

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE OF SASKATOON**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF
COPPER SANDS LAND CORP., WILLOW RUSH DEVELOPMENT CORP., PRAIRIE
COUNTRY HOMES LTD., MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.,
JL DEVELOPMENTS & INVESTMENTS CORP., AND MDI UTILITY CORP.**

APPLICANTS

**PRE-FILING REPORT OF THE PROPOSED MONITOR
DELOITTE RESTRUCTURING INC.**

November 10, 2017

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INTRODUCTION

1. Deloitte Restructuring Inc. (“**Deloitte**”) has been advised that Copper Sands Land Corp. (“**CSLC**”), Willow Rush Development Corp. (“**Willow Rush**”), Midtdal Developments & Investments Corp. (“**MDI**”), Prairie Country Homes Ltd. (“**Prairie Country**”), JJJL Developments & Investments Corp. (“**JJJL**”), and MDI Utility Corp. (collectively the “**Companies**” or the “**Applicants**”) intend to file an application to the Court of Queen’s Bench For Saskatchewan (the “**Court**”) seeking certain relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Deloitte has been requested to act as the Monitor for the purposes of the CCAA proceedings by the Companies and has consented to being appointed as such (the “**Proposed Monitor**”).
2. This report (the “**Pre-Filing Report**”) has been prepared by the Proposed Monitor to assist the Court in considering the requests for relief that are to be made by the Applicants and to provide the Court with information concerning the following:
 - a. The Proposed Monitor’s prior relationship with the Applicants;
 - b. Deloitte’s qualifications to act as Monitor;
 - c. Business, financial affairs, and financial results of the Applicants;
 - d. Companies’ creditors;
 - e. History of actions taken and alternatives considered by the Applicants to resolve their financial challenges;
 - f. Cash management system;
 - g. Applicants’ 13-week cash flow forecast;
 - h. Debtor in possession financing;
 - i. Authorizations and charges in the draft Initial Order; and
 - j. The Proposed Monitor’s conclusions.

TERMS OF REFERENCE

3. In preparing this Pre-Filing Report, the Proposed Monitor has relied upon unaudited interim and annual financial information, the Applicants' books and records, the Affidavit of Jaimey Midtdal ("**Ms. Midtdal**") dated November 9, 2017 (the "**Midtdal Affidavit**"), and discussions with management ("**Management**") and their financial and legal advisors.
4. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Proposed Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this Pre-Filing Report may not disclose all significant matters about the Companies. Additionally, none of the Proposed Monitor's procedures were intended to disclose defalcations or other irregularities. If the Proposed Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Proposed Monitor's attention. Accordingly, the Proposed Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Proposed Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Pre-Filing Report.
5. An examination of the financial forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information referred to or relied upon in this Pre-Filing Report is based on Management's assumptions regarding future events and conditions that are not ascertainable. Accordingly, actual results achieved will vary from this information, and the variations may be material. The future orientated financial information has been prepared solely for the purpose of reflecting Management's best estimate of the cash flow of the Applicants in their CCAA proceedings, and readers are cautioned that such information may not be appropriate for other purposes.

6. The Proposed 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 Pre-Filing Report. Any use that any party makes of this Pre-Filing Report, or any reliance on or decisions to be made based on it is the responsibility of such party.
7. Unless otherwise stated, all monetary amounts contained in this Pre-Filing Report are expressed in Canadian dollars.
8. Capitalized terms not otherwise defined in this Pre-Filing Report are as defined in the Midtdal Affidavit or in the application filed by the Applicants.

PROPOSED MONITOR'S PRIOR RELATIONSHIP WITH THE APPLICANTS

9. Deloitte has no prior relationship with the Applicants. Deloitte was retained by the Applicants on November 1, 2017 to assist with the Companies' restructuring efforts and assess available options. Since being retained, the Proposed Monitor has been reviewing both current and historical financial information of the Applicants, gaining an understanding of the operating activities and financial affairs of the Applicants, and preparing for the anticipated CCAA application by the Applicants.

DELOITTE'S QUALIFICATIONS TO ACT AS MONITOR

10. Deloitte is a Licensed Insolvency Trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"). Neither Deloitte nor any of its representatives or affiliates have been at any time in the two (2) preceding years the auditor, a director, officer, or employee of the Applicants or otherwise related to the Applicants or to any director or officer of the Applicants or a trustee (or related to any such trustee) under a trust indenture issued by the Applicants or any person related to the Applicants.
11. Deloitte is related to Deloitte LLP. Deloitte LLP is an independent international professional services firm providing among other things, bankruptcy, insolvency, and restructuring services. The senior Deloitte professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals, and

Licensed Insolvency Trustees (Canada), each of whom have previously acted in matters of a similar nature and scale in Canada.

12. Deloitte has consented to act as Monitor should this Court grant the Applicants' request for an Initial Order in the CCAA proceedings.

BUSINESS, FINANCIAL AFFAIRS, AND FINANCIAL RESULTS OF THE APPLICANTS

13. The Proposed Monitor has been advised by the Applicants that each of CSLC, Willow Rush, MDI, Prairie Country, JJL, and MDI Utility Corp. are private corporations with operations located exclusively in the Province of Saskatchewan. An organizational chart depicting the relationships among the Applicants is attached hereto as Exhibit A.

Background to JJL

14. JJL was incorporated in November 2013 pursuant to the laws of Saskatchewan, with its registered office located in Regina, Saskatchewan. JJL was incorporated by the principal of the Applicants, Ms. Midtdal, as a development and investment company, and JJL is a wholly owned subsidiary of JJL Capital Corp., a holding company not party to these proceedings.
15. Management advised that JJL does not carry on any business activities, and the only asset of the company is its 100% ownership of MDI. JJL has no employees and no liabilities, and is only included in these proceedings as the company has guaranteed the indebtedness of its subsidiary companies, MDI, CSLC, and Willow Rush (further detailed below).
16. The table below sets out selected consolidated financial information for JJL for the period indicated:

**JJL Developments & Investments Corp.
Balance Sheet
as at December 31, 2016**

Assets			
Investments			
MDI	4,820,592		
CSLC	8,121,094		
Willow Rush	5,200,000	\$	18,141,686
Total Assets		\$	18,141,686
Liabilities			
MDI	1,034		
CSLC	7,517,125		
Willow Rush	4,304,958	\$	11,823,117
Shareholders' Equity			
MDI	4,819,558		
CSLC	603,969		
Willow Rush	895,042		6,318,569
Total Liabilities and Shareholder's Equity		\$	18,141,686

17. Attached hereto as Exhibit B are the financial statements for JJL for fiscal 2016.

Background to MDI

18. MDI was incorporated in September 2012 pursuant to the laws of Saskatchewan, with its registered office located in Regina, Saskatchewan. MDI was incorporated by Ms. Midtdal as a development and investment company and is a wholly owned subsidiary of JJL.
19. Management advised that MDI does not carry on any business activities and has no employees. MDI's primary assets consist of its 100% ownership of CSLC, Willow Rush, and Prairie Country, related party receivables, and certain equipment used in the operations of CSLC.
20. The table below sets out selected consolidated financial information for MDI for the period indicated:

Middal Developments & Investments Corp.
Balance Sheet
as at December 31, 2016

Assets		
Investments		
CSLC	1,000	
Willow Rush	1,000	\$ 2,000
Due From Related Parties		
Willow Rush	3,862,992	
SHE Lingerie	359,617	
CSLC	(718,658)	
Prairie Country	(410,000)	
Shareholder Loan	196,544	3,290,495
Property Plant & Equipment		
Ready to Move Homes	410,000	
Equipment	1,118,097	1,528,097
Total Assets		\$ 4,820,592
Liabilities		
Bank Indebtedness and Accounts Payable		\$ 1,034
Shareholders' Equity		4,819,558
Total Liabilities and Shareholder's Equity		\$ 4,820,592

21. MDI's financial statements include three (3) ready to move homes ("RTMs") within property, plant, and equipment. Based on discussions with Management, the RTMs are assets of Prairie Country (further discussed below) but as Prairie Country has not operated for the last two (2) years, and Prairie Country is a wholly owned subsidiary of MDI, the assets and liabilities of Prairie Country have been consolidated with MDI for financial reporting purposes.
22. Attached hereto as Exhibit C are the financial statements for MDI for fiscal years 2015 and 2016. Management advised that all of MDI's operating expenses recorded in fiscal 2016 (approximately \$554,000) relate to expenses paid on behalf of CSLC and Willow Rush, two wholly owned subsidiaries of MDI. Management further advised that MDI has not incurred any expenses or realized any income in fiscal 2017.
23. MDI is included in these proceedings because it has guaranteed the indebtedness of its subsidiary companies, CSLC and Willow Rush (further detailed below).

Background to Prairie Country

24. Prairie Country was incorporated in September 2013 pursuant to the laws of Saskatchewan, with its registered office located in Regina, Saskatchewan. Prairie Country was incorporated by Ms. Midtdal as a manufacturer and reseller of RTM homes and is a wholly owned subsidiary of MDI.
25. Management has advised that Prairie Country has been inactive since 2015, and has therefore not generated any recent financial statements. The residual assets of Prairie Country include the previously discussed three (3) RTMs recorded on the financial statements of MDI, which are presently stored in Kerrobert, Saskatchewan. Management further advised that the RTMs are subject to a general security agreement in favour of Industrial Properties Regina Limited (“**IPRL**”).

Background to CSLC

26. CSLC was incorporated in September 2013 pursuant to the laws of Saskatchewan, with its registered office located in Regina, Saskatchewan. CSLC was incorporated by Ms. Midtdal as a real estate and land development company and is a wholly owned subsidiary of MDI.
27. Management advised that the primary asset held by CSLC is approximately 80 acres of land (the “**Copper Sands Property**”) in the Rural Municipality of Edenwold No. 158 (the “**RM of Edenwold**”). As detailed in the Midtdal Affidavit, the Copper Sands Property is segregated into two parcels:
 - a. LSD 4 Surface Parcel 111653591 25-17-18-W2 Extension 37 (“**LSD 4**”)
 - i. An approximate 40 acre parcel of land zoned AR – Agriculture containing two lagoons and the MDI Utility Corp. water treatment facility (further detailed below).
 - b. LSD 5 Surface Parcel 111653603 25-17-18-W2 Extension 38 (“**LSD 5**”)

- i. An approximate 40 acre parcel of land, 20 acres of which houses the Copper Sands Mobile Home Park (the “**Mobile Home Park**”), and 20 acres of adjacent vacant land.
28. Management advised that the Copper Sands Property was purchased in January 2014 with the intent of expanding the existing Mobile Home Park by approximately 80 lots on LSD 5 (the “**Tanglewood Expansion**”), which would increase the affordable housing in the RM of Edenwold. Additionally, the Applicants planned on showcasing certain water and wastewater treatment technology to the Saskatchewan Government through development of an innovative water and wastewater treatment system (the “**Utility Facility**”) to be operated by MDI Utility Corp. on LSD 4.
29. The table below sets out selected consolidated financial information for CSLC for the period indicated:

**Copper Sands Land Corp.
Balance Sheet
as at December 31, 2016**

Assets			
Cash and Accounts Receivable		\$	21,780
Due From Related Parties			
MDI	915,390		
Willow Rush	501,186		
Shareholder Loan	<u>776,068</u>		2,192,644
Property Plant & Equipment			
Land	5,800,000		
Land Improvements	63,324		
Equipment	<u>43,346</u>		5,906,670
Total Assets			\$ 8,121,094
Liabilities			
Bank Indebtedness and Accounts Payable		\$	46,763
Long Term Debt			
Affinity Credit Union	4,170,362		
Industrial Properties Regina Limited	<u>3,300,000</u>	\$	7,470,362
Shareholders' Equity			603,969
Total Liabilities and Shareholder's Equity			\$ 8,121,094

30. Management advised that the Copper Sands Property is encumbered by the following registrations:

- a. First charge mortgage granted to Affinity Credit Union 2013 (“**Affinity**”) in the amount of approximately \$4.3 million advanced in June 2015 (the “**Affinity Loan**”);
 - b. Second charge mortgage granted to IPRL in the amount of approximately \$3.0 million advanced in June 2015 (the “**IPRL \$3,000,000 Loan**”); and
 - c. Third charge mortgage granted to 101297277 Saskatchewan Ltd. (“**7277**”) in the amount of approximately \$2.5 million advanced to MDI Utility Corp. (the “**7277 Loan**”) in February 2016. Although the 7277 Loan was advanced to MDI Utility Corp. and is not recorded in the CSLC financial statements, a term of the 7277 Loan granted 7277 the right to register a mortgage on the Copper Sands Property.
31. As detailed in the Midtdal Affidavit, the Affinity Loan matured on June 5, 2016 and was subsequently extended to June 5, 2017. CSLC requested a further extension of the Affinity Loan, but the request was rejected, and the Affinity Loan matured on July 5, 2017. Affinity demanded payment of the Affinity Loan on September 26, 2017 and issued a statement of claim on October 13, 2017 against CSLC, Willow Rush, MDI, JLL, and Ms. Midtdal.
 32. As detailed in the Midtdal Affidavit, the IPRL \$3,000,000 Loan was advanced in June 2015, and was subsequently renewed at the request of CSLC in June 2016. The Applicants and IPRL disagree on the maturity date of the IPRL \$3,000,000 Loan. As detailed in the Midtdal Affidavit, IPRL takes the position that the IPRL \$3,000,000 Loan matured on June 5, 2017, whereas the Applicants are of the view that it does not mature until December 5, 2017.
 33. As detailed in the Midtdal Affidavit, the 7277 Loan was advanced on January 27, 2016 to MDI Utility Corp. Management has advised that the 7277 Loan is not due until February 15, 2018.
 33. Attached hereto as Exhibit D are the financial statements for CSLC for fiscal years 2015 and 2016. CSLC’s sole source of revenue is from the 79 lessors who occupy the Mobile Home Park, and annual rents approximate \$500,000. CSLC has been operating in a loss

position over the past two (2) years primarily due to its debt service obligations. CSLC has two (2) employees which are engaged in the day-to-day management and maintenance of the Mobile Home Park, and these are the only employees of the Applicants.

Background to Willow Rush

- 34. Willow Rush was incorporated in September 2013 pursuant to the laws of Saskatchewan, with its head office located in Regina, Saskatchewan. Willow Rush was incorporated by Ms. Midtdal as a real estate and land development company and is a wholly owned subsidiary of MDI.
- 35. Management has advised that the primary asset held by Willow Rush is approximately 13.9 acres of vacant land, legally described as Surface Parcel 202848880 Blk/Par BB Plan No 102138342 Extension 0 (the “**Willow Rush Lands**”). The Willow Rush Lands are zoned Com1 - Commercial Contract and are located in the RM of Edenwold in Emerald Park, Saskatchewan. The Willow Rush Lands were purchased in September 2013 for approximately \$3.8 million.
- 36. Management has advised that Willow Rush does not carry on any business activities and has no employees.
- 37. The table below sets out selected consolidated financial information for Willow Rush for the period indicated:

Willow Rush Development Corp.	
Balance Sheet	
as at December 31, 2016	
Assets	
Land	\$ 5,200,000
Total Assets	\$ 5,200,000
Liabilities	
Due To MDI	\$ 4,304,958
Shareholders' Equity	895,042
Total Liabilities and Shareholder's Equity	\$ 5,200,000

38. Willow Rush is included in these proceedings because it has guaranteed the Affinity Loan and has granted Affinity a first charge mortgage on the Willow Rush Lands. As previously discussed, Affinity issued a demand in connection with the guarantee to Willow Rush on September 26, 2017.
39. Willow Rush has also granted IPRL a second charge mortgage on the Willow Rush Lands in connection with the IPRL \$3,000,000 Loan.
40. Attached hereto as Exhibit E are the financial statements for Willow Rush for fiscal years 2015 and 2016. The only expenses Willow Rush incurs, which are funded by CSLC and MDI, are interest on the outstanding debt obligations and municipal property taxes.

Background to MDI Utility Corp.

41. MDI Utility Corp. was incorporated in September 2015 pursuant to the laws of Saskatchewan, with its registered office located in Regina, Saskatchewan. MDI Utility Corp. was incorporated by Ms. Midtdal as a utility company and is a wholly owned subsidiary of JJI Capital Corp., a holding company not party to this CCAA application.
42. As detailed in the Midtdal Affidavit, MDI Utility Corp. leases a portion of LSD 4 from CSLC on which it is constructing the Utility Facility. To-date, construction of the Utility Facility has been funded by the 7277 Loan. As MDI Utility Corp. has no employees, the construction of the Utility Facility has been performed by third party contractors.
43. Management has advised that financial statements have not been prepared for MDI Utility Corp.

COMPANIES' CREDITORS

44. As detailed in the Midtdal Affidavit, the Companies transact with each other, and have also guaranteed certain of the third party debts of each other. The following table summarizes the secured debts owing by the Applicants to Affinity, IPRL, and 7277, in addition to the estimated unsecured liabilities of the Companies:

Estimated Debt of the Applicants

Secured		Security
Affinity Credit Union 2013	\$ 4,200,313	1st Mortgage - CSLC, Willow Rush Guarantee and postponement by Willow Rush, MDI, JLL, and Jaimey Midtdal
Industrial Properties Regina Limited	4,025,000	IPRL \$3,000,000 Loan - 2nd Mortgage - CSLC, Willow Rush - General security agreement from CSLC, MDI - Specific security agreement from CSLC, MDI - Promissory note from CSLC - Guarantee and postponement from Willow Rush, MDI, JLL, and Jaimey Midtdal - General assignment of leases and rents from CSLC IPRL \$410,000 Loan - Promissory note from MDI - General security agreement from Prairie Country IPRL \$250,000 Loan - General security agreement from Prairie Country IPRL \$80,000 Loan - Unsecured
101297277 Saskatchewan Ltd.	2,500,000	1st - MDI Utility Corp. 3rd Mortgage - CSLC Guarantee and postponement from MDI Utility Corp Guarantee of CSLC
Total Secured Debt	\$ 10,725,313	
Unsecured	1,821,165	
Total Estimated Debt	\$ 12,546,478	

45. As previously discussed, the Affinity Loan matured on July 5, 2017. On September 26, 2017, Affinity demanded repayment of the Affinity Loan from CSLC and all of the guarantors. On October 13, 2017, Affinity filed a statement of claim against CSLC, Willow Rush, MDI, JLL, and Ms. Midtdal.
46. Collectively the applicants are indebted to IPRL in the approximate amount of \$4.0 million (inclusive of the unsecured IPRL \$80,000 Loan) (the “**IPRL Loans**”). As detailed above, the Applicants believe that the majority of the IPRL Loans (i.e. the IPRL \$3,000,000 Loan plus accrued interest) are not due until December 5, 2017. However, despite the Applicants’ position, Management has advised that IPRL has demanded the IPRL Loans be paid in full.
47. As previously discussed, the Applicants have advised that the 7277 Loan is not due until February 15, 2018.

48. As detailed in the table above, the Applicants have advised that the unsecured debts of the Companies approximate \$1.8 million.
49. Given the demands by Affinity and IPRL, the Applicants lack the cash and liquid assets required to enable them to meet their obligations in the ordinary course and have become insolvent.

HISTORY OF ACTIONS TAKEN AND ALTERNATIVES CONSIDERED BY THE APPLICANTS TO RESOLVE THEIR FINANCIAL CHALLENGES

50. As detailed in the Midtdal Affidavit, there are a number of factors that have contributed to the current liquidity and insolvency crisis facing the Applicants including the following:
 - a. the Applicants have encountered an approximate two (2) year delay obtaining approval from the RM of Edenwold to undertake the Tanglewood Expansion. As detailed in the Midtdal Affidavit, the Applicants were initially denied their permit application, but successfully appealed the decision which resulted in the issuance of a development permit in June 2017. However, Management has advised that the RM of Edenwold is attempting to launch a further appeal of that decision;
 - b. the Applicants have encountered an approximate two (2) year delay in the construction and commissioning of the Utility Facility as a result of regulatory issues with the RM of Edenwold;
 - c. the decision by Affinity to refrain from renewing the Affinity Loan (which matured on July 5, 2017), primarily as a result of delays in construction and commissioning of the Utility Facility and delays in proceeding with the Tanglewood Expansion; and
 - d. the decision by IPRL to refuse to renew the IPRL \$3,000,000 Loan.
51. As detailed in the Midtdal Affidavit, in order to address the impending liquidity issues facing the Companies, the Applicants have been searching for potential sources of refinancing for the Affinity Loan for approximately seven (7) months. As further

detailed in the confidential report of the Proposed Monitor (the “**Confidential Report**”), in order to approach alternate lenders and provide evidence of the underlying value of the assets owned by the Companies, the Applicants commissioned appraisal reports on both the Copper Sands Property (dated June 2017) and the Willow Rush Lands (dated September 2017) (collectively the “**Appraisals**”). The Appraisals are attached as Exhibits A and B to the Confidential Report. As detailed in the Midtdal Affidavit, based on the Appraisals, the Applicants expect that there is significant equity in the Copper Sands Property and the Willow Rush Lands.

52. As detailed in the Midtdal Affidavit, the Applicants have recently obtained a commitment letter (the “**Commitment Letter**”) from a third party lender to advance to CSLC a loan for a three (3) year term in an amount sufficient to repay the Affinity Loan in its entirety, and provide additional capital to allow the Applicants to continue to develop the Utility Facility (the “**Proposed Refinancing**”). The Proposed Refinancing is detailed in the Confidential Report and the Commitment Letter is attached thereto as Exhibit C. As further detailed in the Midtdal Affidavit, the Applicants have provided Affinity with a copy of the Commitment Letter and are working to satisfy the terms and conditions therein as at the date of this Pre-Filing Report.
53. As detailed in the Midtdal Affidavit, in order to further address the impending liquidity crisis facing the Companies, the Applicants have been attempting to sell the Willow Rush Lands. As further detailed in the Midtdal Affidavit, the Applicants received an offer to purchase the Willow Rush Lands (the “**Willow Rush Offer**”) from a third party purchaser for a price which the Applicants believe is reasonable and competitive. The Willow Rush Offer is attached as Exhibit D to the Confidential Report and is more fully described therein.
54. As detailed in the Midtdal Affidavit, the Applicants require a stay of proceedings under the CCAA to provide them with time to close the Proposed Refinancing, to close the Willow Rush Offer, and to retire in full the indebtedness owing by the Applicants to Affinity and IPRL. As further detailed in the Midtdal Affidavit, if Affinity or IPRL were to proceed to enforce their respective security against the Copper Sands Property or the

Willow Rush Lands in the present circumstances, an erosion of the equity of the Applicants in these assets would result. Such an outcome would be detrimental to the Applicants and all of the stakeholders of the Applicants.

CASH MANAGEMENT SYSTEM

55. The Applicants maintain a centralized cash management system (the “**Cash Management System**”), which is used to manage cash for the Applicants. The Cash Management System is managed centrally from a regional office in Saanichton, British Columbia, by Ms. Midtdal.
56. The Proposed Monitor has been advised by Management that one (1) bank account is presently used for all Companies. A Bank of Montreal (“**BMO**”) operating account is used for all cash receipts and disbursements for the Applicants and is in the name of CSLC (the “**CSLC BMO Account**”). Ms. Midtdal and her assistant, who is not an employee of the Applicants, are the sole signing authorities on the account.
57. As JIL, MDI, Willow Rush, Prairie Country, and MDI Utility Corp. do not currently generate any cash from operations, these entities do not have bank accounts.
58. The Applicants intend to continue using the existing Cash Management System, and are seeking the approval of the Court to do so. The Proposed Monitor has no objection to continued use of the Cash Management System by the Applicants.
59. The Applicants have further advised that any debtor in possession financing that may be approved by the Court will be held in trust by their legal counsel, MLT Aikins LLP (“**MLT**”). Disbursements will be made therefrom by MLT at the request of the Applicants and after review by the Proposed Monitor. The Proposed Monitor has no objection to this proposed administration process.

APPLICANTS’ 13-WEEK CASH FLOW FORECAST

60. The Applicants prepared a 13-week cash flow forecast (the “**Cash Flow Statement**”) that estimates the financing requirements of the Applicants during the 13-week period, using assumptions as detailed in the notes and assumptions (the “**Notes and Assumptions**”)

appended to the Cash Flow Statement. A copy of the Proposed Monitor's Report on Debtor's Cash Flow Statement and the Cash Flow Statement is attached hereto as Exhibit F.

61. The Cash Flow Statement is for the 13-week period from November 20, 2017 to February 18, 2018 (the "**Cash Flow Period**").
62. The Cash Flow Statement shows the receipt of funds from ongoing monthly rental payments expected to be received from existing tenants at the Mobile Home Park as well as forecast receipts from MDI Utility Corp. once the Utility Facility is commissioned in December 2017. These receipts will be used to fund the Applicants' working capital requirements during the CCAA proceedings.
63. The Cash Flow Statement estimates that for the Cash Flow Period, the Applicants will have total receipts of approximately \$204,000 from rental payments and utility services and total disbursements of approximately \$1,253,000 for a net cash outflow of approximately \$1,049,000. Approximately \$797,000 of the forecast disbursements are related to commissioning of the Utility Facility. Management indicates that the net cash shortfall will be covered by a proposed DIP Facility discussed (and defined) later in this Pre-Filing Report.
64. As at November 20, 2017, the Applicants were forecasting a net cash shortfall of approximately \$75,000, which will need to be satisfied by the proposed DIP Facility.
65. Management's Report on the Cash Flow Statement is attached hereto as Exhibit G.
66. The Proposed Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures, and discussions related to information supplied to us by certain of the Management of the Applicants. Since the Notes and Assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. We have also reviewed the support provided by Management for the Notes and Assumptions, and the preparation and presentation of the Cash Flow Statement.

67. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:
- i. The Notes and Assumptions are not consistent with the purposes of the Cash Flow Statement;
 - ii. As at the date of this Pre-Filing Report, the Notes and Assumptions developed by Management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statement, given the Notes and Assumptions; or
 - iii. The Cash Flow Statement does not reflect the Notes and Assumptions.

DEBTOR IN POSSESSION FINANCING

68. Based on the Cash Flow Statement, in order for the Applicants to continue to pursue a plan of arrangement, it will be necessary for the Applicants to obtain an interim financing facility within the CCAA proceeding (the “**DIP Facility**”).
69. As at the date of this Pre-Filing Report, the Applicants have secured a commitment from a lender (the “**DIP Lender**”) to advance the DIP Facility on terms which are acceptable to the Applicants. The DIP Facility agreement (the “**DIP Facility Agreement**”) is attached as Exhibit U to the Midtdal Affidavit and is summarized in the table below. Terms capitalized in the table have the meaning ascribed to them in the DIP Facility Agreement.

Summary of DIP Facility Agreement Terms	
Financing	<ul style="list-style-type: none"> • Senior secured super-priority facility in an amount of up to CDN \$1,250,000 by way of a single advance.
Borrowers	<ul style="list-style-type: none"> • Copper Sands Land Corp., Willow Rush Development Corp., MDI Utility Corp., Midtdal Developments & Investments Corp., JJL Developments & Investments Corp., and Prairie Country Homes Ltd.
Purpose of Financing	<ul style="list-style-type: none"> • Up to \$800,000 to complete the commissioning of a utility by MDI Utility Corp.; • \$337,500 for costs related to the CCAA proceedings; and • \$112,500 for ongoing operating costs of the Borrowers.
Term	<ul style="list-style-type: none"> • The entire DIP Facility plus interest is due in full May 31, 2018 subject to renewal on satisfactory terms.
Payment	<ul style="list-style-type: none"> • Interest only payments payable on the 1st of each month with the entire principal and interest due at maturity. • The Borrowers may repay any or all of the obligations under the DIP

	Facility at any time.
Significant Terms	<ul style="list-style-type: none"> • The Borrowers shall pay when due all statutory liens, trusts and other Crown claims, including employee source deductions, GST, PST, EHT, and WSIB premiums arising from and after the date of the Initial CCAA Order. • Other covenants which appear customary under the circumstances.
Interest and Fees	<ul style="list-style-type: none"> • 1.25% per month (15% per annum) on the daily balance outstanding. • \$30,000 facility fee being 2.4% of the approved DIP Facility. • \$15,000 fee if the DIP Facility is repaid prior to January 31, 2018.
Security	<ul style="list-style-type: none"> • First priority court ordered charge (the “Charge”) on all of the existing and after-acquired real and personal property, assets, and undertakings of the Borrowers.
DIP Charge	<ul style="list-style-type: none"> • DIP Charge to rank subordinate only to the Administration Charge. • DIP Charge in the amount of CDN \$1,250,000 to ensure repayment of the DIP Facility, and all interest, fees, expenses and other amounts payable by the Borrowers.

70. Management of the Applicants has advised the Proposed Monitor that it believes the Applicants can abide by all of the terms of the DIP Facility Agreement.
71. The Proposed Monitor notes that the costs of the DIP Facility fall within a range of costs that the Proposed Monitor has reviewed in other recent comparable DIP loans in other insolvency proceedings of a similar magnitude.
72. The Proposed Monitor notes that funding under the DIP Facility is required on an urgent basis. The quantum of the DIP Facility reflects the cash needs of the Applicants, taking into consideration the Applicants' immediate planned course of action.
73. The Proposed Monitor also notes that there are a number of terms and conditions of the DIP Facility that provide the DIP Lender with discretion and flexibility over the financing of the Applicants in these proceedings. It is expected that the DIP Facility will be administered in a manner that furthers the goals of these proceedings.
74. The DIP Facility is expected to provide sufficient funding to allow the Applicants to begin to reorganize their affairs in these proceedings, including the continuation of commissioning the Utility Facility. The Applicants and their advisors believe that a DIP Facility is the only realistic source of funding available, given the urgency of the proposed filing, and the minimal level of existing cash on hand. In the event that the Court approves a DIP Facility at the hearing scheduled for November 15, 2017, the first usage of the DIP Facility is forecast to occur during the week of November 20, 2017, in the amount of approximately \$75,000.

AUTHORIZATIONS AND CHARGES IN THE DRAFT INITIAL ORDER

75. The Proposed Monitor has reviewed the proposed initial CCAA order in these proceedings (the “**Initial Order**”) and provides comments on certain provisions below.

Cash Management System

76. As previously indicated, it is proposed that the Applicants shall be entitled to continue to utilize the existing Cash Management System.
77. In the Proposed Monitor’s view, the maintenance of the existing Cash Management System is important to ensure cash receipts continue to be received and that payments are made in accordance with the established terms to all stakeholder groups who are entitled to receive payments in the CCAA proceedings.

Proposed Court Ordered Charges over the Assets of the Applicants

Administration Charge

78. The Applicants’ proposed form of Initial Order provides for an administration charge (the “**Administration Charge**”) in an amount of \$150,000 in favour of the Monitor, the Monitor’s counsel, and counsel for the Applicants as security for professional fees and disbursements incurred before and after the making of the Initial Order in respect of these proceedings. The Administration Charge in the proposed amount has been established based on the respective professionals’ previous history and experience with similar restructurings. The Proposed Monitor believes that the Administration Charge is required and reasonable in the circumstances.
79. In addition, the Proposed Monitor is advised that the Applicants have given notice of the application for the Initial Order (and therefore the Administration Charge to be created thereunder), to all of the secured creditors who are likely to be affected by the Administration Charge, as required by section 11.52(1) of the CCAA.

DIP Lender's Charge

80. It is proposed that the Applicants be authorized to enter into a DIP Facility Agreement to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures. As security for the debtor in possession financing, it is proposed that the DIP Lender be granted a charge (the "**DIP Lender's Charge**") on the assets of the Applicants. The DIP Lender's Charge is not intended to secure an obligation that existed prior to the granting of the Initial Order.

Priority of Charges Created by the Initial Order

81. The proposed priorities of the charges to be created under the Initial Order are as follows:
- i. First – Administration Charge (to the maximum amount of \$150,000); and
 - ii. Second – DIP Lender's Charge (to the maximum amount of \$1,250,000).
82. The Proposed Monitor has reviewed the calculations and initial documentation that support the Administration Charge and the DIP Lender's Charge, and believes the amounts are reasonable in the circumstances.

PROPOSED MONITOR'S CONCLUSIONS

83. The Proposed Monitor concurs with the Applicants' view that they are insolvent and are facing near term liquidity issues which have created the need to undertake the restructuring as contemplated by these CCAA proceedings.
84. The Applicants remain in default of certain obligations under their debt facilities and they have ceased paying their current obligations in the ordinary course of business as they generally become due. These proceedings will afford the Applicants an opportunity to complete a restructuring in a manner that (i) maximizes value for the Applicants' various stakeholders and (ii) best protects the interests of the various stakeholders while the Applicants work to complete a restructuring.

85. The Proposed Monitor has concluded that a DIP Facility is required in order for the Applicants to continue to operate on an uninterrupted basis through the projected restructuring period.
86. The DIP Facility represents the necessary financing which will afford the Applicants the ability to operate as a going concern while pursuing the restructuring. The Proposed Monitor believes that, apart from the DIP Facility, there exists no reasonable prospect of obtaining similar interim financing in the circumstances.
87. Further to the Proposed Monitor's review of the proposed form of Initial Order, the Proposed Monitor also supports the Administration Charge and the DIP Lender's Charge being requested in the Applicants' draft Initial Order in the proposed amounts as being reasonable and required in the circumstances.
88. The Applicants are also seeking to continue to operate the Cash Management System in substantially the same manner as existed prior to the commencement of the CCAA proceedings should an Initial Order be granted, and the Proposed Monitor supports this request.
89. The Applicants are also seeking to have the Confidential Report of the Proposed Monitor sealed in the Court file to prevent publication of any confidential information included therein which could jeopardize the Applicants' restructuring efforts, and the Proposed Monitor supports this request.
90. The Proposed Monitor also supports:
 - a. the amounts and rankings of the Court ordered charges and the financial thresholds proposed in the draft Initial Order, namely:
 - i. First – Administration Charge (to the maximum of \$150,000); and
 - ii. Second – DIP Lender's Charge (to the maximum of \$1,250,000).

All of which is respectfully submitted at Saskatoon, Saskatchewan, this 10th day of November, 2017.

DELOITTE RESTRUCTURING INC.

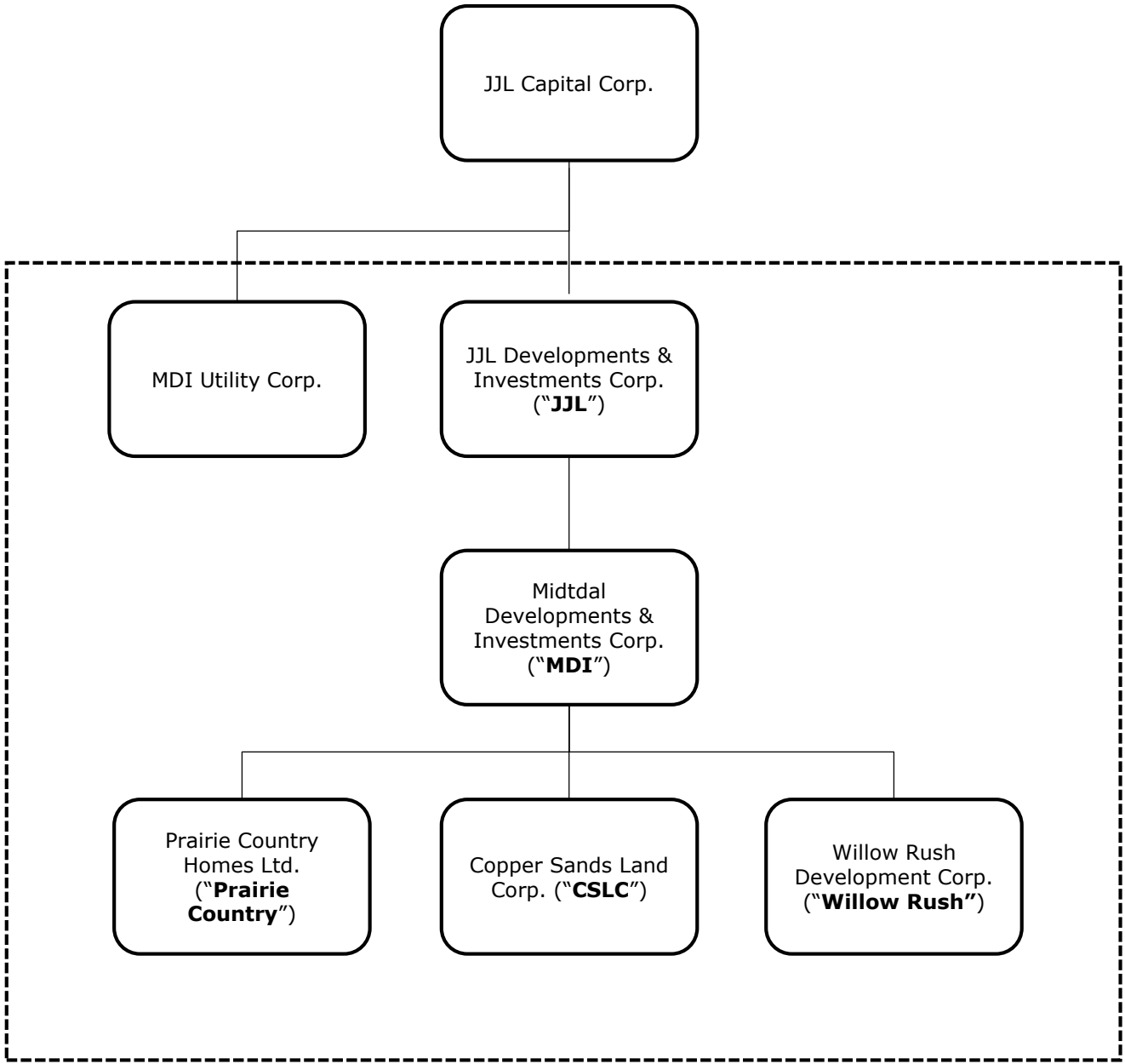
In its capacity as Proposed Monitor of
Copper Sands Land Corp., Willow Rush Development Corp., Midtdal Developments &
Investments Corp., Prairie Country Homes Ltd., JIL Developments & Investments Corp., and
MDI Utility Corp., and not in its personal capacity.



Per: Brent Warga, CA, CIRP, LIT
Senior Vice-President

Exhibit A – Organizational Chart of the Applicants

Organizational Chart




 Entities filing for CCAA Protection (the "Applicants")

Exhibit B – JJJL Developments and Investments Corp. Financial Statements for 2016

JJL Developments & Investments Corp.

Combined Financial Statements

For the year ended

December 31, 2016

(Unaudited)

JJL Developments & Investments Corp.

Index to Combined Financial Statements

For the year ended December 31, 2016

(Unaudited)

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Income Statement	3

Jennifer Bright, Chartered Professional Accountant, CGA

Review Engagement Report

To the Shareholders of JJL Developments & Investments Corp.

We have reviewed the balance sheet of JJL Developments & Investments Corp. as at December 31, 2016 and the statement of income for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.

Regina, Saskatchewan
September 30, 2017

JJL Developments & Investments Corp.

Combined Balance Sheet

(Unaudited)

As at December 31, 2016

		Copper Sands	MDI Corp.	Willow Rush
Total Assets	\$ 18,141,686	\$ 8,121,094	\$ 4,820,592	\$ 5,200,000
Liabilities	11,823,117	7,517,125	1,034	4,304,958
Equity	6,318,569	603,969	4,819,558	895,042
Total Liabilities & Equity	\$ 18,141,686	\$ 8,121,094	\$ 4,820,592	\$ 5,200,000

*Please note that these combined financial statements are highly summarized. For more detailed financial information see the individual financial statements of each corporation summarized above. Their full legal names are as follows:

Copper Sands: Copper Sands Land Corp.
MDI Corp.: Midtdal Developments & Investments Corp.
Willow Rush: Willow Rush Developments Corp.

JJL Developments & Investments Corp.

Combined Income Statement

(Unaudited)

JJL Developments & Investments Corp.
Income Statement (Combined) as at December 31st 2016

		Copper Sands	MDI Corp.	Willow Rush
Total Income	\$ 1,321,959	\$ 497,790	\$ 824,169	\$ -
Expenses	1,329,223	569,970	544,358	214,895
Retained earnings	<u>\$ (7,264)</u>	<u>\$ (72,180)</u>	<u>\$ 279,811</u>	<u>\$ (214,895)</u>

Exhibit C – Middal Developments & Investment Corp. Financial Statements for 2015 and 2016

MITDAL DEVELOPMENTS & INVESTMENTS CORP.
Financial Statements

Year Ended December 31, 2015

(Unaudited)

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

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Year Ended December 31, 2015

(Unaudited)

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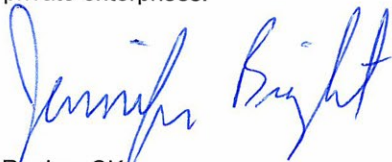
Review Engagement Report

To the Shareholders of
MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

We have reviewed the balance sheet of MIDTDAL DEVELOPMENTS & INVESTMENTS CORP. as at December 31, 2015 and the statements of income and retained earnings for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.



Regina, SK
May 24, 2016

Bright Company Accounting & Taxation
Chartered Professional Accountant, CGA

MITDAL DEVELOPMENTS & INVESTMENTS CORP.

Balance Sheet as at December 31, 2015

(Unaudited)

	2015	2014
ASSETS		
Current		
Cash	\$ 20	\$ -
Due from related parties (note 4)	30,712	72,219
	<u>30,732</u>	<u>72,219</u>
Long-term investments (note 3)	2,000	2,000
Due from related parties (note 4)	3,023,143	5,689,149
Property, plant and equipment (note 5)	1,484,872	534,505
	<u>\$ 4,540,747</u>	<u>\$ 6,297,873</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	\$ -	\$ 16,985
Accounts payable and accrued liabilities	1,000	737,651
	<u>1,000</u>	<u>754,636</u>
	1,000	754,636
Shareholders' equity		
Share capital (note 6)	6,767,500	6,767,500
Deficit	(2,227,753)	(1,224,263)
	<u>4,539,747</u>	<u>5,543,237</u>
	<u>\$ 4,540,747</u>	<u>\$ 6,297,873</u>

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

MITDAL DEVELOPMENTS & INVESTMENTS CORP.

Statement of Retained Earnings for the year ended December 31, 2015

(Unaudited)

	2015	2014
Deficit, beginning of the year	\$ (1,224,263)	\$ (635,800)
Net loss	(1,003,490)	(588,463)
Deficit, end of the year	<u>\$ (2,227,753)</u>	<u>\$ (1,224,263)</u>

See accompanying notes to the financial statements

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

Statement of Income for the year ended December 31, 2015

(Unaudited)

	2015	2014
Cost of sales		
Operating Expenses:		
Administrative expenses	142,773	-
Advertising and promotion	-	23,069
Employee benefits	22,683	-
Insurance	-	3,322
Interest and bank charges	1,451	1,552
Interest on long-term debt	104,495	47,245
Memberships and licenses	399	11,258
Office expenses	-	4,379
Professional fees	336,694	222,512
Property and municipal taxes	7,486	-
Rental	72,429	40,497
Repairs and maintenance	-	134,823
Salaries and wages	309,427	98,011
Telephone	-	1,795
Vehicle operating	5,653	-
	<hr/> 1,003,490	<hr/> 588,463
Net loss before other items and taxes	(1,003,490)	(588,463)
Other income:		
Loss before income taxes	(1,003,490)	(588,463)
	<hr/>	<hr/>
Net loss	\$ (1,003,490)	\$ (588,463)

See accompanying notes to the financial statements

MITDAL DEVELOPMENTS & INVESTMENTS CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

1. Description of business

The business ("the Company") is incorporated under the provincial business corporations act of Saskatchewan. The business invests in real estate for development projects.

2. Summary of Significant Accounting Policies

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated amortization. Property, plant, and equipment are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Equipment	20%	declining balance
Building and Building Improvements	4%	declining balance

The Company regularly reviews its property, plant, and equipment to eliminate obsolete items.

3. Long term investments

The Company owns all the common shares in the following subsidiaries:

Copper Sands Land Corp., Class A common shares, \$1 per share	\$	1,000
Willows Rush Development Corp., Class A common shares, \$1 per share	\$	1,000

4. Due to/from Related Parties

The Company was owed these amounts from the following related parties at its fiscal year end.

	2015	2014
Willows Rush Development Corp.	\$ 3,800,577	\$ 3,799,000
New Dawn Construction	-	829,008
Investment in Balgonie	-	250,000
Copper Sands	(362,970)	811,141
Loan for Ready to Move houses	(410,000)	-
Loan to shareholder	26,249	72,219
	<u>\$ 3,053,856</u>	<u>\$ 5,761,368</u>

MITDAL DEVELOPMENTS & INVESTMENTS CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

5. Property, Plant and Equipment

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Buildings	410,000	-	410,000	-
Equipment	1,074,872	-	1,074,872	534,505
	<u>\$ 1,484,872</u>	<u>\$ -</u>	<u>\$ 1,484,872</u>	<u>\$ 534,505</u>

6. Share Capital

Authorized:

	2015	2014
Unlimited Class A Common voting shares		
Unlimited Class B Common voting shares		
Unlimited Class C Common non-voting shares		
Unlimited Class D Common non-voting shares		
Unlimited Class E Preferred voting shares		
Unlimited Class F Preferred voting shares		
Unlimited Class G Preferred non-voting shares		
Unlimited Class H Preferred non-voting shares		
Unlimited Class I Preferred non-voting shares		
Unlimited Class J Special non-voting shares		

Issued:

7,000 Class A common shares	\$ 7,000	\$ 7,000
67,605 Class E preferred shares	6,760,500	6,760,500
	<u>\$ 6,767,500</u>	<u>\$ 6,767,500</u>

MITDAL DEVELOPMENTS & INVESTMENTS CORP.
Financial Statements

Year Ended December 31, 2016

(Unaudited)

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

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Year Ended December 31, 2016

(Unaudited)

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Review Engagement Report

**To the Shareholders of
MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.**

We have reviewed the balance sheet of MIDTDAL DEVELOPMENTS & INVESTMENTS CORP. as at December 31, 2016 and the statements of income and retained earnings for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.

Bright Company Accounting & Taxation
Chartered Professional Accountant, CGA

Regina, SK
September 26, 2017

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

Balance Sheet as at December 31, 2016

(Unaudited)

	2016	2015
ASSETS		
Current		
Cash	\$ -	\$ 20
Due from related parties (note 4)	-	30,711
	-	30,731
Long-term investments (note 3)	2,000	2,000
Due from related parties (note 4)	3,290,495	3,023,144
Property, plant and equipment (note 5)	1,528,097	1,484,872
	\$ 4,820,592	\$ 4,540,747
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	\$ 34	\$ -
Accounts payable and accrued liabilities	1,000	1,000
	1,034	1,000
	1,034	1,000
Shareholders' equity		
Share capital (note 6)	6,767,500	6,767,500
Deficit	(1,947,942)	(2,227,753)
	4,819,558	4,539,747
	\$ 4,820,592	\$ 4,540,747

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

Statement of Retained Earnings for the year ended December 31, 2016
(Unaudited)

	2016	2015
Deficit, beginning of the year	\$ (2,227,753)	\$ (1,224,263)
Net income (loss)	279,811	(1,003,490)
<u>Deficit, end of the year</u>	<u>\$ (1,947,942)</u>	<u>\$ (2,227,753)</u>

See accompanying notes to the financial statements

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

Statement of Income for the year ended December 31, 2016

(Unaudited)

	2016	2015
Operating Expenses:		
Administrative expenses	30,302	142,772
Advertising and promotion	2,609	-
Employee benefits	10,321	22,683
Insurance	1,678	-
Interest and bank charges	804	1,451
Interest on long-term debt	10,837	104,495
Meetings and conventions	965	-
Memberships and licenses	3,006	399
Office expenses	5,014	-
Professional fees	389,137	336,694
Property and municipal taxes	-	7,486
Rental	2,524	72,429
Repairs and maintenance	38,163	-
Salaries and wages	36,454	309,427
Supplies	284	-
Telephone	2,725	-
Travel expense	7,465	-
Utilities	1,650	-
Vehicle operating	420	5,654
	<hr/> 544,358	<hr/> 1,003,490
Net loss before other items and taxes	(544,358)	(1,003,490)
Other income:		
Interest income	3,919	-
Expense recoveries	820,250	-
	<hr/> 824,169	<hr/> -
Income (Loss) before income taxes	279,811	(1,003,490)
	<hr/>	<hr/>
Net income (loss)	\$ 279,811	\$ (1,003,490)

See accompanying notes to the financial statements

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

1. Description of business

The business ("the Company") is incorporated under the provincial business corporations act of Saskatchewan. The business invests in real estate for development projects.

2. Summary of Significant Accounting Policies

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Property, Plant, and Equipment

Property, plant, and equipment are started at cost less accumulated amortization. Property, plant, and equipment are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Equipment	20%	declining balance
Building and Building Improvements	4%	declining balance

The Company regularly reviews its property, plant, and equipment to eliminate obsolete items.

3. Long term investments

The Company owns all the common shares in the following subsidiaries:

Copper Sands Land Corp., Class A common shares, \$1 per share	\$1,000
Willows Rush Development Corp., Class A common shares, \$1 per share	\$1,000

4. Due to/from Related Parties

The Company was owed/owes these amounts from/to the following related parties at its fiscal year end.

	2016	2015
Willows Rush Development Corp.	\$3,862,992	\$3,800,577
SHE Lingerie	359,617	-
Copper Sands	(718,658)	(362,970)
Loan for Ready to Move houses	(410,000)	(410,000)
Loan to shareholder	196,544	26,249
	<u>\$ 3,290,495</u>	<u>\$ 3,053,856</u>

MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

5. Property, Plant and Equipment

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Buildings	\$ 410,000	-	\$ 410,000	\$ 410,000
Equipment	1,118,097	-	1,118,097	1,074,872
	<u>\$1,528,097</u>	<u>\$ -</u>	<u>\$1,528,097</u>	<u>\$1,484,872</u>

6. Share Capital

Authorized:		2016	2015
Unlimited	Class A Common voting shares		
Unlimited	Class B Common voting shares		
Unlimited	Class C Common non-voting shares		
Unlimited	Class D Common non-voting shares		
Unlimited	Class E Preferred voting shares		
Unlimited	Class F Preferred voting shares		
Unlimited	Class G Preferred non-voting shares		
Unlimited	Class H Preferred non-voting shares		
Unlimited	Class I Preferred non-voting shares		
Unlimited	Class J Special non-voting shares		
Issued:			
	7,000 Class A common shares	\$ 7,000	\$ 7,000
	67,605 Class E preferred shares	<u>6,760,500</u>	<u>6,760,500</u>
		\$ 6,767,500	\$ 6,767,500

Exhibit D – Copper Sands Land Corp. Financial Statements for 2015 and 2016

COPPER SANDS LAND CORP.
Financial Statements

Year Ended December 31, 2015

(Unaudited)

COPPER SANDS LAND CORP.

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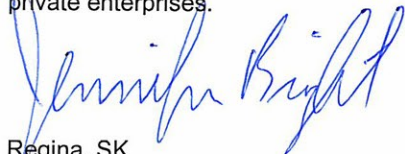
Review Engagement Report

To the Shareholders of
COPPER SANDS LAND CORP.

We have reviewed the balance sheet of COPPER SANDS LAND CORP. as at December 31, 2015 and the statements of income and retained earnings for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.


Regina, SK
May 25, 2016

Bright Company Accounting & Taxation
Chartered Professional Accountant, CGA

COPPER SANDS LAND CORP.

Balance Sheet as at December 31, 2015

(Unaudited)

	2015	2014
ASSETS		
Current		
Cash	\$ 537	\$ -
Due from related parties (note 3)	2,149,897	227,307
Prepaid expenses	-	250,000
	<hr/> 2,150,434	<hr/> 477,307
Due from shareholders	1,000	1,000
Property, plant and equipment (note 4)	5,851,933	5,800,000
	<hr/> <hr/> \$ 8,003,367	<hr/> <hr/> \$ 6,278,307

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Bank indebtedness	\$ -	\$ 2,815
Accounts payable and accrued liabilities	29,952	122,035
Current portion of long-term debt (note 5)	7,273,907	5,355,000
	<hr/> 7,303,859	<hr/> 5,479,850
Due to related parties (note 3)	859	50,000
	<hr/> 7,304,718	<hr/> 5,529,850
Shareholders' equity		
Share capital (note 6)	1,000	1,000
Retained earnings	697,649	747,457
	<hr/> 698,649	<hr/> 748,457
	<hr/> <hr/> \$ 8,003,367	<hr/> <hr/> \$ 6,278,307

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

COPPER SANDS LAND CORP.

Statement of Retained Earnings for the year ended December 31, 2015

(Unaudited)

	2015	2014
Retained earnings, beginning of the year	\$ 747,457	\$ -
Net loss	(49,808)	(52,543)
Other items affecting retained earnings	-	800,000
<u>Retained earnings, end of the year</u>	<u>\$ 697,649</u>	<u>\$ 747,457</u>

See accompanying notes to the financial statements

COPPER SANDS LAND CORP.

Statement of Income for the year ended December 31, 2015

(Unaudited)

	2015	2014
Rental income	\$ 504,000	\$ 317,222
	504,000	317,222
<hr/>		
	504,000	317,222
<hr/>		
Operating Expenses:		
Advertising and promotion	-	3,001
Insurance	1,774	-
Interest and bank charges	36,109	573
Interest on long-term debt	434,229	-
Memberships and licenses	5,324	105
Office expenses	4,359	1,315
Professional fees	-	194,747
Property and municipal taxes	3,861	-
Repairs and maintenance	52,298	158,406
Salaries and wages	-	8,993
Telephone	-	1,089
Training	10,221	1,250
Travel expense	-	286
Vehicle operating	5,633	-
	553,808	369,765
<hr/>		
Net loss before other items and taxes	(49,808)	(52,543)
Other income:		
Loss before income taxes	(49,808)	(52,543)
<hr/>		
Net loss	\$ (49,808)	\$ (52,543)

See accompanying notes to the financial statements

Had the mortgage interest charges by Cobra not been incurred by the company then Copper Sands based on the interest charges incurred from ACU would have shown a profit in 2015. The interest charged by Cobra was \$293,810 and by ACU was \$140,419.

COPPER SANDS LAND CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

1. Description of business

Copper Sands Land Corp. ("the Company") is incorporated under the provincial business corporations act of Saskatchewan. The business deals in real estate development.

2. Summary of Significant Accounting Policies

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Property, Plant, and Equipment

As part of Property, plant, and equipment Land is normally stated at its original cost amount. As per Canadian generally accepted accounting principles. Because the 2014 financial statements had Land held for development stated at its appraised market value we used appraised market value again in 2015 for comparative purposes. Property, plant and equipment are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Equipment	20%	declining balance

The Company regularly reviews its property, plant, and equipment to eliminate obsolete items.

Revenue

a) The Company's revenue is derived mostly from its trailer park through pad rental. The revenue is recognized at the beginning of each month.

3. Due to/from Related Parties

The Company was owed these amounts from or (owed) these amounts to the following related parties at its fiscal year end:

	2015	2014
Middal Developments & Investments Corp.	\$ 1,092,668	\$ 227,307
Willow Rush Development Corp.	289,486	-
Loan from shareholder	755,158	50,000
	<u>\$ 2,137,312</u>	<u>\$ 277,307</u>

Only amounts \$15,000 or higher are included.

COPPER SANDS LAND CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

4. Property, Plant and Equipment

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Land	\$ 5,800,000	\$ -	\$ 5,800,000	\$ 5,800,000
Equipment	51,933	-	51,933	-
	<u>\$ 5,851,933</u>	<u>\$ -</u>	<u>\$ 5,851,933</u>	<u>\$ 5,800,000</u>

Please, note the land was appraised at \$5,800,000 in 2015. Its original cost amount is \$5,000,000.

5. Long-Term Debt

	2015	2014
Affinity Credit Union mortgage bearing interest at 5.7% per annum, repayable in monthly blended payments of \$27,312.03. The mortgage matures June 5, 2016. Secured by land of the Company and by land of related corporation Willow Rush Development Corp.	\$ 4,273,907	\$ -
Cobra Mortgage Services bearing interest at the higher of Royal Bank of Canada prime rate plus 7% or 10% per annum. Interest only payments were made. The mortgage was retired when the funding was refinanced in June 2015. Was secured by land of the Company and by land of related corporation Willow Rush Development Corp.	-	5,355,000
Loan payable to Industrial Properties Regina Limited. bearing interest at 15% per annum. The entire interest and principal is due to be repaid by June 5, 2016. Secured by land of the Company and by land of related corporation Willow Rush Development Corp.	3,000,000	-
Total debt	7,273,907	5,355,000
Current portion	7,273,907	5,355,000

6. Share Capital

Authorized:	2015	2014
Unlimited Class A Common voting shares		
Unlimited Class B Common voting shares		
Unlimited Class C Common non-voting shares		
Unlimited Class D Preferred non-voting shares		
Unlimited Class E Preferred voting shares		
Issued:		
1000 Class A common shares	\$ 1,000	\$ 1,000
	<u>\$ 1,000</u>	<u>\$ 1,000</u>

COPPER SANDS LAND CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

7. Unusually high expenses related to mortgage

This past year the Company experienced much higher interest expenses than usual. It held a mortgage with Cobra Mortgage Services, as detailed in Note 5, above. The interest charges on that mortgage alone for 2015 were \$583,296. The amount of the mortgage attributed to Willow Rush Developments Corp. was \$2,142,000 for the first five months and \$1,720,000 for the last seven months.

8. Other expenses

Please note that professional fees and payroll expenses have been accounted for in the income statement of Mitdtal Developments & Investments Corp.. Also, 40% of the interest on long-term loans has been expensed to Willow Rush Developments Corp.

COPPER SANDS LAND CORP.
Financial Statements

Year Ended December 31, 2016

(Unaudited)

COPPER SANDS LAND CORP.

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(Unaudited)

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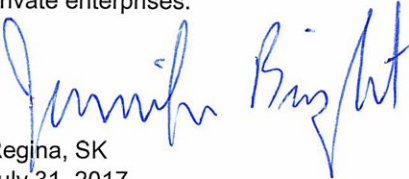
Review Engagement Report

To the Shareholders of
COPPER SANDS LAND CORP.

We have reviewed the balance sheet of COPPER SANDS LAND CORP. as at December 31, 2016 and the statements of income and retained earnings for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.


Regina, SK
July 31, 2017

Bright Company Accounting & Taxation
Chartered Professional Accountant, CGA

COPPER SANDS LAND CORP.

Balance Sheet as at December 31, 2016

(Unaudited)

	2016	2015
ASSETS		
Current		
Cash	\$ 2,188	\$ 537
Accounts receivable (note 3)	19,592	-
Due from related parties (note 4)	2,191,643	2,149,038
	<u>2,213,423</u>	<u>2,149,575</u>
Due from shareholders	1,000	1,000
Property, plant and equipment (note 5)	5,906,671	5,851,933
	<u>\$ 8,121,094</u>	<u>\$ 8,002,508</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued liabilities	46,763	29,952
Current portion of long-term debt (note 6)	7,470,362	5,355,000
	<u>7,517,125</u>	<u>5,384,952</u>
Long-term debt (note 6)	-	1,918,907
	<u>7,517,125</u>	<u>7,303,859</u>
Shareholders' equity		
Share capital (note 7)	1,000	1,000
Retained earnings	602,969	697,649
	<u>603,969</u>	<u>698,649</u>
	<u>\$ 8,121,094</u>	<u>\$ 8,002,508</u>

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

COPPER SANDS LAND CORP.

Statement of Retained Earnings for the year ended December 31, 2016

(Unaudited)

	2016	2015
Retained earnings, beginning of the year	\$ 697,649	\$ 747,457
Net loss	(72,180)	(49,808)
Dividends	(22,500)	-
<u>Retained earnings, end of the year</u>	<u>\$ 602,969</u>	<u>\$ 697,649</u>

See accompanying notes to the financial statements

COPPER SANDS LAND CORP.

Statement of Income for the year ended December 31, 2016

(Unaudited)

	2016	2015
Rental income	\$ 497,790	\$ 504,000
	497,790	504,000
Amortization of tangible assets	10,587	-
	10,587	-
	487,203	504,000
Operating Expenses:		
Advertising and promotion	1,538	-
Insurance	2,343	1,774
Interest and bank charges	2,608	36,109
Interest on long-term debt	317,550	434,229
Memberships and licenses	252	5,324
Office expenses	1,380	4,359
Professional fees	13,000	-
Property and municipal taxes	43,415	3,861
Rental	250	-
Repairs and maintenance	131,622	52,298
Subcontractors	3,156	-
Supplies	12,801	-
Telephone	2,246	-
Training	2,050	10,221
Travel expense	9,682	-
Utilities	11,031	-
Vehicle operating	4,460	5,633
	559,384	553,808
Net loss before other items and taxes	(72,181)	(49,808)
Other income:		
Interest income	1	-
	1	-
Loss before income taxes	(72,180)	(49,808)
Net loss	\$ (72,180)	\$ (49,808)

See accompanying notes to the financial statements

COPPER SANDS LAND CORP.

Notes to Financial Statements
Year Ended December 31, 2016
(Unaudited)

1. Description of business

Copper Sands Land Corp. ("the Company") is incorporated under the provincial business corporations act of Saskatchewan. The business deals in real estate development.

2. Summary of Significant Accounting Policies

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Property, Plant, and Equipment

As part of Property, plant, and equipment Land is normally stated at its original cost amount. As per Canadian generally accepted accounting principles. Because the 2014 financial statements had Land held for development stated at its appraised market value we used appraised market value again in 2015 and 2016 for comparative purposes. Property, plant and equipment are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Equipment	20%	declining balance

The Company regularly reviews its property, plant, and equipment to eliminate obsolete items.

Revenue

a) The Company's revenue is derived mostly from its trailer park through pad rental. The revenue is recognized at the beginning of each month.

3. **Accounts receivable** \$ 19,592 \$ -

4. Due to/from Related Parties

The Company was owed these amounts from or (owed) these amounts to the following related parties at its fiscal year end:

	2016	2015
Mittdal Developments & Investments Corp.	\$ 915,390	\$ 1,092,668
Willow Rush Development Corp.	501,186	289,486
Loan from shareholder	763,688	755,158
	<u>\$ 2,180,264</u>	<u>\$ 2,137,312</u>

Only amounts \$15,000 or higher are included.

COPPER SANDS LAND CORP.

Notes to Financial Statements
Year Ended December 31, 2016
(Unaudited)

5. Property, Plant and Equipment

	Cost	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Land	\$ 5,800,000	\$ -	\$ 5,800,000	\$ 5,800,000
Land improvements	63,324	-	63,324	-
Equipment	53,933	10,587	43,346	51,933
	<u>\$ 5,917,257</u>	<u>\$ 10,587</u>	<u>\$ 5,906,670</u>	<u>\$ 5,851,933</u>

Please, note the land was appraised at \$5,800,000 in 2015. Its original cost amount is \$5,000,000.

6. Long-Term Debt

	2016	2015
Affinity Credit Union mortgage bearing interest at 4.15% per annum, repayable in monthly blended payments of \$23,606.88. The mortgage matures July 5, 2017. Secured by land of the Company and by land of related corporation Willow Rush Development Corp.	\$ 4,170,362	\$ 4,273,907
Loan payable to Industrial Properties Regina Limited. bearing interest at 10% per annum. The entire interest and principal is due to be repaid by August 31, 2017. Secured by land of the Company and by land of related corporation Willow Rush Development Corp.	3,300,000	3,000,000
Total debt	7,470,362	7,273,907
Current portion	7,470,362	5,355,000
Long-term portion	-	1,918,907

7. Share Capital**Authorized:**

Unlimited Class A Common voting shares
Unlimited Class B Common voting shares
Unlimited Class C Common non-voting shares
Unlimited Class D Preferred non-voting shares
Unlimited Class E Preferred voting shares

Issued:

1000 Class A common shares

	2016	2015
	\$ 1,000	\$ 1,000
	<u>\$ 1,000</u>	<u>\$ 1,000</u>

Exhibit E – Willow Rush Development Corp. Financial Statements for 2015 and 2016

WILLOW RUSH DEVELOPMENT CORP.
Financial Statements

Year Ended December 31, 2015

(Unaudited)

WILLOW RUSH DEVELOPMENT CORP.

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Year Ended December 31, 2015

(Unaudited)

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Review Engagement Report

To the Shareholders of
WILLOW RUSH DEVELOPMENT CORP.

We have reviewed the balance sheet of WILLOW RUSH DEVELOPMENT CORP. as at December 31, 2015 and the statements of income, retained earnings and cash flow for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.



Regina, SK
May 21, 2016

Bright Company Accounting & Taxation
Chartered Professional Accountant, CGA

WILLOW RUSH DEVELOPMENT CORP.

Balance Sheet as at December 31, 2015

(Unaudited)

	2015	2014
ASSETS		
Current		
Property, plant and equipment (note 3)	5,200,000	5,200,000
	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Due to related parties (note 5)	4,090,063	3,799,000
	<u>4,090,063</u>	<u>3,799,000</u>
Shareholders' equity		
Share capital (note 4)	1,000	1,000
Retained earnings	1,108,937	1,400,000
	<u>1,109,937</u>	<u>1,401,000</u>
	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

WILLOW RUSH DEVELOPMENT CORP.

Statement of Retained Earnings for the year ended December 31, 2015

(Unaudited)

	2015	2014
Retained earnings, beginning of the year	\$ 1,400,000	\$ -
Net income (loss)	(291,063)	-
Unrealized gains	-	1,400,000
Retained earnings, end of the year	\$ 1,108,937	\$ 1,400,000

See accompanying notes to the financial statements

WILLOW RUSH DEVELOPMENT CORP.Statement of Income for the year ended December 31, 2015
(Unaudited)

	2015	2014
Cost of sales		
Operating Expenses:		
Interest on long-term debt	289,486	-
Property and municipal taxes	1,577	-
	<u>291,063</u>	<u>-</u>
Net income (loss) before other items and taxes	(291,063)	-
Other income:		
Income (Loss) before income taxes	(291,063)	-
	<u>(291,063)</u>	<u>-</u>
Net income (loss)	<u>\$ (291,063)</u>	<u>\$ -</u>

See accompanying notes to the financial statements

WILLOW RUSH DEVELOPMENT CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

1. Description of business

The business is incorporated under the provincial business corporations act of Saskatchewan. The business currently holds land for future development within Southern Saskatchewan.

2. Summary of Significant Accounting Policies

Property, plant and equipment

As part of Property, plant and equipment, Land held for development is normally stated at its original cost amount as per Canadian generally accepted accounting principles. Because the 2014 financial statements had Land held for development stated at its appraised market value we used appraised market value again in 2015 for comparative purposes.

3. Property, plant and equipment

	Appraised Value	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Land	\$ 5,200,000	\$ -	\$ 5,200,000	\$ 5,200,000
	<u>\$ 5,200,000</u>	<u>\$ -</u>	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>

Please, note the land was appraised at \$5,200,000 in 2015. Its original cost amount was \$3,800,000.

4. Share Capital

Authorized:

Unlimited Class A Common voting shares
Unlimited Class B Common voting shares
Unlimited Class C Common non-voting shares
Unlimited Class D Preferred non-voting shares
Unlimited Class E Preferred voting shares

Issued:

1000 Class A common shares

	2015	2014
	<u>\$ 1,000</u>	<u>\$ 1,000</u>
	<u>\$ 1,000</u>	<u>\$ 1,000</u>

WILLOW RUSH DEVELOPMENT CORP.

Notes to Financial Statements
Year Ended December 31, 2015
(Unaudited)

5. Due to Related Party

The company received a \$3,800,577 loan from its parent corporation Midtdal Developments & Investments Corp. (MDI). The amount of \$3,799,000 bears the same rate of interest that related company Copper Sands Land Corp. pays to the financial institutions it is indebted to. During 2015, that rate was 7.62%. Copper Sands Land Corp. paid \$289,486 in interest on behalf of the Company.

WILLOW RUSH DEVELOPMENT CORP.
Financial Statements

Year Ended December 31, 2016

(Unaudited)

WILLOW RUSH DEVELOPMENT CORP.

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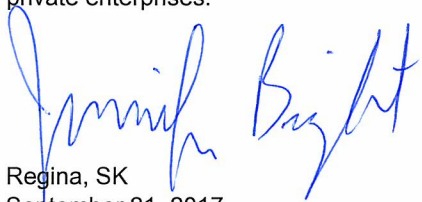
Review Engagement Report

To the Shareholders of
WILLOW RUSH DEVELOPMENT CORP.

We have reviewed the balance sheet of WILLOW RUSH DEVELOPMENT CORP. as at December 31, 2016 and the statements of income and retained earnings for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for private enterprises.


Regina, SK
September 21, 2017

Bright Company Accounting & Taxation
Chartered Professional Accountant, CGA

WILLOW RUSH DEVELOPMENT CORP.

Balance Sheet as at December 31, 2016

(Unaudited)

	2016	2015
ASSETS		
Current		
Property, plant and equipment (note 3)	5,200,000	5,200,000
	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Due to related parties (note 5)	4,304,958	4,090,063
	<u>4,304,958</u>	<u>4,090,063</u>
Shareholders' equity		
Share capital (note 4)	1,000	1,000
Retained earnings	894,042	1,108,937
	<u>895,042</u>	<u>1,109,937</u>
	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

WILLOW RUSH DEVELOPMENT CORP.

Statement of Retained Earnings for the year ended December 31, 2016

(Unaudited)

	2016	2015
Retained earnings, beginning of the year	\$ 1,108,937	\$ -
Net loss	(214,895)	(291,063)
Unrealized gains	-	1,400,000
<u>Retained earnings, end of the year</u>	<u>\$ 894,042</u>	<u>\$ 1,108,937</u>

See accompanying notes to the financial statements

WILLOW RUSH DEVELOPMENT CORP.

Statement of Income for the year ended December 31, 2016

(Unaudited)

	2016	2015
Operating Expenses:		
Interest on long-term debt	211,700	289,486
Property and municipal taxes	3,195	1,577
	<hr/> 214,895	<hr/> 291,063
Net loss before other items and taxes	(214,895)	(291,063)
Other income:		
Loss before income taxes	(214,895)	(291,063)
	<hr/>	<hr/>
Net loss	\$ (214,895)	\$ (291,063)

See accompanying notes to the financial statements

WILLOW RUSH DEVELOPMENT CORP.

Notes to Financial Statements
Year Ended December 31, 2016
(Unaudited)

1. Description of business

The business is incorporated under the provincial business corporations act of Saskatchewan. The business currently holds land for future development within Southern Saskatchewan.

2. Summary of Significant Accounting Policies

Property, plant and equipment

As part of Property, plant and equipment, Land held for development is normally stated at its original cost amount as per Canadian generally accepted accounting principles. Because the 2014 financial statements had Land held for development stated at its appraised market value we used appraised market value again in 2015 and in 2016 for comparative purposes.

3. Property, plant and equipment

	Appraised Value	Accumulated Amortization	2016 Net Book Value	2015 Net Book Value
Land	\$ 5,200,000	\$ -	\$ 5,200,000	\$ 5,200,000
	<u>\$ 5,200,000</u>	<u>\$ -</u>	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>

Please, note the land was appraised at \$5,200,000 in 2015. Its original cost amount was \$3,800,000.

4. Share Capital

Authorized:	2016	2015
Unlimited Class A Common voting shares		
Unlimited Class B Common voting shares		
Unlimited Class C Common non-voting shares		
Unlimited Class D Preferred non-voting shares		
Unlimited Class E Preferred voting shares		
Issued:		
1000 Class A common shares	\$ 1,000	\$ 1,000
	<u>\$ 1,000</u>	<u>\$ 1,000</u>

WILLOW RUSH DEVELOPMENT CORP.

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited)

5. Due to Related Party

The company received another \$214,895 loan from its parent corporation Midtdal Developments & Investments Corp. (MDI) to bring the total amount borrowed to \$4,304,958. Related company Copper Sands Land Corp. paid \$211,700 in interest on behalf of the Company which represents 40% of the total interest paid out by CopperSands Land Corp.. During 2016, that rate was 5.7% for the first 174 days and 4.15% for the remainder of the year.

Exhibit F – Proposed Monitor’s Report on the 13-Week Cash Flow Forecast

THE QUEEN'S BENCH
SASKATOON CENTRE

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c, C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
COPPER SANDS LAND CORP., WILLOW RUSH DEVELOPMENT CORP., PRAIRIE COUNTRY
HOMES LTD., MIDTDAL DEVELOPMENTS & INVESTMENTS CORP., JIL DEVELOPMENTS &
INVESTMENTS CORP., AND MDI UTILITY CORP.
(collectively the "**Applicants**")

PROPOSED MONITOR'S REPORT ON DEBTORS' CASH FLOW STATEMENT

The statement of projected cash-flow attached as appendix "A" of this report (the "**Cash Flow Statement**") of the Applicants for the period of November 20, 2017 to February 18, 2018, has been prepared by management of the Applicants for the purpose of an initial application under the CCAA, using the probable and hypothetical assumptions set out in notes 1 to 19 of the Cash Flow Statement (the "**Notes and Assumptions**").

Our review consisted of inquiries, analytical procedures and discussions related to information supplied to us by management of the Applicants. Since the Notes and Assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. We have also reviewed the support provided by management of the Applicants for the Notes and Assumptions, and the preparation and presentation of the Cash Flow Statement.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) The Notes and Assumptions are not consistent with the purpose of the Cash Flow Statement;
- b) As at the date of this report, the Notes and Assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statement, given the Notes and Assumptions; or
- c) The Cash Flow Statement does not reflect the Notes and Assumptions.

Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the Notes and Assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Statement will be achieved. The Cash Flow Statement has been prepared solely for the purpose of reflecting management's best estimate of the cash flow of the Applicants in its proposed CCAA proceedings, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Saskatoon, this 10th day of November, 2017

DELOITTE RESTRUCTURING INC.

in its capacity as Proposed Monitor of
Copper Sands Land Corp., Willow Rush Development Corp., Midtdal Developments &
Investments Corp., Prairie Country Homes Ltd., JLL Developments & Investments Corp., and
MDI Utility Corp., and not in its personal capacity.

A handwritten signature in blue ink that reads "B Warga". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Brent Warga, CA, CIRP, LIT
Senior Vice-President

COPPER SANDS LAND CORP. ("CSLC")
WILLOW RUSH LAND CORP. ("Willow Rush")
MDI UTILITY CORP.
JJL DEVELOPMENTS AND INVESTMENTS CORP. ("JJL")
MIDTAL DEVELOPMENTS AND INVESTMENTS CORP. ("MDI")
PRAIRIE COUNTRY HOMES LTD. ("PRAIRIE COUNTRY")
(Collectively the "COMPANIES")

13-Week Cash Flow Projection

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 1 - 13	
	Notes	20-Nov-17	27-Nov-17	4-Dec-17	11-Dec-17	18-Dec-17	25-Dec-17	1-Jan-18	8-Jan-18	15-Jan-18	22-Jan-18	29-Jan-18	5-Feb-18	12-Feb-18	Cumulative Totals	
Receipts																
	CSLC monthly rent (existing CSLC tenants)	1	\$ -	\$ 41,475	\$ -	\$ -	\$ -	\$ 31,600	\$ -	\$ -	\$ -	\$ 31,600	\$ -	\$ -	\$ 104,675	
	CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	
	MDI Utility Corp. waste removal services	3	-	-	-	-	-	21,725	-	-	-	21,725	-	-	43,450	
	MDI Utility Corp. services agreement	4	-	-	-	-	-	-	-	-	28,000	-	-	28,000	56,000	
	Total Receipts		-	41,475	-	-	-	53,325	-	-	28,000	53,325	-	28,000	204,125	
Disbursements																
CSLC Operating Costs																
	Park operator license	5	-	8	-	-	-	8	-	-	-	8	-	-	25	
	Commercial insurance	5	-	195	-	-	-	195	-	-	-	195	-	-	586	
	Consulting costs	6	-	7,500	-	7,500	-	7,500	-	7,500	-	7,500	-	7,500	45,000	
	Land taxes	5	-	317	-	-	-	317	-	-	-	317	-	-	950	
	Street repair	7	-	447	-	-	-	447	-	-	-	447	-	-	1,341	
	Water tests	7	-	46	-	-	-	46	-	-	-	46	-	-	137	
	SaskPower	8	-	859	-	-	-	859	-	-	-	859	-	-	2,578	
	Vehicle expenses	9	-	500	-	-	-	500	-	-	-	500	-	-	1,500	
	Wages	10	-	4,167	-	-	-	4,167	-	-	-	4,167	-	-	12,500	
	Waste disposal	5	-	1,455	-	-	-	1,455	-	-	-	1,455	-	-	4,365	
	WSA permit	11	-	50	-	-	-	50	-	-	-	50	-	-	150	
	Contingency	12	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	-	30,000	
	Subtotal		-	20,544	-	12,500	-	12,500	8,044	12,500	-	12,500	8,044	12,500	99,131	
MDI Utility Corp. Development Costs																
	Potable Water System	13	-	50,667	-	-	50,667	-	-	-	-	-	-	-	152,000	
	Waste Water System	13	-	215,000	-	-	215,000	-	-	-	-	-	-	-	645,000	
	Subtotal		-	265,667	-	-	265,667	-	-	-	-	-	-	-	797,000	
MDI Utility Corp. Operating Costs																
	Maintenance	14	-	-	-	-	-	-	-	-	3,200	-	-	3,200	6,400	
	Labor	15	-	-	-	-	-	-	-	-	4,500	-	-	4,500	9,000	
	Utilities	16	-	-	-	-	-	-	-	-	1,500	-	-	1,500	3,000	
	Other		-	-	-	-	-	-	-	-	500	-	-	500	1,000	
	Subtotal		-	-	-	-	-	-	-	-	9,700	-	-	9,700	19,400	
Financing Costs and Professional Fees																
	Debtor in possession (DIP) Costs	17	-	17,500	-	-	-	17,500	-	-	-	17,500	-	-	52,500	
	Professional fees	18	75,000	60,000	-	60,000	-	25,000	-	25,000	-	20,000	-	20,000	285,000	
	Subtotal		75,000	77,500	-	60,000	-	25,000	17,500	25,000	-	20,000	17,500	20,000	337,500	
Total Disbursements																
			75,000	363,710	-	72,500	265,667	37,500	291,210	37,500	-	42,200	25,544	32,500	9,700	1,253,031
Net Cash Flows																
			(75,000)	(322,235)	-	(72,500)	(265,667)	(37,500)	(237,885)	(37,500)	-	(14,200)	27,781	(32,500)	18,300	(1,048,906)
Opening Cash (Balance per Bank)																
		19	-	(75,000)	(397,235)	(397,235)	(469,735)	(735,402)	(772,902)	(1,010,787)	(1,048,287)	(1,048,287)	(1,062,487)	(1,034,706)	(1,067,206)	-
Net Cash Flows																
			(75,000)	(322,235)	-	(72,500)	(265,667)	(37,500)	(237,885)	(37,500)	-	(14,200)	27,781	(32,500)	18,300	(1,048,906)
Closing Cash (Indebtedness)																
			\$ (75,000)	\$ (397,235)	\$ (397,235)	\$ (469,735)	\$ (735,402)	\$ (772,902)	\$ (1,010,787)	\$ (1,048,287)	\$ (1,048,287)	\$ (1,062,487)	\$ (1,034,706)	\$ (1,067,206)	\$ (1,048,906)	\$ (1,048,906)

Notes and Assumptions

1	CSLC revenues are forecast based on 79 existing Copper Sands Mobile Home Park tenants paying lease fees of \$525 per month. Monthly lease payments will increase to \$675 commencing January 1, 2018 and will be apportioned between CSLC and MDI Utility Corp.
2	CSLC continues to work with the Rural Municipality of Edenwold to obtain approval of the development plan for the CSLC Expansion (Tanglewood). As the timing of approval is uncertain, no rental revenues have been included in the forecast.
3	Assuming that the MDI Utility Corp. Utility Facility is commissioned by December 31, 2017, as of January 1, 2018, rent for each of the existing Copper Sands Mobile Home Park tenants will increase to \$675 per month: \$275 will be directed to MDI Utility Corp. (which will be responsible for all of the Park bills including water services); \$400 will be directed to CSLC.
4	Assuming that the MDI Utility Corp. Utility Facility is commissioned by December 31, 2017, pump and dump service agreements (7 loads per day; 5 days per week) are forecast to generate monthly service income.
5	Operating costs are forecast based on the historical annualized operating costs for Copper Sands Mobile Home Park prorated monthly.
6	Forecast costs (travel, engineering support, etc.) associated with the CSLC Expansion (Tanglewood).
7	Forecast repairs and maintenance for the gravel roads and water testing are based on annualized costs prorated monthly.
8	Forecast electricity costs are based on annual costs associated with five (5) accounts prorated monthly.
9	Forecast vehicle costs are based on monthly fuel charges of \$500.
10	Wages are forecast based on the actual cost of the on-site resident manager at Copper Sands Mobile Home Park.
11	Water Security Agency (WSA) costs are based on annualized costs prorated monthly.
12	Contingency reserve for unbudgeted development costs.
13	MDI Utility Corp. development costs are forecast based on the estimated costs to commission the potable water system (\$152,000) and the waste water system (\$645,000) as quoted by Aquas Water Works (Community Engineered Water Systems).
14	Estimated monthly maintenance costs associated with operating the MDI Utility Corp. Utility Facility.
15	Estimated costs associated with one full-time and one part-time employee necessary to operate the MDI Utility Corp. Utility Facility.
16	Estimated electricity costs associated with operating the MDI Utility Corp. Utility Facility.
17	Estimated interest costs associated with the necessary DIP financing.
18	Estimated professional fees associated with the initial application and the come back hearing expected to occur in December 2017.
19	Opening cash balance is expected to be negligible based on the books and records of the Companies.

Exhibit G – Management’s Report on the 13-Week Cash Flow Statement

THE QUEEN'S BENCH
SASKATOON CENTRE

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c, C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
COPPER SANDS LAND CORP., WILLOW RUSH DEVELOPMENT CORP., PRAIRIE COUNTRY
HOMES LTD., MIDTDAL DEVELOPMENTS & INVESTMENTS CORP., JIL DEVELOPMENTS &
INVESTMENTS CORP., AND MDI UTILITY CORP.
(collectively the "**Applicants**")

REPORT ON CASH FLOW STATEMENT
(paragraph 10.2(b) of the CCAA)


The management of the Applicants has developed the assumptions and prepared the attached statement of projected cash flow as of November 10, 2017 consisting of a 13-week cash flow forecast for the period November 20, 2017 to February 18, 2018 (the "**Cash Flow Forecast**").

The hypothetical assumptions are reasonable and consistent with the purpose of an initial application under the CCAA, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow Forecast. All such assumptions are disclosed in Notes 1 to 19 (the "**Notes and Assumptions**") of the Cash Flow Forecast.

Since the Cash Flow Forecast is based on future events, actual results will vary from the information presented, and the variations may be material.

The Cash Flow Forecast has been prepared solely for the purpose of an initial application under the CCAA, using the probable and hypothetical assumptions set out in the Notes and Assumptions. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Dated at Saskatoon, this 10th day of November, 2017



Jaimey Midtdal
President and Director

COPPER SANDS LAND CORP. ("CSLC")
WILLOW RUSH LAND CORP. ("Willow Rush")
MDI UTILITY CORP.
JJL DEVELOPMENTS AND INVESTMENTS CORP. ("JJL")
MIDTAL DEVELOPMENTS AND INVESTMENTS CORP. ("MDI")
PRAIRIE COUNTRY HOMES LTD. ("PRAIRIE COUNTRY")
(Collectively the "COMPANIES")

13-Week Cash Flow Projection

	Notes	Week 1 20-Nov-17 26-Nov-17	Week 2 27-Nov-17 3-Dec-17	Week 3 4-Dec-17 10-Dec-17	Week 4 11-Dec-17 17-Dec-17	Week 5 18-Dec-17 24-Dec-17	Week 6 25-Dec-17 31-Dec-17	Week 7 1-Jan-18 7-Jan-18	Week 8 8-Jan-18 14-Jan-18	Week 9 15-Jan-18 21-Jan-18	Week 10 22-Jan-18 28-Jan-18	Week 11 29-Jan-18 4-Feb-18	Week 12 5-Feb-18 11-Feb-18	Week 13 12-Feb-18 18-Feb-18	Week 1 - 13 Cumulative Totals
Receipts															
CSLC monthly rent (existing CSLC tenants)	1	\$ -	\$ 41,475	\$ -	\$ -	\$ -	\$ -	\$ 31,600	\$ -	\$ -	\$ -	\$ 31,600	\$ -	\$ -	\$ 104,675
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDI Utility Corp. waste removal services	3	-	-	-	-	-	-	21,725	-	-	-	21,725	-	-	43,450
MDI Utility Corp. services agreement	4	-	-	-	-	-	-	-	-	-	28,000	-	-	28,000	56,000
Total Receipts		-	41,475	-	-	-	-	53,325	-	-	28,000	53,325	-	28,000	204,125
Disbursements															
CSLC Operating Costs															
Park operator license	5	-	8	-	-	-	-	8	-	-	-	8	-	-	25
Commercial insurance	5	-	195	-	-	-	-	195	-	-	-	195	-	-	586
Consulting costs	6	-	7,500	-	7,500	-	7,500	-	7,500	-	7,500	-	7,500	-	45,000
Land taxes	5	-	317	-	-	-	-	317	-	-	-	317	-	-	950
Street repair	7	-	447	-	-	-	-	447	-	-	-	447	-	-	1,341
Water tests	7	-	46	-	-	-	-	46	-	-	-	46	-	-	137
SaskPower	8	-	859	-	-	-	-	859	-	-	-	859	-	-	2,578
Vehicle expenses	9	-	500	-	-	-	-	500	-	-	-	500	-	-	1,500
Wages	10	-	4,167	-	-	-	-	4,167	-	-	-	4,167	-	-	12,500
Waste disposal	5	-	1,455	-	-	-	-	1,455	-	-	-	1,455	-	-	4,365
WSA permit	11	-	50	-	-	-	-	50	-	-	-	50	-	-	150
Contingency	12	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	5,000	-	30,000
Subtotal		-	20,544	-	12,500	-	12,500	8,044	12,500	-	12,500	8,044	12,500	-	99,131
MDI Utility Corp. Development Costs															
Potable Water System	13	-	50,667	-	-	50,667	-	50,667	-	-	-	-	-	-	152,000
Waste Water System	13	-	215,000	-	-	215,000	-	215,000	-	-	-	-	-	-	645,000
Subtotal		-	265,667	-	-	265,667	-	265,667	-	-	-	-	-	-	797,000
MDI Utility Corp. Operating Costs															
Maintenance	14	-	-	-	-	-	-	-	-	-	3,200	-	-	3,200	6,400
Labor	15	-	-	-	-	-	-	-	-	-	4,500	-	-	4,500	9,000
Utilities	16	-	-	-	-	-	-	-	-	-	1,500	-	-	1,500	3,000
Other		-	-	-	-	-	-	-	-	-	500	-	-	500	1,000
Subtotal		-	-	-	-	-	-	-	-	-	9,700	-	-	9,700	19,400
Financing Costs and Professional Fees															
Debtor in possession (DIP) Costs	17	-	17,500	-	-	-	-	17,500	-	-	-	17,500	-	-	52,500
Professional fees	18	75,000	60,000	-	60,000	-	25,000	-	25,000	-	20,000	-	20,000	-	285,000
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Net Cash Flows		(75,000)	(322,235)	-	(72,500)	(265,667)	(37,500)	(237,885)	(37,500)	-	(14,200)	27,781	(32,500)	18,300	(1,048,906)
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