

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.

DIP FACILITY ORDER

BEFORE THE HONOURABLE) FRIDAY, THE 20th DAY
MR. JUSTICE N.G. GABRIELSON) OF MAY, 2016
IN CHAMBERS)

UPON THE APPLICATION of counsel on behalf of the Applicants, 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd, and upon having read the Notice of Application dated the 19th day of May, 2016, the Supplementary Affidavit of John Orr sworn the 19th day of May, 2016, and this Consent Order, all filed:

IT IS HEREBY ORDERED, ADJUDGED, AND DECLARED THAT:

1. The time for service of the Applicants' Notice of Application, the Supplementary Affidavit of John Orr dated May 19, 2016, and draft Order in connection with the application for debtor-in-possession financing is hereby abridged pursuant to Rule 13-7(2);

2. The Applicants are hereby:

- (a) authorized and empowered to obtain and borrow under a credit facility (the “**DIP Credit Facility**”) from Pillar Capital Corp. (the “**DIP Lender**”) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$500,000.00, unless permitted by further Order of this Court; and
- (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 and when the same become due and are to be performed, notwithstanding any other provision of this Order.

3. The DIP Credit Facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated May 19, 2016 (the “**Commitment Letter**”), a copy of which is appended to the Supplementary Affidavit of John Orr sworn May 19, 2016. The Commitment Letter is hereby approved, and the Applicants’ execution of the Commitment Letter is hereby authorized and approved.

4. 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**”).

5. 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 of the Honourable Justice N.G. Gabrielson dated May 20, 2016 (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.

6. 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 5(c) hereof, upon the occurrence of an event of default under the DIP Lender Documents or the DIP Lender's Charge, in advance of the exercise of 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**"), the DIP Lender shall 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 their 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.

7. 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.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 20th day of May, 2016.


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 / Facsimile:	(306) 653-1212 / (306) 652-5432
Email address:	isutherland@mcdougallgauley.com cfrith@mcdougallgauley.com