saskatoon, Saskatchewan S7K 0B3 Email: mk.anderson@rslaw.com</p>
City of Regina	<p>Attention: <u>Jana-Marie Odling</u> City of Regina 2476 Victoria Avenue PO Box 1790 Regina, Saskatchewan S4P 3L8 Email: jodling@regina.ca</p>

Atlas Sanitary Sewer Services	<u>Attention: Joy White</u> 2333 6 th Avenue Regina, Saskatchewan S4R 1B4 Email: joy.atlas@sasktel.net
Prairie Meats	<u>Attention: Kelly Leahy</u> 2450 Dudley Street Saskatoon, Saskatchewan S7M 5S9 Email: kelly@prairiemeats.ca
Pro AV – Professional Audio Visual Ltd.	<u>Attention: Richard Kowalyk</u> 1370 Cornwall Street Regina, Saskatchewan S4R 2H5 Email: info@proavltd.com
GV Audio Inc.	<u>Attention: Derek Gould</u> 1355 Scarth Street Regina, Saskatchewan S4R 2E7 Email: derekg@gvaudio.ca
D-Code Engineering Ltd.	<u>Attention: Lara DeRosier</u> 306 Dore Way Saskatoon, Saskatchewan S7K 4Y2 Email: dcodeengineering@sasktel.net
SaskTel	<u>Attention: F. Pelletier</u> 12 th Floor, 2121 Saskatchewan Drive Regina, Saskatchewan S4P 3Y2 Facsimile: 877-790-0011
Blue Chip Leasing Corporation	<u>Attention: Juanita Gaona</u> Unit 16 - 156 Duncan Mill Road Toronto, Ontario M3B 3N2 Email: juanita@bluechipleasing.com
Western Litho Printers	<u>Attention: Terry Leigh</u> 300 Dewdney Avenue Regina, Saskatchewan S4N 0E3 Email: terry@westernlitho.ca
A-1 Rent Alls	<u>Attention: Deborah Wright</u> 1270 Halifax Street Regina, Saskatchewan S4R 1T8 Email: debbie@rent1.net

Momentum HVAC Services	<p><u>Attention: Mikolay A. Cupial</u> SQL LLP 302 – 2201 11th Avenue (Canada Place) Regina, Saskatchewan S4P 0J8 Email: mcupial@sqlllp.com</p> <p>Momentum HVAC Services 1411 1st Avenue Regina, Saskatchewan S4R 3T8</p>
Darlene Hanis	<p>Box 446 Esterhazy, Saskatchewan S0A 0X0 Email: dhanis1976@gmail.com</p>
Firm Capital Mortgage Fund Inc.	<p><u>Attention: Jonathan Mair</u> 103 Cartwright Avenue Toronto, Ontario M2P 1A2 Email: jmair@firmcapital.com</p>
University of Saskatchewan	<p><u>Attention: Nicole Rozon</u> E287 – 105 Administration Place Saskatoon, Saskatchewan S7N 5A2 Email: nicole.rozon@usask.ca</p>
We An-ser Communications Group	<p><u>Attention: Jennifer Harkes</u> Box 32058 Regina, Saskatchewan S4N 7L2 Email: accounting@wean-ser.com</p>
Saskatchewan Association of Licensed Practical Nurses	<p><u>Attention: Lynsay Nair</u> 700 – A, 4400 – 4th Avenue Regina, Saskatchewan S4T 0H8 Email: lnair@salpn.com</p>
Saskatchewan Workers Compensation Board	<p><u>Attention: Dean Marcia</u> 200 – 1881 Scarth Street Regina, Saskatchewan S4P 4L1 Email: dmarcia@wcbsask.com</p>
Access Communications	<p><u>Attention: Laurie Nickel</u> 2250 Park Street Regina, Saskatchewan S4N 7K7 Email: laurie.nickel@myaccess.coop</p>
Dale Anderson	<p><u>Attention: Michelle M. Tobin</u> c/o W Law Group LLP Suite 300, 110 – 21st Street East Saskatoon, Saskatchewan S7K 0B6 Email: mtobin@wlawgroup.com</p>

Myron Derow	<p><u>Attention: Michelle M. Tobin</u> c/o W Law Group LLP Suite 300, 110 – 21st Street East Saskatoon, Saskatchewan S7K 0B6 Email: mtobin@wlawgroup.com</p>
Brunsdon Lawrek and Associates	<p><u>Attention: Kimberly Maber</u> 301 20th Street West Saskatoon, Saskatchewan S7M 0X1 Email: kimberlymaber@brunsdonlawrek.com</p>
Able Contracting Ltd.	<p><u>Attention: George Hounjet</u> 1908 14th Street East Saskatoon, Saskatchewan S7H 0B1 Email: georgehounjet@hotmail.com</p>
Saskatchewan Employment Standards	<p><u>Attention: Robin Brockett</u> 300 – 1870 Albert Street Regina, Saskatchewan S4P FW1 Facsimile: 306-798-8001 Email: robin.brockett@gov.ca</p>
Ministry of Finance	<p><u>Attention: Kelly Beatch</u> 2350 Albert Street Regina, Saskatchewan S4P 4A6 Email: kelly.beatch@gov.sk.ca</p>
Counsel for Canada Revenue Agency	<p><u>Attention: Julie Jefkins and Jennipher Ranger</u> 301- 310 Broadway Winnipeg, Manitoba R3C 0S6 Email: julie.jefkins@justice.gc.ca Jennipher.Ranger@justice.gc.ca</p>
Racquetball Canada	<p><u>Attention: Darrell Davis</u> c/o 2102 Janzen Crescent Regina, Saskatchewan S4V 2J2 Email: darddavis@hotmail.com</p>
Stuart Olson Inc.	<p><u>Attention: Kevin Barr</u> Borden Ladner Gervais LLP 1900, 520 3rd Avenue SW Calgary, Alberta Email: kbarr@blg.com</p>
Regina Racquet and Recreation	<p><u>Attention: RA Richardson</u> c/o 23 Labauch Avenue Regina, Saskatchewan S4S 6C3 Email: reginaracquetrec@gmail.com</p>

Kandace Monastyrski	5505 4 th Avenue Regina, Saskatchewan S4T 0K1 kandace.f.1986@gmail.com
Able Contracting Ltd.	<u>Attention: George Hounjet</u> 1908 14 th Street East Saskatoon, Saskatchewan S7H 0B1 Email: georgehounjet@hotmail.com
William Weik	<u>Box 414</u> Craven, Saskatchewan S0G 0W0 Email: apexfirewill@gmail.com
Saskatchewan Employment Standards	<u>Attention: Jas McConnell</u> 1870 Albert Street, 3 rd Floor Regina, Saskatchewan S4P 4W1 Jas.Mcconnell@gov.sk.ca

SCHEDULE "B" – SALES PROCESS SUMMARY

PHASE 1 – MARKETING – August 31 to 2:00 p.m. on October 15, 2018

1. The sales process will be advertised, with marketing materials circulated to CIR Commercial Realty Inc. o/a Colliers International's ("Colliers") existing clientele, all commercial brokers in Saskatchewan, and all of Colliers' offices across Canada. In addition, Colliers will directly market the opportunity to a targeted group of prospective purchasers who, in Colliers' professional opinion, have the necessary resources to close a transaction of this nature in a short amount of time.
2. Sales Information Packages containing the following materials will be distributed to interested parties:
 - (a) Terms and Conditions of Sale;
 - (b) Non-Disclosure Agreement;
 - (c) Form of Offer; and
 - (d) Asset Purchase Agreement.

These materials will be in substantially the same form as the versions as those appended to the Tenth Supplementary Affidavit of John Orr sworn August 27, 2018.

3. Parties who return an executed Non-Disclosure Agreement will be provided access to the online data room containing the due-diligence materials for the Property.
4. An open house will be scheduled and Colliers will provide invitations to other real estate brokerages, agents, and prospective purchasers. Additional site tours will be scheduled upon request.
5. Offers (and the accompanying deposits) will be accepted by Colliers until the submission deadline at 2:00 p.m. on October 15, 2018.

PHASE 2 – REVIEW PERIOD – October 15 to November 6, 2018

1. 101133330 Saskatchewan Ltd. ("33330") will review the offers received.
2. If there are multiple, competitive offers received, then 33330 will have the option to create a short-list of preferred bidders and enter into further negotiations with those parties.

PHASE 3 – SELECTION AND APPROVAL – November 7 to November 30, 2018

1. If an acceptable offer is obtained, the successful bidder will be selected on November 7, 2018.

2. The parties will execute the Asset Purchase Agreement (and any additional sale documents).
3. Subject to the availability of the Court and any unforeseen factors, 33330 anticipates making an application to request a Sale Approval and Vesting Order on or before November 30, 2018.
4. If the Sale Approval and Vesting Order is granted, the transaction will close within 15 days, unless the parties agree otherwise.