

**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**

**SECOND REPORT OF THE MONITOR  
DELOITTE RESTRUCTURING INC.**

**July 3, 2018**

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### EXHIBITS

- Exhibit A – March 9, 2018 Court of Appeal for Saskatchewan Decision
- Exhibit B – April 26, 2018 Miller Thomson LLP Correspondence
- Exhibit C – May 16, 2018 McDougall Gauley LLP Correspondence
- Exhibit D – May 18, 2018 Miller Thomson LLP Correspondence
- Exhibit E – June 14, 2018 Miller Thomson LLP Correspondence
- Exhibit F – Actual vs. Forecast Cash Flows for the Period January 15, 2018 to April 22, 2018
- Exhibit G – Updated Cash Flow Statement for the Period April 23, 2018 to September 9, 2018
- Exhibit H – January 24, 2018 Distribution Order

## INTRODUCTION

1. On November 15, 2017, Copper Sands Land Corp. (“**CSLC**”), Willow Rush Development Corp. (“**Willow Rush**”), Midtdal Developments & Investments Corp. (“**MDI**”), Prairie Country Homes Ltd. (“**Prairie Country**”), JIL Developments & Investments Corp. (“**JIL**”), and MDI Utility Corp. (collectively the “**Companies**” or the “**Applicants**”) filed for protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). The Honourable Justice Gabrielson reserved his decision at the November 15, 2017 hearing.
2. On November 21, 2017, Justice Gabrielson rendered his decision wherein he concluded that the Applicants’ initial CCAA application was premature, and adjourned the matter to December 7, 2017.
3. At the request of counsel for Industrial Properties Regina Ltd. (“**IPRL**”), one of the secured creditors, the December 7, 2017 hearing was adjourned to December 11, 2017 (the “**December 11, 2017 Hearing**”).
4. At the December 11, 2017 Hearing, Justice Gabrielson heard arguments from IPRL, Affinity Credit Union 2013 (“**Affinity**”), and 101297277 Saskatchewan Ltd. (“**7277**”) (collectively the “**Respondents**”), and the Applicants as to the appropriateness and merits of a CCAA proceeding, and again reserved his decision. On December 20, 2017, Justice Gabrielson rendered his decision, which granted the following orders:
  - a. The initial order (the “**Initial Order**”) of the Applicants as filed with the Court on December 11, 2017, authorizing a stay of proceedings for thirty (30) days and including other related relief;
  - b. An order authorizing the Applicants to obtain interim financing from Staheli Construction Co. Ltd. up to \$1,250,000 with a priority first charge upon the Applicants’ assets (the “**DIP Facility**”);
  - c. An order appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);

- d. An order pursuant to section 36 of the CCAA authorizing and approving the sale of the Willow Rush Lands to 102035126 Saskatchewan Ltd. (the “**Purchaser**”) and vesting in the Purchaser all rights, title, and interest free and clear of all liens, charges and encumbrances upon completion of the transaction; and
  - e. An order sealing the Pre-Filing Confidential Report (the “**Pre-Filing Confidential Report**”) of the Monitor, the confidential documents contained in the supplementary affidavit of Jaimey Midtdal sworn December 6, 2017 (the “**December 6, 2017 Midtdal Affidavit**”), and the affidavits of Peter Lawrek and Samantha Lawrek sworn December 6, 2017.
5. On January 19, 2018, the Court extended the stay of proceedings until January 24, 2018.
  6. On January 24, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, to January 31, 2018 (the “**January 24, 2018 Extension**”). The Applicants’ application to extend paragraphs 23 to 61 of the Initial Order was adjourned *sine die*, with the return date of such application to be no sooner than the date that is thirty (30) days after the date on which the appeals of the Initial Order by the Respondents were heard and decided by the Court of Appeal for Saskatchewan (the “**Court of Appeal**”).
  7. On January 31, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, until further order of the Court.
  8. On February 2, 2018, the Court extended paragraphs 1 to 22 of the Initial Order until the date that is thirty (30) days after the date on which the appeals of the Initial Order by the Respondents were heard and decided by the Court of Appeal (the “**February 2, 2018 Extension Order**”).
  9. On March 5, 2018, the Court of Appeal heard from the Respondents and the Applicants as to the appeal of the Initial Order (the “**March 5, 2018 Appeal Hearing**”). The Court of Appeal reserved its decision at the March 5, 2018 Appeal Hearing.

10. On March 9, 2018, the Court of Appeal rendered its decision (the “**March 9, 2018 Appeal Hearing Decision**”), with more extensive written reasons (the “**Reasons for Judgment**”) to follow at a later date. The Reasons for Judgment were received by the Applicants on May 23, 2018. The March 9, 2018 Appeal Hearing Decision and the Reasons for Judgment, attached hereto as Exhibit A, detailed the following:
  - a. The IPRL debt conversion dispute (as detailed in the December 6, 2017 Midtdal Affidavit) could be adjudicated, if necessary, through the summary claims process provisions contained in sections 19 to 21 of the CCAA;
  - b. Appropriate circumstances existed to merit the granting of the Initial Order (and the initial thirty (30) day stay of proceedings) to permit the Applicants to organize themselves and present a restructuring arrangement to their creditors;
  - c. It was inappropriate for the Court to order interim financing at the initial stage of the CCAA proceedings, and the Court of Appeal therefore set aside paragraphs 33 to 38A, and 39(b) of the Initial Order relating to interim financing, but concluded that this would not prevent the Applicants from initiating another application for such financing at a later date; and
  - d. Apart from the sections of the Initial Order pertaining to interim financing, the remaining components of the Initial Order were to remain intact and all other grounds of appeal were dismissed.
11. In accordance with the March 9, 2018 Appeal Hearing Decision and the February 2, 2018 Extension Order, the granting of the Initial Order was upheld (with the deletion of paragraphs 33 to 38A and 39(b)) and the stay of proceedings therein remained in effect until April 9, 2018.
12. On March 21, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, until April 17, 2018 (the “**March 21, 2018 Extension**”).

13. On April 17, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, until May 25, 2018.
14. On May 25, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, until June 7, 2018.
15. On June 7, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, until June 15, 2018.
16. On June 15, 2018, the Court extended paragraphs 1 to 22 of the Initial Order, and the stay of proceedings provided therein, until July 5, 2018 (the “**Stay Period**”).
17. The Monitor has provided the Court with the following reports:
  - a. A Pre-Filing Report of the Proposed Monitor dated November 10, 2018 (the “**Pre-Filing Report**”) and the Pre-Filing Confidential Report in connection with the Applicants’ application for protection under the CCAA; and
  - b. A First Report of the Monitor dated January 16, 2018 (the “**First Report**”) in connection with the Applicants’ motion to extend the stay of proceedings.
18. Copies of the Initial Order, the Pre-Filing Report, the First Report, all motion materials and orders in the CCAA proceedings, and certain other documents related to the CCAA proceedings have been posted and are available on the Monitor’s website at [www.insolvencies.deloitte.ca/en-ca/coppersands](http://www.insolvencies.deloitte.ca/en-ca/coppersands).

## **PURPOSE**

19. The purpose of this second report of the Monitor (the “**Second Report**”) is to provide the Court with information with respect to the following:
  - a. A summary of the Monitor’s activities since the First Report;
  - b. The status of the Applicants’ operations and key stakeholder relationships since the First Report;

- c. An update of the Applicants' cash flow forecast and comments on variances between actual results compared to forecast results for the period ended April 22, 2018;
- d. The activities of the Applicants since the First Report with respect to restructuring the operations of the Companies; and
- e. The Applicants' request for an increase in the Administration Charge, the creation of a subordinate Administration Charge (the "**Subordinate Administration Charge**"), and an extension of the Stay Period and the Monitor's recommendations regarding the relief requested.

## **TERMS OF REFERENCE**

- 20. In preparing this Second Report, the Monitor has relied upon unaudited interim financial information, the Applicants' books and records, the initial affidavit of Jaimey Midtdal ("**Ms. Midtdal**") sworn on November 9, 2017, the December 6, 2017 Midtdal Affidavit, the Confidential Affidavit of Ms. Midtdal sworn on December 6, 2017, the Affidavit of Ms. Midtdal sworn on January 2, 2018, the Affidavit of Ms. Midtdal sworn on January 16, 2018, the Affidavit of Ms. Midtdal sworn on January 25, 2018, the Affidavit of Ms. Midtdal sworn on June 29, 2018 (the "**Fourth Supplementary Midtdal Affidavit**"), and discussions with management ("**Management**") and their financial and legal advisors.
- 21. The financial information of the Companies has not been audited, reviewed or otherwise verified by the 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 Second Report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor's procedures were intended to detect defalcations or other irregularities. If the 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 Monitor's attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The

Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Second Report.

22. The financial projections attached to this Second Report were prepared by Management (except where noted). Although the Monitor has reviewed the assumptions underlying the projections for reasonableness, financial projections, by their nature, are dependent upon future events, which are not susceptible to verification. Actual results will vary from the information presented and the variations may be material. The Monitor has not prepared a compilation as contemplated by Section 4250 of the Chartered Professional Accountants of Canada Handbook.
23. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Second Report. Any use which any party makes of this Second Report, or any reliance or decision to be made based on this Second Report, is the sole responsibility of such party.
24. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.
25. Capitalized terms used in this Second Report but not defined herein are as defined in the Pre-Filing Report and the First Report, as applicable.

#### **MONITOR'S ACTIVITIES SINCE THE FIRST REPORT**

26. In accordance with the January 24, 2018 Extension, only paragraphs 1 to 22 of the Initial Order were extended by the Court. Paragraphs 23 to 32 of the Initial Order which addressed the appointment of the Monitor were not extended by the January 24, 2018 Extension. Accordingly, the Monitor was not actively involved in the CCAA proceedings until subsequent to the March 9, 2018 Appeal Hearing Decision. The March 9, 2018 Appeal Hearing Decision concluded that appropriate circumstances existed to merit the granting of the Initial Order, with the exclusion of paragraphs 33 to 38A and 39(b) which addressed interim financing, and that the remaining components of the Initial Order remained extant.



27. Although the March 21, 2018 Extension only extended paragraphs 1 to 22 of the Initial Order, the Monitor has been actively involved in the CCAA proceedings since the March 9, 2018 Appeal Hearing Decision. As such, the Monitor was of the view that it was appropriate to provide this Second Report to the Court.
28. Since the March 9, 2018 Appeal Hearing Decision, the Monitor has engaged in the following activities:
- a. Held discussions with Management and the Companies' legal counsel, MLT Aikins LLP ("**MLT Aikins**"), regarding the Companies' business and financial affairs, restructuring activities, creditor matters, and other matters relating to the CCAA proceedings generally;
  - b. Monitored on a weekly basis the receipts and disbursements of the Applicants as compared to the cash flow forecast appended as Exhibit L to the First Report (the "**Revised Cash Flows**"), for the period ending April 22, 2018 as filed with the Court in connection with the Companies' January 19, 2018 extension application;
  - c. Attended to inquiries from creditors of the Companies;
  - d. Discussed and reviewed with the Applicants and MLT Aikins the Companies' April 4, 2018 proposal (the "**April 4, 2018 Proposal**") made to Affinity (and subsequently to IPR Capital Ltd. ("**IPR Capital**"), an affiliate to IPRL who acquired the Residual Affinity Debt (as defined below)), IPRL, and 7277 (collectively, the "**Secured Creditors**"), and the response(s) received from the Secured Creditors; and
  - e. Drafted, reviewed, and finalized this Second Report.
29. Since March 9, 2018, the Monitor has reviewed the receipts and disbursements of the Companies on a weekly basis with the cooperation of Management. Consequently, cash flow forecasts will be updated regularly following the weekly variance analysis.
30. As raised in the First Report, the Monitor has still not been able to comply with its statutory obligation to publish notice of the CCAA proceedings once a week, for two

consecutive weeks, in the *Regina Leader Post*, the *Saskatoon Star Phoenix*, and the *Globe and Mail* National edition (as required by paragraph 45(a) of the Initial Order). The Monitor has requested that the Applicants provide funding in the approximate amount of \$15,000 to complete the Court ordered advertising. However, the Applicants have informed the Monitor that they do not have the necessary funds to complete publication in the *Globe and Mail* National edition (owing to the costs required to advertise in that publication).

31. In an effort to conserve cash resources, the Applicants have advised the Monitor that they intend to file a proposed amended and restated Initial Order (the “**Amended and Restated Initial Order**”) with the Court in advance of the July 5, 2018 hearing which will amend paragraph 45(a) of the Initial Order to remove the requirement to advertise these CCAA proceedings in the *Globe and Mail* National edition. As the Companies’ operations are all in the Province of Saskatchewan, having to only advertise in the *Regina Leader Post* and *Saskatoon Star Phoenix* will reduce advertising costs by approximately \$10,000. The Monitor is of the view that the Applicants’ proposed amendment to the Initial Order is reasonable.

## **STAKEHOLDER UPDATE**

32. On April 4, 2018, the Applicants provided the Secured Creditors with the April 4, 2018 Proposal. Various dialogue ensued between the Applicants and the Secured Creditors’ respective legal counsel(s) over the months of April, May, and June 2018 in an attempt to develop common ground to resolve the outstanding differences between the Applicants and the Secured Creditors to enable the CCAA proceedings to continue on a consensual basis.
33. As a result of extensive dialogue, the Applicants and the Secured Creditors reached an agreement in principle on or about June 29, 2018. The Applicants have advised the Monitor that the Amended and Restated Initial Order will reflect the agreement reached with the Secured Creditors, and that they believe that the Amended and Restated Initial Order will be consented to by each of the Applicants and the Secured Creditors prior to being filed with the Court in advance of the July 5, 2018 hearing.

34. On April 26, 2018, the Monitor’s legal counsel, McDougall Gauley LLP (“**McDougall Gauley**”), received a request from Miller Thomson LLP (“**Miller Thomson**”), legal counsel representing 7277 (the “**April 26, 2018 Miller Thomson Correspondence**”), attached hereto as Exhibit B. The April 26, 2018 Miller Thomson Correspondence requested that the Monitor assist with the following:
- a. Provision of further details in support of the “Consulting Fees” disclosed in the Revised Cash Flows;
  - b. Provision of further details on the disposition of any surplus funds from the operation of the CSLC mobile home park (the “**Mobile Home Park**”); and
  - c. Investigation of what equipment has been purchased for the MDI Utility Facility (the “**Utility Facility**”), identification of where the equipment is located, and an assessment of whether there is any duplication with respect to what the Applicants are claiming is still needed for completion of the Utility Facility.
35. On May 16, 2018, McDougall Gauley responded to the April 26, 2018 Miller Thomson Correspondence (the “**May 16, 2018 McDougall Gauley Correspondence**”), attached hereto as Exhibit C. The May 16, 2018 McDougall Gauley Correspondence attached certain details in support of the “Consulting Fees” and the disposition of funds received from the Mobile Home Park, and further advised that the requested investigative procedures with respect to the Utility Facility would take more time and resources and that there is currently no funding in place for the fees and disbursements of the Monitor. The May 16, 2018 McDougall Gauley Correspondence also advised that the Monitor proposed an amended and restated Initial Order be sought which would see an increase in the Administration Charge from \$150,000 to \$300,000.
36. On May 18, 2018, Miller Thomson responded to the May 16, 2018 McDougall Gauley Correspondence (the “**May 18, 2018 Miller Thomson Correspondence**”), attached hereto as Exhibit D. The May 18, 2018 Miller Thomson Correspondence requested that the Monitor provide further details on certain of the “Consulting Fees” incurred by the Applicants, and that the Monitor provide an estimate of the costs it believed would be necessary to conduct the review of the Utility Facility. The May 18, 2018 Miller Thomson Correspondence also raised the uncertainty around the Monitor’s costs to date,

and how such costs were being addressed by the Applicants, but did not comment on the Monitor's proposed amendments to the Initial Order.

37. On June 14, 2018, Miller Thomson sent further correspondence in response to the May 16, 2018 McDougall Gauley Correspondence (the "**June 14, 2018 Miller Thomson Correspondence**"), attached hereto as Exhibit E. The June 14, 2018 Miller Thomson Correspondence again requested that the Monitor provide additional details with respect to certain of the "Consulting Fees" incurred by the Applicants, and how the Applicants have been satisfying the Monitor's costs to date and any other accrued but unpaid liabilities. The June 14, 2018 Miller Thomson Correspondence again requested that the Monitor provide an estimate of the costs it believed would be necessary to conduct the review of the Utility Facility.
38. On June 26, 2018, McDougall Gauley responded to the June 14, 2018 Miller Thomson Correspondence via email advising that subsequent to the filing of this Second Report and the conclusion of the July 5, 2018 Court hearing, whereat an Amended and Restated Initial Order is being sought by consent of the Applicants and the Secured Creditors, if any questions still remained unanswered thereafter, the Monitor would then address same.
39. The Companies' other stakeholders continue to generally support the ongoing operations of the Companies during these CCAA proceedings, which primarily comprise the ongoing operation of the Mobile Home Park:
  - a. Suppliers

The Monitor has been advised by Management that the suppliers have been supportive of the Companies post-filing and continue to supply goods and services on commercially reasonable terms.
  - b. Tenants

Management has advised that no issues have been raised by the existing tenants of the Mobile Home Park since the date of the Initial Order which Management has not been able to address. The tenants continue to follow these CCAA proceedings

and communicate questions and concerns to Management from time to time regarding the proceedings.

c. Employees

Management has advised that the existing employees of the Companies remain committed to the Companies during the restructuring efforts. Management has further advised that Canada Revenue Agency payroll source deductions are being remitted as they become due since the date of the Initial Order.

### **CASH FLOW STATEMENT AND LIQUIDITY**

40. The Companies' cash receipts and disbursements for the period January 15, 2018 to April 22, 2018 are attached as Exhibit F with a comparison to the Revised Cash Flow.

41. Since the March 9, 2018 Appeal Hearing Decision, the Monitor has reviewed the Companies' actual cash flow compared to the Revised Cash Flow on a weekly basis. The Monitor's comments on the actual cash flow to April 22, 2018 are as follows:

a. Compared with the Revised Cash Flow, the Companies experienced an overall favorable variance of approximately \$1,244,000.

b. The variance is primarily attributable to the following:

i. \$4,190,000 favorable cash receipt variance compared to the forecast due to the sale of the Willow Rush Land (approximately \$4,200,000), sale of a ready-to-move ("RTM") home previously manufactured by Prairie Country (approximately \$73,000), and shareholder cash injections (approximately 5,000), offset by delayed payments from the Mobile Home Park tenants (approximately \$32,000) and not generating any receipts from the Utility Facility as the Utility Facility was not completed (approximately \$56,000).

ii. \$56,000 unfavorable operating cost variance due primarily to the sale of the RTM home (approximately \$73,000) resulting from the payment of sales commissions, GST remittances, and payment to IPRL (as the holder

of a security interest in the RTM home), offset by reduced consulting costs (approximately \$15,000) and various other operating cost savings (approximately \$2,000) as compared to the forecast.

- iii. \$797,000 favorable variance as a result of not completing the commissioning of the Utility Facility as the Applicants could not draw upon the DIP Facility.
  - iv. \$29,000 favorable variance as a result of not incurring any Utility Facility operating costs as the Utility Facility was not completed.
  - v. \$3,716,000 unfavorable variance as a result of payment of the Willow Rush Land sale proceeds to the secured creditors (approximately \$4,200,000), offset by not yet incurring DIP Facility costs (\$86,000), and not having funds available to pay significant professional fee arrears and ongoing professional costs (\$398,000).
42. As of the date of this Second Report, all expenses incurred by the Applicants, with the exception of professional fees, have been paid in accordance with the Initial Order from ongoing operations and shareholder injections. As the Companies have not been able to draw on the DIP Facility as at the date of this Second Report, significant professional fees remain unpaid.
43. As can be seen from the updated cash flow statement for the period ending September 9, 2018 (the “**Updated Cash Flow**”), attached hereto as Exhibit G, in the absence of paying the significant professional fee arrears of approximately \$525,000 (approximately \$125,000 owing to the Monitor, approximately \$100,000 owing to McDougall Gauley, and approximately \$300,000 owing to MLT Aikins), the Applicants are projecting to be able to operate with the receipts being collected from the Mobile Home Park residents, with any shortfall being covered by additional shareholder cash injections, and do not anticipate needing any debtor in possession financing to continue with the CCAA proceedings.

44. Given the significant amount of professional fees that remain owing to the Monitor, McDougall Gauley, and MLT Aikins, as further detailed in the Fourth Supplementary Midtdal Affidavit, the Monitor is of the view that an increase in the Administration Charge from \$150,000 to \$250,000, and the creation of the Subordinate Administration Charge ranking behind the Secured Creditors in the amount of \$500,000, are both reasonable and appropriate in the circumstances.
45. The Updated Cash Flow includes the assumptions as set out in the Notes and Assumptions (the “**Notes and Assumptions**”) attached thereto. As the Revised Cash Flows attached as Exhibit L to the First Report were only forecast to April 22, 2018, as at that time the Applicants were requesting an extension of the stay of proceedings to thirty (30) days after the date on which the appeal of the Initial Order was heard and decided by the Court of Appeal, the Updated Cash Flows also include forecast to actual results for the period April 23, 2018 to June 24, 2018.
- a. The Monitor’s comments on the actual cash flow from April 23, 2018 to June 24, 2018 are as follows:
- i. Compared with the Updated Cash Flow, the Companies experienced an overall favorable variance of approximately \$18,000. The variance is primarily attributable to the following:
1. \$28,000 unfavorable cash receipt variance compared to forecast due to delayed payments from the Mobile Home Park tenants;
  2. \$48,000 favorable operating cost variance due primarily to the timing of advertising, consulting, and well remediation costs (approximately \$27,000), not having to draw on the full amount of the contingency reserve (approximately \$14,000), and timing of land tax and source deduction remittances (approximately \$7,000); and
  3. \$2,000 unfavorable variance as a result of professional costs exceeding the forecast.

b. The Monitor's comments on the Updated Cash Flow for the period June 25, 2018 to September 9, 2018 are as follows:

i. The Companies are projected to have gross receipts of approximately \$140,000 and disbursements of approximately \$150,000, representing a net operating cash outflow of \$10,000.

ii. The Monitor's review of the Updated Cash Flow consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management of the Companies. Since the Notes and Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Updated Cash Flow. The Monitor has also reviewed the support provided by Management for the Notes and Assumptions, and the preparation and presentation of the Updated Cash Flow.

iii. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

1. The Notes and Assumptions are not consistent with the purpose of the Updated Cash Flow;

2. As at the date of this Second Report, the Notes and Assumptions developed by Management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Updated Cash Flow, given the Notes and Assumptions; or

3. The Updated Cash Flow does not reflect the Notes and Assumptions.

46. Since the Updated Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, even if the events described in the Notes and Assumptions occur, and the variations may be material. Accordingly, the Monitor



expresses no assurance as to whether the Updated Cash Flow will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Second Report, or relied upon by the Monitor in its preparation.

## **DISTRIBUTION OF WILLOW RUSH PROCEEDS**

47. As detailed in the First Report, one component of the Applicants' restructuring plan was to sell the Willow Rush Land (the "**Willow Rush Land Transaction**"). The Willow Rush Land Transaction closed on January 12, 2018, with approximately \$4,200,123 in sale proceeds being received by McDougall Gauley. In accordance with the January 24, 2018 Interim Distribution Order, attached hereto as Exhibit H, the sale proceeds were distributed as follows by McDougall Gauley:
- a. \$51,846.04 – paid into Court on account of a professional fee holdback with respect to the Willow Rush Land Transaction;
  - b. \$6,366.91 – paid to the Rural Municipality of Edenwold (the "**RM of Edenwold**") on account of outstanding property taxes; and
  - c. \$4,141,909.81 – paid to the law firm of Leland Kimpinski LLP, legal counsel for Affinity.
48. The Applicants advised that subsequent to the above distribution, Affinity was still owed approximately \$282,395 (the "**Residual Affinity Debt**"). The Applicants further advised that an affiliate of IPRL, IPR Capital, purchased the Residual Affinity Debt such that Affinity no longer has any interest in these CCAA proceedings.

## **RESTRUCTURING EFFORTS**

49. Since the closing of the Willow Rush Transaction, the Applicants restructuring activities focused on preparing for the January 30, 2018 Saskatchewan Municipal Board ("**SMB**") hearing, preparing for the March 5, 2018 Appeal Hearing, and continuing to solicit interest from parties willing to provide financing to pay out the Secured Creditors.

50. The Applicants advised that they attended the January 30, 2018 SMB hearing, whereat the RM of Edenwold was appealing the Development Appeals Board (“**DAB**”) decision to issue CSLC a development permit for the Tanglewood Expansion on LSD 5 (the “**Tanglewood Project**”). The Applicants further advised that on March 15, 2018, the SMB issued its decision allowing the appeal of the RM of Edenwold and setting aside the development permit previously granted for the Tanglewood Project by the DAB.
51. In order to complete the Tanglewood Project, the Applicants have advised that a subdivision process is required. On May 14, 2018, the Applicants submitted a subdivision application to the Community Planning Branch of the Ministry of Government Relations of the Government of Saskatchewan (the “**Community Planning Branch**”). According to correspondence the Applicants received from the Community Planning Branch dated May 24, 2018, the Applicants advised that the Community Planning Branch may require further information to complete the subdivision application, and that the Community Planning Branch will endeavor to issue a decision within ninety (90) days of receipt of all required information.
52. As further detailed in the Fourth Supplementary Midtdal Affidavit, a significant amount of time was spent by the Applicants preparing for the March 5, 2018 Appeal Hearing. Since the March 9, 2018 Appeal Hearing Decision was rendered, the Applicants have been working on developing the April 4, 2018 Proposal and negotiating with the Secured Creditors on a final settlement arrangement, in addition to sourcing alternative refinancing. As detailed in the Fourth Supplementary Midtdal Affidavit, the Applicants are actively pursuing two refinancing transactions in order to compromise or retire the indebtedness owed to the Secured Creditors, and complete the development of the Utility Facility. As at the date of this Second Report, the Applicants were not in possession of any executed term sheets from the prospective lenders (being a Canadian chartered bank and Capital Business Solutions).

## REQUEST FOR EXTENSION OF THE PROCEEDINGS AND RECOMMENDATIONS

53. The current stay of proceedings under the Initial Order expires on July 5, 2018. In order to facilitate restructuring efforts, the Companies are requesting an extension of the Initial Order (and the stay of proceedings provided therein) to September 5, 2018 to be able to obtain refinancing to pay out the Secured Creditors, execute on their restructuring plan as detailed in the Fourth Supplementary Midtdal Affidavit, and further consider development of a plan of arrangement to be made to the Companies' creditors.
54. The Monitor is aware of its duty under section 23(1)(h) of the CCAA. That section states that, if the Monitor is of the opinion that it would be more beneficial to the company's creditors if proceedings in respect of the company were taken under the *Bankruptcy and Insolvency Act*, it shall so advise the Court without delay after coming to that opinion. As at the date of this Second Report, the Monitor has not formed such an opinion.
55. The Monitor is of the view that continuing the Companies' restructuring under the CCAA proceedings will preserve the business enterprises of the Companies as a going concern, will continue to maximize and preserve value for stakeholders of the Companies, and will allow time for the Companies to develop a restructuring plan which offers the only opportunity for many of the stakeholders to achieve a recovery.
56. The Applicants are working diligently to manage their financial and operational restructuring. In accordance with the Updated Cash Flow, in the absence of paying the significant professional fee arrears and ongoing professional costs, the Companies are forecasting to be able to operate with the receipts collected from the Mobile Home Park during the requested extension period, with any shortfall being covered by shareholder injections.
57. The Monitor is of the view that the Companies have acted, and are acting, in good faith and with due diligence.
58. Ms. Midtdal has stated that reasonable prospects exist for the Companies to file a plan of arrangement under the CCAA and that it is the intention of the Companies to do so.

Based upon information presently available to it, the Monitor has no reason to take issue with these statements by Ms. Midtdal.

59. Accordingly, the Monitor respectfully recommends that this Court approve the following:
- a. The Applicants request for an increase in the Administration Charge from \$150,000 to \$250,000;
  - b. The Applicants request for the creation of the \$500,000 Subordinate Administration Charge which will rank behind the Secured Creditors;
  - c. An extension of the Amended and Restated Initial Order, and the stay of proceedings therein, to September 5, 2018; and
  - d. This Second Report and the conduct and activities of the Monitor described herein.

All of which is respectfully submitted at Saskatoon, Saskatchewan, this 3<sup>rd</sup> day of July, 2018.

**DELOITTE RESTRUCTURING INC.**

In its capacity as 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, CPA, CA, CIRP, LIT  
Senior Vice-President

**Exhibit A – March 9, 2018 Court of Appeal for Saskatchewan Decision**

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**Court of Appeal for Saskatchewan**

**Date: 2018-03-09**

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Docket: CACV3176

Between:

**Industrial Properties Regina Limited**

*Appellant  
(Respondent)*

And

**Copper Sands Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JJJ Developments & Investments Corp. and MDI Utility Corp.**

*Respondents  
(Applicants)*

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Docket: CACV3177

Between:

**101297277 Saskatchewan Ltd.**

*Appellant  
(Respondent)*

And

**Copper Sands Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JJJ Developments & Investments Corp. and MDI Utility Corp.**

*Respondents  
(Applicants)*

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Docket: CACV3178

Between:

**Affinity Credit Union 2013**

*Appellant  
(Respondent)*

And

**Copper Sands Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JJJ Developments & Investments Corp. and MDI Utility Corp.**

*Respondents  
(Applicants)*

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Before: Herauf, Ryan-Froslic and Schwann JJ.A.

Disposition: Appeal allowed in part

Written reasons by: The Honourable Mr. Justice Herauf  
In concurrence: The Honourable Madam Justice Ryan-Froslic  
The Honourable Madam Justice Schwann

On Appeal From: QBG 1693 of 2017, Saskatoon  
Appeal Heard: March 5, 2018

Counsel: Diana K. Lee, Q.C. and Alexander Shalashniy  
for Industrial Properties Regina Ltd.  
Rick Van Beselaere, Q.C. for 101297277 Saskatchewan Ltd.  
Ryan A. Pederson for Affinity Credit Union  
Jeffery M. Lee, Q.C. and Paul Olfert for the Respondents

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## **Herauf J.A.**

### **I. INTRODUCTION**

[1] This appeal raises two broad issues. The first is whether the Chambers judge erred in granting *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [CCAA], protection to the respondents. The second is whether the Chambers judge erred in granting the respondents interim financing in the amount of \$1.25 million, with a super-priority charge at the same time he granted the initial order.

[2] Given the “real time” considerations inherent in this appeal, we are prepared to provide the parties with a disposition with more extensive written reasons to follow at a later date.

[3] Before getting into the main grounds, I can advise that we are of the opinion that the appeal must be dismissed with respect to ground (c) in the notice of the appeal. We can find no error with the conclusion of the Chambers judge that the debt conversion dispute can be adjudicated if necessary through the summary claims process, contained in ss. 19–21 of the CCAA. There is no logical or legal reason why an experienced judge could not determine credibility issues via a short *viva voce* hearing or even by cross-examination of deponents on their affidavits. All parties agreed that the supervisory judge must determine the proper class for each creditor for voting purposes. This can be accomplished by utilizing the summary claims process. To permit a lengthy trial to take place outside the parameters of the CCAA would defeat the purpose of timeliness and efficiency, which permeate the CCAA. Thus, we would not give effect to this ground of appeal.

[4] We realize the last ground of appeal is somewhat tied to grounds (d) and (e). We wish to note, however, that as far as the allocation of the super-priority funds secured against the real property is concerned, such allocation is within the discretion of the Chambers judge and can be the appropriate subject matter of a subsequent application to the Court of Queen's Bench.

[5] With respect to the decision to grant CCAA protection, such decisions are highly discretionary. In CCAA applications, judges become familiar with the parties involved and develop a meaningful understanding of the circumstances of the case. Therefore, appellate courts are often reluctant to interfere with the exercise of a judge's discretion to grant or deny CCAA



protection. However, appellate courts will intervene if the discretion to grant CCAA protection is not exercised judiciously, or if proper consideration is not given to the law or the facts.

[6] Pursuant to s. 11.02(3)(a), an applicant seeking CCAA protection must satisfy the Court that the appropriate circumstances exist to grant a 30-day order to protect the debtor company and allow it a reasonable opportunity to present a plan to restructure its affairs, under court supervision. Such decisions are time-sensitive and must be made quickly. Therefore, the threshold to prove “appropriate circumstances” for the initial 30-day order is not exceptionally onerous. As the Supreme Court of Canada stated in *Century Services Inc. v Canada (Attorney General)*, 2010 SCC 60 at para 70, [2010] 3 SCR 379 [*Century Services*]:

Appropriateness under the CCAA is assessed by inquiring whether the order sought advances the policy objectives underlying the CCAA. The question is whether the order will usefully further efforts to achieve the remedial purpose of the CCAA — avoiding the social and economic losses resulting from liquidation of an insolvent company.

[7] The Supreme Court in *Century Services* explained that the remedial objectives of the CCAA are achieved by the Court “provid[ing] the conditions under which the debtor can attempt to reorganize” (at para 60). This includes staying enforcement actions of creditors and preserving the debtor company’s *status quo* to permit the debtor to *plan* the compromise or arrangement it will present to the creditors.

[8] We find no error in the conclusion of the Chambers judge who was experienced in CCAA matters that “appropriate circumstances” existed to merit granting an initial 30-day order to permit the respondents to organize themselves and present a restructuring arrangement to their creditors. Furthermore, we find no error with the Chambers judge’s determination that the respondents had satisfied the onus to establish that they are acting in good faith and with due diligence at this initial stage of the proceedings.

[9] We are, however, for the reasons mentioned below, of the opinion the Chambers judge erred by granting the respondents \$1.25 million of interim financing at the same time he made the initial order.

[10] Before making the order for interim financing, the Chambers judge was obliged to consider, at the very least, the factors enumerated in s. 11.2(4). With the addition of s. 11.2(4) in 2009, these considerations are mandatory and the Chambers judge failed to afford them proper consideration. Here, we note the Chambers judge’s failure to consider “the period during which

the company is expected to be subject” to CCAA proceedings pursuant to s. 11.2(4)(a) and whether the “loan would enhance the prospects of a viable compromise or arrangement” pursuant to s. 11.2(4)(d).

[11] In this particular case, we are of the opinion it was not appropriate to order interim financing at the initial stage of CCAA proceedings. We see no evidence of urgency or a need to depart from preserving the status quo to merit granting the large sum of interim financing at the time of the initial 30-day order. As noted by the Supreme Court in *Century Services*, the object of the initial order is to “keep the lights on” and preserve the status quo while the debtor plans the compromise to be presented to the creditors. There was no evidence the funds, which were to be largely used for capital expenditures, were needed to permit the respondents to *plan* the compromise or arrangement it would present to the creditors and the Chambers judge failed to consider whether the interim financing, as ordered, would facilitate a successful compromise or arrangement between the debtor and the creditors.

[12] In conclusion, we are of the opinion the Chambers judge erred in ordering the interim financing when he granted the initial order. We therefore allow the appeal on grounds (d) and (e). The part of the order relating to interim financing is set aside. This does not prevent the respondents from initiating another application for interim financing at a later date if they so choose. The remaining components of the initial order remain intact. All other grounds of appeal are dismissed.

[13] Since there was divided success, there will be no order as to costs on the leave application or the appeal.

“Herauf J.A.”

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Herauf J.A.

I concur.

“Ryan-Froslic J.A.”

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Ryan-Froslic J.A.

I concur.

“Schwann J.A.”

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Schwann J.A.

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Court of Appeal for Saskatchewan

Citation: *Industrial Properties Regina  
Limited v Copper Sands Land Corp.,  
2018 SKCA 36*

Date: 2018-05-23

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Docket: CACV3176

Between:

**Industrial Properties Regina Limited**

*Appellant  
(Respondent)*

And

**Copper Sands Land Corp., Willow Rush Development Corp., Midtdal  
Developments & Investments Corp., Prairie Country Homes Ltd., JJJ  
Developments & Investments Corp. and MDI Utility Corp.**

*Respondents  
(Applicants)*

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Docket: CACV3177

Between:

**101297277 Saskatchewan Ltd.**

*Appellant  
(Respondent)*

And

**Copper Sands Land Corp., Willow Rush Development Corp., Midtdal  
Developments & Investments Corp., Prairie Country Homes Ltd., JJJ  
Developments & Investments Corp. and MDI Utility Corp.**

*Respondents  
(Applicants)*

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**Docket: CACV3178**

Between:

**Affinity Credit Union 2013**

*Appellant  
(Respondent)*

And

**Copper Sands Land Corp., Willow Rush Development Corp., Middal  
Developments & Investments Corp., Prairie Country Homes Ltd., JJJ  
Developments & Investments Corp. and MDI Utility Corp.**

*Respondents  
(Applicants)*

---

Before: Herauf, Ryan-Froslic and Schwann JJ.A.

Disposition: Appeal allowed in part

Written reasons by: The Honourable Mr. Justice Herauf  
In concurrence: The Honourable Madam Justice Ryan-Froslic  
The Honourable Madam Justice Schwann

On Appeal From: QBG 1693 of 2017, Saskatoon  
Appeal Heard: March 5, 2018

Counsel: Diana K. Lee, Q.C. and Alexander Shalashniy  
for Industrial Properties Regina Ltd.  
Rick Van Beselaere, Q.C. for 101297277 Saskatchewan Ltd.  
Ryan A. Pederson for Affinity Credit Union  
Jeffery M. Lee, Q.C. and Paul Olfert for the Respondents

## **Herauf J.A.**

### **I. INTRODUCTION**

[1] The respondents are six corporations, all of which are owned and controlled by one individual. The appellants represent the secured creditors of one or more of the respondents. On December 20, 2017, the respondents were granted an initial order, a sale approval and vesting order and access to interim financing pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [CCAA]. The appellants appealed those orders to this Court. The appeal was heard on March 5, 2018. On March 9, 2018, the Court allowed the appeal in part with more extensive written reasons to follow. These are those reasons.

### **II. BACKGROUND FACTS**

[2] The assets of the respondents consist of a trailer park (Copper Sands Trailer Park) and an incomplete water treatment and waste water treatment facility located on lands owned by the respondents, and undeveloped lands known as the Willow Rush property. The Copper Sands Trailer Park is the respondents' only functioning business and has two employees.

[3] As of November 2017, the respondents owed the appellants, collectively, in excess of \$10,725,000. When the appellant, Affinity Credit Union, commenced foreclosure proceedings, the respondents applied pursuant to the CCAA, seeking the following relief, *inter alia*:

- (a) an initial order staying creditor enforcement to facilitate the companies' restructurings, including the sale of Willow Rush; and
- (b) an order authorizing interim financing up to \$1.25 million with a priority charge, to enable it to complete the water treatment facility.

[4] On November 15, 2017, the parties argued the matter before a Chambers judge. The appellants firmly opposed the relief sought by the respondents, challenging the appropriateness of CCAA proceedings in the circumstances. The appellants were skeptical of the legitimacy of the Willow Rush sale and questioned whether the water treatment facility was capable of completion and, if so, whether it could produce viable capital. Due to these concerns, amongst

others, the appellants opposed the initial order and the interim financing, stressing the prejudice the creditors would suffer if these orders were granted.

[5] After hearing submissions, the Chambers judge concluded the respondents' application was premature and adjourned the matter to enable the respondents to confirm the validity of the Willow Rush sale and to file additional material relating to completion of the water treatment facility ((21 November 2017) Saskatoon, QBG 1693/2017 (Sask CA) [*November fiat*]).

[6] The matter was returned to the Court of Queen's Bench on December 11, 2017. At that time, in addition to the application for an initial order and interim financing, the respondents asked the Chambers judge to grant sale approval and a vesting order pursuant to s. 36 of the CCAA, to facilitate the sale of the Willow Rush property.

[7] In his fiat ((20 December 2017) Saskatoon, QBG 1693/2017 (Sask CA) [*December fiat*]), the Chambers judge granted the respondents' applications. The Chambers judge granted the initial order, imposing a stay of creditor enforcement for 30 days, authorized \$1.25 million interim financing, \$800,000 of which was to be used to "complete the commissioning of the water treatment utility", \$337,500 for the cost of the CCAA proceedings, and \$112,500 for "ongoing costs", and granted the sale approval and vesting order. The vesting order was set to expire on January 12, 2018, if the proposed sale did not close.

[8] Pursuant to ss. 13 and 14(1) of the CCAA, the appellants sought leave from this Court to appeal the initial order, the interim financing and the sale approval and vesting order. Before leave was granted and before the expiry of the vesting order, the Willow Rush sale closed for the asking price of \$4.2 million. For this reason, leave to appeal relating to the sale and vesting order were denied. Leave was granted on the issue of whether it was appropriate to grant the initial order for CCAA protection and to grant \$1.25 million interim financing.

[9] On March 9, 2018, the Court concluded the Chambers judge had erred in granting the interim financing and the appeal related to that aspect of the matter was allowed. The appeal relating to the appropriateness of the initial order was dismissed.

### III. STANDARD OF REVIEW

[10] Decisions made pursuant to the *CCAA* are highly discretionary and attract deference from this Court. In *Stomp Pork Farm Ltd., Re*, 2008 SKCA 73, 311 Sask R 186 [*Stomp Pork*], Jackson J.A. articulated the Court's general reluctance to intervene in *CCAA* matters, noting the familiarly *CCAA* judges have with the different parties involved and the Chambers judge's meaningful understanding of the circumstances:

[25] The Court recognizes that there is a general reluctance on behalf of appellate courts to intervene in decisions taken by restructuring judges in *CCAA* matters. The mix of business and legal decisions made in real time can make it difficult to say, after the fact and with any degree of precision, that one particular decision would have been better than another. Further, the Court is hesitant to elevate a decision in one restructuring to a principle of law that will hamper the appropriate exercise of discretion in another. ...

[11] Although appellate courts exercise their right of review sparingly, *CCAA* decisions are not immune from appellate intervention. Judges making *CCAA* orders must exercise their discretion judiciously, which requires considering relevant factors and reaching a legally correct conclusion: *Stomp Pork* at para 27; *New Skeena Forest Products Inc., Re*, 2005 BCCA 192 at para 26, [2005] 8 WWR 224. As Dr. Janis P. Sara explains, appellate courts will intervene in limited circumstances:

Appellate courts will accord a high degree of deference when asked to interfere with the exercise of authority of a *CCAA* court. At the same time, discretionary decisions are not immune from review if the appellate court reaches the clear conclusion that there has been a wrongful exercise of authority or there is a fundamental question of the lower court's jurisdiction.

*(Rescue! The Companies' Creditors Arrangement Act,*  
2d ed (Toronto: Carswell, 2013) at 181)

[12] In *Century Services Inc. v Canada (Attorney General)*, 2010 SCC 60, [2010] 3 SCR 379 [*Century Services*], the Supreme Court discussed a court's wide discretion in *CCAA* matters. The Supreme Court explained that this judicial discretion must be exercised in furtherance of the legislation's remedial purposes:

[59] Judicial discretion must of course be exercised in furtherance of the *CCAA*'s purposes. The remedial purpose I referred to in the historical overview of the Act is recognized over and over again in the jurisprudence. To cite one early example:

The legislation is remedial in the purest sense in that it provides a means whereby the devastating social and economic effects of bankruptcy or creditor initiated termination of ongoing business operations can be avoided while a court-supervised attempt to reorganize the financial affairs of the debtor company is made.

*(Elan Corp. v. Comiskey (1990), 41 O.A.C. 282, at para. 57, per Doherty J.A., dissenting)*

[13] The standard of review with respect to the exercise of judicial discretion, such as in CCAA matters, is set out in *Rimmer v Adshead*, 2002 SKCA 12 at para 58, 217 Sask R 94:

... [T]he powers in issue are discretionary and therefore fall to be exercised as the judge vested with them thinks fit, having regard for such criteria as bear upon their proper exercise. The discretion is that of the judge of first instance, not ours. Hence, our function, at least at the outset, is one of review only: review to determine if, in light of such criteria, the judge abused his or her discretion. Did the judge err in principle, disregard a material matter of fact, or fail to act judicially? Only if some such failing is present are we free to override the decision of the judge and do as we think fit. Either that, or the result must be so plainly wrong as to amount to an injustice and invite intervention on that basis. ...

[14] Applying this standard of review, we see no merit to the appellants' argument that the Chambers judge erred in granting the initial order. However, we are of the opinion the Chambers judge failed to consider the mandatory factors enumerated in s. 11.2(4) of the CCAA prior to granting the interim financing. This error resulted in a wrongful exercise of discretion given the preliminary nature of the CCAA proceedings.

#### **IV. THE INITIAL ORDER**

[15] The first formal step in CCAA proceedings is the debtor company applying to the court for an initial order. The terms of initial orders are provided for in ss. 11.02(1) and (3) of the CCAA:

**11.02** (1) A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 30 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

...

(3) *The court shall not make the order unless*

(a) *the applicant satisfies the court that circumstances exist that make the order appropriate; and*



(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, *in good faith and with due diligence*.

(Emphasis added)

[16] The purpose of the initial order is to stay creditor enforcement in order to maintain the debtor corporation’s “status quo” for a specified and limited period so that it may develop a plan to be presented to creditors for their consideration. The initial order staying creditor enforcement provides the debtor corporation some breathing room to allow it to prepare, file and seek approval from creditors and ultimately the courts of its proposed plan: *Rescue! The Companies’ Creditors Arrangement Act* at 31.

[17] Pursuant to ss. 11.02(1) and (3), the court may grant an initial order staying creditor enforcement for a term not exceeding 30 days, if the applicant satisfies the court that the appropriate circumstances exist and that it is acting in good faith and with due diligence.

#### **A. Appropriate circumstances**

[18] In *Century Services*, the Supreme Court discussed the remedial objectives of the CCAA and explained that “appropriate circumstances” exist when an order advances these remedial objectives by providing the conditions under which the debtor can attempt to reorganize:

[60] Judicial decision making under the CCAA takes many forms. A court must first of all provide the conditions under which the debtor can attempt to reorganize. This can be achieved by staying enforcement actions by creditors to allow the debtor’s business to continue, preserving the *status quo* while the debtor plans the compromise or arrangement to be presented to creditors, and supervising the process and advancing it to the point where it can be determined whether it will succeed. ...

...

[70] ... Appropriateness under the CCAA is assessed by inquiring whether the order sought advances the policy objectives underlying the CCAA. *The question is whether the order will usefully further efforts to achieve the remedial purpose of the CCAA — avoiding the social and economic losses resulting from liquidation of an insolvent company.* ...

(Emphasis added)

[19] The evidentiary burden the debtor corporation must satisfy to establish “appropriate circumstances” for the purposes of a 30-day stay order is not exceptionally onerous: *Alberta Treasury Branches v Tallgrass Energy Corp*, 2013 ABQB 432 at para 14, 9 CBR (6th) 161 [*Alberta Treasury*]; *Matco Capital Ltd. v Interex Oilfield Services Ltd.* (1 August 2006)

Docket No. 06108395 (Alta QB) [*Matco*]; *Hush Homes Inc., Re*, 2015 ONSC 370 at paras 51–53, 22 CBR (6th) 67; *Redstone Investment Corp., Re*, 2014 ONSC 2004 at paras 49–50.

[20] As the Supreme Court noted in *Century Services*, initial CCAA orders are made in the “hothouse of real-time litigation” (at para 58). The debtor corporation is often in crisis-mode due to its failure to meet creditor obligations and is seeking CCAA protection to obtain some breathing room to enable it to get its affairs in order without creditors knocking at the door. Therefore, to obtain an initial 30-day order, the applicant is not required to prove it has a “feasible plan” but merely “a germ of a plan”: *Alberta Treasury* at para 14. The court must assess whether the circumstances are such that, with the initial order, the debtor corporation has a “reasonable possibility of restructuring”: *Matco*. To require the applicant corporation to present a fully-developed restructuring plan or have the support of all its creditors at the initial stage of CCAA proceedings, although desirable, is not expected. To impose such a threshold to establish “appropriate circumstances” would unduly hinder the purpose of an initial order which, as the Supreme Court explained in *Century Services*, is to provide the conditions under which the debtor can *attempt* to reorganize.

[21] For the purposes of an initial order, the debtor corporation must convince the court that the initial order will “usefully further” its efforts towards attempted reorganization. If the debtor corporation satisfies this onus, the court may grant the initial application and provide the conditions under which the debtor corporation can attempt to reorganize, namely, staying creditor enforcement to preserve the debtor corporation’s status quo for a limited period of time. If, however, the debtor corporation fails to satisfy this onus and the court determines that the application is merely an effort by the debtor corporation to avoid its obligations to its creditors and postpone an inevitable liquidation, the initial application should be denied: *Rescue! The Companies’ Creditors Arrangement Act* at 53–54.

## **B. Good faith and due diligence**

[22] In addition to proving appropriate circumstances, the applicant corporation must convince the court that it is acting in good faith and with due diligence pursuant to s. 11.02(3)(b). Despite the wording of s. 11.02(3)(b) indicating “good faith and due diligence” applies only to orders under subsection (2), that being orders “other than initial applications”, the Supreme

Court in *Century Services* determined good faith and due diligence applies to initial orders as well:

[69] The *CCAA* also explicitly provides for certain orders. Both an order made on an initial application and an order on subsequent applications may stay, restrain, or prohibit existing or new proceedings against the debtor. The burden is on the applicant to satisfy the court that the order is appropriate in the circumstances and that the applicant has been acting in good faith and with due diligence (*CCAA*, ss. 11(3), (4) and (6)).

[70] The general language of the *CCAA* should not be read as being restricted by the availability of more specific orders. However, the requirements of appropriateness, good faith, and due diligence are baseline considerations that a court should always bear in mind when exercising *CCAA* authority. ...

[23] Although it is a consideration for granting an initial order, courts generally defer the in-depth analysis of good faith and due diligence to subsequent applications, such as the extension of the initial 30-day order: Rogers, Sieradski & Kanter, “What Does ‘Good Faith’ Mean in Insolvency Proceedings?” Vol 4-4 *Insolvency Institute of Canada (Articles)* (WL). If, however, the court determines the debtor corporation is not seeking *CCAA* protection in good faith or there is convincing evidence of a lack of due diligence, the court may deny an initial order on the basis of a failure to satisfy the baseline requirement in s. 11.02(3)(b): see *Alberta Treasury*.

### **C. Did the Chambers judge err in granting the initial order?**

[24] The appellants submit the Chambers judge erred in concluding the respondents had failed to satisfy the “appropriate circumstances” and “good faith and due diligence” requirements contained in ss. 11.02(3)(a) and (b).

[25] In support of this argument, the appellants contend *CCAA* proceedings are not appropriate as the respondents have only one active business, the Copper Sands Trailer Park, which has only two employees. The appellants argue *CCAA* proceedings are not needed to “avoid the social and economic costs of liquidating assets” as there are no such consequences given the minimal business activity of the respondents.

[26] In addition, the appellants submit the Chambers judge failed to consider the creditors’ lack of faith and confidence in management when determining whether the initial order was appropriate. The appellants also allege the Chambers judge failed to provide adequate reasons for his conclusion that the respondents were acting in good faith and with due diligence.

[27] The Chambers judge determined the respondents were engaged in active business, which was “facing a looming liquidity condition or crisis” if an initial order and a stay of proceedings were not granted (*November fiat* at para 15). The Chambers judge concluded the “initial stay of proceedings [would] give the applicants the time to restructure and refinance their operations” (*December fiat* at para 14).

[28] The Chambers judge was satisfied the respondents were not seeking CCAA protection merely to postpone inevitable liquidation:

[10] In this case I find that the applicants, or at least MDI Utility Corp. and CSLC, are engaged in an active business rather than being simply real estate developers as alleged by the respondents. CSLC operates a mobile home park. MDI Utility Corp. is completing a water treatment utility to provide wastewater treatment services to both the existing mobile home park and an upcoming Tanglewood development on CSLC lands. This is not a situation where the applicants seek CCAA protection for the purpose of obtaining more time to sell or refinance property as was the situation in *Marine Drive Properties Ltd. (Re)*, 2009 BCSC 145; *Redekop Properties Inc. (Re)*, 2001 BCSC 1892; and *Octagon Properties Group Ltd. (Re)*, 2009 ABQB 500, 486 AR 296.

(*December fiat*)

[29] As for whether there was a reasonable possibility of restructuring, the Chambers judge noted he was “satisfied that the completion of the water treatment utility [would] add to the overall net worth” of the respondents (*December fiat* at para 13). The Chambers judge also noted that the respondents had, at the time of the initial application, secured an interim financier willing to fund the completion of the water treatment utility and the CCAA proceedings.

[30] On this basis, the Chambers judge concluded as follows:

[14] I am satisfied that the applicants have satisfied the onus upon them to establish that they are acting in good faith and with due diligence and that an order for an initial stay of proceedings is appropriate. ...

(*December fiat*)

[31] As discussed, the purpose of the initial order is to stay creditor enforcement to grant the debtor corporation a limited period of time to attempt to devise a viable restructuring plan. To obtain an initial order, the debtor corporation must satisfy the court that the initial order will “usefully further” its efforts towards attempted reorganization. The debtor corporation is not required, at this stage of the proceedings, to provide a full-fledged restructuring plan, but is required to show, at the very least, it has a “germ of a plan”: see *Alberta Treasury*. The court

must be convinced the debtor corporation is not seeking CCAA proceedings simply to delay the inevitable liquidation in order to “buy time”.

[32] It is clear the Chambers judge was cognizant of these purposes and the baseline considerations, which the respondents had to satisfy prior to receiving the initial order. The Chambers judge concluded the initial order would usefully further the remedial purposes of the CCAA by providing the conditions upon which the respondents could attempt to reorganize their affairs. He was satisfied on the evidence before him, that there was at least a “germ of a plan”, given the fact the respondents had secured interim financing to facilitate the commissioning of the water treatment facility.

[33] It is also clear the Chambers judge considered the creditors’ lack of confidence. In his fiat, the Chambers judge stated: “[u]fortunately, and unlike many CCAA applications, all of the respondent secured creditors oppose the application” (*November fiat* at para 21). Despite this, the Chambers judge determined the initial order was appropriate in the circumstances based on the factors discussed above. The Chambers judge was entitled to reach this conclusion. Whether the creditors have lost confidence in the debtor corporation’s management is something the court must consider when assessing whether to grant an initial order. However, the creditors’ lack of faith is not determinative and does not necessarily dictate denying an initial application: *Asset Engineering LP v Forest & Marine Financial Limited Partnership*, 2009 BCCA 319 at para 27, 96 BCLR (4th) 77; *Pacific Shores Resort & Spa Ltd., Re.*, 2011 BCSC 1775 at paras 40–44 and 49(c).

[34] Upon review, although his reasons are not extensive, it is clear the Chambers judge properly considered whether the baseline considerations contained in ss. 11.02(3)(a) and (b) were satisfied. Given the real time nature of CCAA proceedings, Chambers judges are not required to give extensive reasons addressing each and every argument raised by the parties when granting initial applications (*Alberta Treasury Branches v Conserve Oil Corporation*, 2016 ABCA 87 at paras 14–15, 35 CBR (6th) 6). We also note that the Chambers judge was not required to undertake an in-depth analysis to determine good faith and due diligence at this stage of the proceedings as a more in-depth analysis will be taken if the respondents make an application to extend the order or if they seek additional court orders.

[35] Given the deference afforded to a chambers judge making CCAA decisions, this Court will only intervene if the lack of reasons leads to a reasonable belief that the Chambers judge ignored or misconceived the evidence *in a way that affected his conclusion* (*York (Regional Municipality) v Thornhill Green Co-Operative Homes Inc.*, 2010 ONCA 393, 262 OAC 232). This threshold for intervention is not met in this case. Therefore, the appellants' appeal regarding the initial order is dismissed.

## V. INTERIM FINANCING

[36] In addition to granting the initial order, the Chambers judge authorized the respondents to obtain interim financing up to \$1.25 million. The interim financing was given a priority charge upon the respondents' assets and over the claims of the appellants. The appellants appealed this order on the grounds the Chambers judge failed to consider the relevant factors pursuant to s. 11.2(4) of the CCAA prior to granting the order with respect to interim financing.

[37] Pursuant to s. 11.2(1) of the CCAA, a debtor corporation may apply to the court at any stage of the proceedings for interim financing. As Dr. Janis Sarra explains, "interim financing" refers primarily to the working capital that the debtor corporation requires in order to continue operating during restructuring proceedings, as well as to finance the costs of the CCAA process (*Rescue! The Companies' Creditors Arrangement Act* at 197). The underlying premise of interim financing is that it is a benefit to all stakeholders "as it allows the debtor to protect going-concern value while it attempts to devise a plan of compromise or arrangement acceptable to creditors" (at 197). Interim financing is generally granted to ensure the debtor corporation can continue its essential operations, such as "keeping the lights on" and paying employees, while it undergoes the CCAA proceedings.

[38] Before an order allowing interim financing to be obtained can be granted, the court must consider, among other things, the factors enumerated in s. 11.2(4). If granted, the court may order the interim financing have a priority charge over the corporation's assets pursuant to s. 11.2(2):

**11.2 (1)** On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the company's property is subject to a security or charge — in an amount that the court considers appropriate — in favour of a person specified in the order who agrees to lend to the company an amount approved by the court as being required by

the company, having regard to its cash-flow statement. The security or charge may not secure an obligation that exists before the order is made.

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

(3) The court may order that the security or charge rank in priority over any security or charge arising from a previous order made under subsection (1) only with the consent of the person in whose favour the previous order was made.

(4) In deciding whether to make an order, the court is to consider, among other things,

(a) the period during which the company is expected to be subject to proceedings under this Act;

(b) how the company's business and financial affairs are to be managed during the proceedings;

(c) whether the company's management has the confidence of its major creditors;

(d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company;

(e) the nature and value of the company's property;

(f) whether any creditor would be materially prejudiced as a result of the security or charge; and

(g) the monitor's report referred to in paragraph 23(1)(b), if any.

[39] If the applicant corporation applies for interim financing at the same time as it applies for an initial order, the court must be diligent in its consideration of the factors enumerated in s. 11.2(4). The court must assess whether it is imperative and appropriate to order interim financing at the very outset of CCAA proceedings. Given that the purpose of seeking and granting an initial order is to provide the conditions upon which the debtor corporation can plan a compromise or reorganization to present to its creditors, the court must be cautious when asked to authorize large sums of interim financing at the initial stage, unless there is evidence that the financing is needed to enable the debtor corporation to undergo this planning process. This is especially important when the applicant is seeking a priority charge on the interim financing.

**A. Did the Chambers judge err in allowing interim financing to be obtained?**

[40] The appellants submit the Chambers judge erred in granting the respondents \$1.25 million interim financing due to his failure to consider one or more of the factors identified in s. 11.2(4).

[41] The Chambers judge provided the following reasons for authorizing the interim financing at the same time he granted the initial application:

[13] I also approve the interim financing order sought by the applicants. The interim financing lender, Staheli Construction Ltd., has agreed to advance the sum of \$1,250,000 to the applicants subject to obtaining a first charge on the assets of the company. The \$1,250,000 will be allocated \$800,000 to complete the commissioning of the water treatment utility owned by MDI Utility, \$337,500 for the cost of the CCAA proceedings and \$112,500 for the ongoing costs of the applicants according to the proposed monitor's initial report. The respondents say that they will be prejudiced by any priority charge given to the interim lender and suggest that the completion of the water treatment utility adds little to no value to the overall net worth of the applicants. However, I am satisfied that the completion of the water treatment utility will add to the overall net worth of the applicants and the monitor will ensure that the \$800,000 is being appropriately used for the purpose intended.

*(December fiat)*

[42] This analysis fails to consider multiple factors in s. 11.2(4), namely the period of time the parties were expected to be subject to CCAA proceedings pursuant to s. 11.2(4)(a) and "whether the loan would enhance the prospects of a viable compromise or arrangement" pursuant to s. 11.2(4)(d).

[43] The appellants strongly opposed the use of any funds to complete the commissioning of the water treatment facility. In their view, it is a failed operation that will cost more than the allotted \$800,000 to complete. Even if completed, the appellants are of the opinion the water treatment facility has no reasonable commercial value and therefore, its completion cannot result in a viable restructuring or compromise between it and the respondents. The appellants argued that granting interim financing to complete the water treatment facility would only result in the respondents incurring further debt; debt that will inevitably fall on the creditors' shoulders when the respondents are forced to liquidate, given that there is no chance of a successful restructuring. The appellants stressed that the interim financing would significantly prejudice their position as it has received a priority charge over the respondents' assets.

[44] Although the Chambers judge concluded the completion of the water treatment facility would "add to the overall net worth" of the respondents, he failed to consider whether this added net worth would enhance the prospect of a viable compromise pursuant to s. 11.2(4)(d). Given the creditors steadfast opposition to the interim financing, it was incumbent on the Chambers judge to consider this factor. It is clear the Chambers judge failed to do so. He also failed to



consider the length of time the parties would be subject to CCAA proceedings pursuant to s. 11.2(4)(a).

[45] There was no evidence of urgent circumstances dictating a need to permit the respondents to obtain interim financing with a priority charge at this stage of the proceedings. Given that the respondents' only active business is the Copper Sands Trailer Park, which receives a monthly income that is sufficient to keep the lights on and to pay the only two employees, the interim financing was not needed to preserve the status quo or maintain the respondents' essential operations. Moreover, there was no evidence the interim financing was needed to enable the respondents' *planning* of the compromise or arrangement it would eventually present to the creditors. To the contrary, there was evidence that granting interim financing to complete the water treatment plan would *deter* the parties from reaching a viable compromise at this stage of the proceedings.

[46] Given the preliminary stage the CCAA proceedings were at, there was no detailed plan evidencing how the commissioning of the water treatment facility would contribute to a viable restructuring of the respondents. As discussed above, a detailed plan is not a prerequisite to obtain an initial order. However, something more concrete and justifiable is needed in order to grant interim financing for something that is beyond what is needed to preserve the debtor corporation's status quo.

[47] We note that this is not a situation where there was unanimous creditor support for the interim financing to fund the commissioning of the water treatment facility. The creditors strongly opposed the funds being sought to facilitate the construction of a project they viewed as an inevitable failure. This fact further detracts from the appropriateness of granting the interim financing, with a priority charge, at this preliminary stage of the proceedings.

[48] The Chambers judge erred by failing to properly consider how these facts impacted the likelihood of a viable compromise or arrangement being made with respect to the respondents pursuant to s. 11.2(4)(d).

## VI. CONCLUSION

[49] In conclusion, we find no error with the Chambers judge's determination that "appropriate circumstances" existed and that the respondents were acting in good faith and with due diligence so as to merit granting the initial 30-day order. The Chambers judge did, however, err in permitting the respondents to obtain \$1.25 million interim financing when he granted the initial order.

[50] Therefore, the appeal is allowed in relation to the interim financing and the part of the initial order relating to interim financing is set aside. The remaining components of the initial order remain intact and the other grounds of appeal are dismissed. We note that our decision does not prevent the respondents from initiating another application for interim financing at a later date if they so choose.

[51] Since there was divided success, there will be no order as to costs with respect to the appeal or the leave application.

"Herauf J.A."

---

Herauf J.A.

I concur.

"Ryan-Froslic J.A."

---

Ryan-Froslic J.A.

I concur.

"Schwann J.A."

---

Schwann J.A.

**Exhibit B – April 26, 2018 Miller Thomson LLP Correspondence**



**MILLER THOMSON**  
AVOCATS | LAWYERS

MILLER THOMSON LLP  
BANK OF MONTREAL BUILDING  
2103 - 11TH AVENUE, SUITE 600  
REGINA, SK S4P 3Z8  
CANADA

T 306.347.8300  
F 306.347.8350

MILLERTHOMSON.COM

April 26, 2018

**Sent by email bwarga@deloitte.ca**

Deloitte  
2300 - 360 Main Street  
Winnipeg, MB R3C 3Z3

Attention: Brent Warga

Dear Sir:

**Rick Van Beselaere, Q.C.**  
Direct Line: 306.347.8316  
rvanbeselaere@millerthomson.com

File: 209995.0001

**Re: CCAA Proceedings – MDI Utility Corp., Copper Sands Lands Corp. et al**

We are the solicitors for 101297277 Saskatchewan Ltd. and are writing to request that the Monitor review and provide information as part of its role as monitor in respect of the following:

1. in the cashflow projections and cashflow reports, there is reference to a consulting fee of \$7,500.00 paid every two weeks. We would like to know what this is for and to whom it is being paid on this ongoing basis;
2. Copper Sands Lands Corp. has substantial monthly surplus based upon the operating expenses shown in the cashflows and in the reporting on cashflows. What is being done with those surplus funds during these proceedings?
3. in the course of these proceedings, Affidavit evidence has been filed that the equipment required for the water treatment facilities (both the potable water and the sewage water) had been purchased and paid for. It appears that some of that same equipment is included as part of the equipment that MDI Utility Corp./Copper Sands Lands Corp. wishes to purchase in order to complete the water treatment facilities. We would ask that the Monitor investigate what equipment has been purchased, where it is located and whether there is duplication or overlap between what the Companies' consultant(s) are saying needs to be purchased and that what which Ms. Middal reported had already been paid for. Reference is made to the Supplementary Affidavit of Muir Barber sworn January 30, 2018 and specifically Exhibit "D" to that Affidavit.

We have sent a copy of this letter to your solicitor.

If you have any questions or wish to discuss the matter, please do not hesitate to contact the writer. We look forward to receiving your comments.

Yours truly,

MILLER THOMSON LLP

Per:

Rick Van Beselaere, Q.C.

RMV/ba

cc: McDougall Gauley LLP, Attn: Ian A. Sutherland and Craig P. Frith, by email  
cc: MLT Aikins LLP, Attn: Jeff Lee and Paul Olfert by email

30935706.1

**Exhibit C – May 16, 2018 McDougall Gauley LLP Correspondence**

May 16, 2018

VIA EMAIL: [rvanbeslaere@millthomson.com](mailto:rvanbeslaere@millthomson.com)

Miller Thomson  
Bank of Montreal Building  
2103-11<sup>th</sup> Avenue, Suite 600  
REGINA, SK S4P 3Z8

Attention: Rick Van Beselaere

Dear Sir:

Re: CCAA Proceedings – MDI Utility Corp., Copper Sands Lands Corp., et al

Your correspondence of April 26, 2018 (copy attached for ease of review) has been forwarded to the writer for the purpose of providing a reply.

In response to points 1 and 2 in the April 26, 2017 correspondence, attached you will find the forecast to actual results of the Applicants for the period January 15, 2018 to April 22, 2018 (which should address point 2), and a summary of the Consulting Costs incurred by the Applicants over the same period (which should address point 1).

The request in paragraph 3 is more problematic as it will require a significant investment of time and resources and, as you are aware, there is currently no funding in place for the fees and disbursements of the Monitor.

As you can appreciate, the Monitor has been in a difficult situation for the entirety of these proceedings. There are certain specific statutory obligations including, for example, the need to advertise as set out in paragraph 45 which are currently unfunded. It is difficult for the Monitor to commit to additional investigations without having some comfort that reasonable costs incurred will be addressed in some fashion.

In order to address this untenable situation the Monitor is proposing to proceed with an Amended and Restated Initial Order which would increase the administrative charge to \$300,000.00. While that will certainly not cover even the current level of exposure it would at least partially address the current inequitable set of circumstances.

A redlined version of the proposed Consent Order is attached. It essentially strips out all extraneous terms and any reference to the interim financing and increases the administrative charge as set out above. There is also an amendment to paragraph 45 which will somewhat mitigate the advertising expense as well. Please confirm that your client is prepared to support the granting of the relief sought at the pending court application.

REFER TO: IAN A. SUTHERLAND  
DIRECT DIAL: (306) 665-5417  
FAX NO.: (306) 652-1323  
E-MAIL: [isutherland@mcdougallgauley.com](mailto:isutherland@mcdougallgauley.com)  
OUR FILE NO: 549268.4  
YOUR FILE NO: 209995.001

Thank you for your consideration.

Yours truly,

McDougall Gauley LLP

Per:



IAN A. SUTHERLAND

IAS:cgg

Enclosures

cc: MLT Aikins, Attention: Jeff Lee and Paul Olfert

Kanuka Thuringer, Attention: Warren Sproule

Deloitte Restructuring Inc., Attention: Brent Warga and John Fritz



**MILLER THOMSON**  
AVOCATS | LAWYERS

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REGINA, SK S4P 3Z8  
CANADA

T 306 347 8300  
F 306 347 8350

MILLERTHOMSON.COM

April 26, 2018

Sent by email [bwarga@deloitte.ca](mailto:bwarga@deloitte.ca)

Deloitte  
2300 - 360 Main Street  
Winnipeg, MB R3C 3Z3

Attention: Brent Warga

Dear Sir:

**Rick Van Beselaere, Q.C.**  
Direct Line: 306.347.8316  
[rvanbeselaere@millerthomson.com](mailto:rvanbeselaere@millerthomson.com)

File: 209995.0001

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We have sent a copy of this letter to your solicitor.

If you have any questions or wish to discuss the matter, please do not hesitate to contact the writer. We look forward to receiving your comments.

Yours truly,

MILLER THOMSON LLP

Per: 

Rick Van Beselaere, Q.C.

RMV/ba

cc: McDougall Gauley LLP, Attn: Ian A. Sutherland and Craig P. Frith, by email

cc: MLT Alkins LLP, Attn: Jeff Lee and Paul Olfert by email

30935706.1



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

14-Week Forecast to Actual Results

	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
	Week 1	Week 1	Week 2	Week 2	Week 3	Week 3	Week 4	Week 4	Week 5	Week 5	Week 6	Week 6	Week 6	Week 6
	15-Jan-18	15-Jan-18	22-Jan-18	22-Jan-18	29-Jan-18	29-Jan-18	5-Feb-18	5-Feb-18	12-Feb-18	12-Feb-18	19-Feb-18	19-Feb-18	25-Feb-18	25-Feb-18
Notes	21-Jan-18	21-Jan-18	28-Jan-18	28-Jan-18	4-Feb-18	4-Feb-18	11-Feb-18	11-Feb-18	18-Feb-18	18-Feb-18	25-Feb-18	25-Feb-18	25-Feb-18	25-Feb-18
<b>Receipts</b>														
CSLC monthly rent (existing CSLC tenants)	1	\$ 854	\$ -	\$ 1,200	\$ 53,325	\$ 27,175	\$ -	\$ 8,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,135
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-	-
MDJ Utility Corp. waste removal services	3	-	-	-	-	-	-	-	-	-	-	-	-	-
MDJ Utility Corp. services agreement	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (Advance from Shareholder)		854	-	1,200	53,325	27,175	-	8,540	-	-	-	-	-	3,135
<b>Total Receipts</b>		854	-	1,200	53,325	27,175	-	8,540	-	-	-	-	-	3,135
<b>Disbursements</b>														
<b>CSLC Operating Costs</b>														
Bank Fees	5	25	-	25	25	99	25	8	25	-	-	25	-	7
Commercial Insurance	6	-	-	-	195	6,000	7,500	2,326	-	-	7,500	-	-	2,938
Consulting costs	5	-	7,500	-	317	-	-	-	-	-	-	-	-	-
Land taxes	5	-	-	-	8	-	-	-	-	-	-	-	-	-
Park operator license	5	-	-	-	658	-	-	3,350	-	-	-	-	-	161
Repairs and maintenance	7	1,500	-	-	859	-	-	-	1,500	-	-	-	-	-
SaskPower / SaskEnergy	8	-	-	-	-	-	-	-	-	-	-	-	-	-
Source deduction remittance	9	-	-	-	447	-	-	800	-	-	-	-	-	-
Street repair / road maintenance	10	-	-	-	700	88	-	2,159	-	-	-	-	-	-
Travel costs	11	1,500	1,827	-	500	2,738	-	1,500	-	-	-	-	-	1,050
Vehicle expenses	12	-	-	-	4,167	-	-	1,726	-	-	-	-	-	-
Wages	13	-	1,829	-	46	50	-	-	-	-	-	-	-	-
Waste disposal	5	-	-	-	50	-	-	-	-	-	-	-	-	-
Water tests	5	-	-	-	-	-	-	-	-	-	-	-	-	-
WASA permit	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	15	-	-	5,000	-	4,179	5,000	1,866	-	-	2,736	5,000	-	350
Subtotal		3,025	3,657	12,525	1,408	8,059	15,309	5,000	12,525	12,556	3,025	5,174	5,000	4,506
<b>MDJ Utility Corp. Development Costs</b>														
Portable Water System	16	-	-	50,867	-	-	50,867	-	-	-	-	50,867	-	-
Waste Water System	16	-	-	215,000	-	-	215,000	-	-	-	215,000	-	-	-
Subtotal		-	-	265,867	-	-	265,867	-	-	-	265,867	-	-	-
<b>MDJ Utility Corp. Operating Costs</b>														
Maintenance	17	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor	18	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	18	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	19	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financing Costs and Professional Fees</b>														
Debtor in possession (DIP) Costs	20	37,500	-	-	16,000	-	-	-	-	-	-	-	-	-
Professional fees	21	200,000	-	50,000	-	-	10,000	-	-	-	-	-	-	-
Subtotal		237,500	-	50,000	16,000	-	10,000	-	-	-	-	-	-	-
<b>Total Disbursements</b>		237,500	3,657	12,525	1,408	8,059	15,309	5,000	12,556	12,556	3,025	5,174	5,000	4,506
<b>Net Cash Flows</b>		(240,525)	(2,803)	(328,192)	(206)	(29,256)	(11,866)	(14)	(824,657)	(3,616)	(5,174)	(293,192)	(1,371)	
<b>Opening Cash (Balance per Bank)</b>	22	2,995	2,995	(328,192)	(206)	(29,256)	11,866	(298,192)	(3,025)	(5,174)	(293,192)	(1,371)		
<b>Net Cash Flows</b>		(240,525)	(2,803)	(328,192)	(206)	(29,256)	11,866	(298,192)	(3,025)	(5,174)	(293,192)	(1,371)		
<b>Closing Cash (Indebtedness)</b>		(237,530)	192	(656,722)	(14)	(56,466)	11,851	(824,657)	8,235	(827,682)	3,061	(1,120,374)	1,590	

COPPER SANDS LAND CORP. ("CSLC")  
WILLOW RUSH LAND CORP. ("Willow Rush")  
MDI UTILITY CORP.  
JLL DEVELOPMENTS AND INVESTMENTS CORP. ("JLL")  
MIDLAND DEVELOPMENTS AND INVESTMENTS CORP. ("MDI")  
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(collectively the "COMPANIES")

14-Week Forecast to Actual Results

		Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Forecast	Actual
	Notes	Week 7 26-Feb-18 4-Mar-18	Week 7 26-Feb-18 4-Mar-18	Week 8 5-Mar-18 11-Mar-18	Week 8 5-Mar-18 11-Mar-18	Week 9 12-Mar-18 18-Mar-18	Week 9 12-Mar-18 18-Mar-18	Week 10 19-Mar-18 25-Mar-18	Week 10 19-Mar-18 25-Mar-18	Week 11 26-Mar-18 1-Apr-18	Week 11 26-Mar-18 1-Apr-18	Week 12 2-Apr-18 8-Apr-18	Week 12 2-Apr-18 8-Apr-18	Week 12 2-Apr-18 8-Apr-18	Week 12 2-Apr-18 8-Apr-18
<b>Receipts</b>															
CSLC monthly rent (existing CSLC tenants)	1	\$ 31,600	\$ 34,475	\$ -	\$ 10,425	\$ -	\$ 3,650	\$ -	\$ 1,000	\$ 31,600	\$ -	\$ -	\$ -	\$ -	\$ 33,600
CSLC monthly rent (Angewood expansion)	2	-	-	-	-	-	-	-	-	21,725	-	-	-	-	-
MDI Utility Corp. waste removal services	3	21,725	-	-	-	-	-	-	-	28,000	-	-	-	-	-
MDI Utility Corp. services agreement	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (Advance from Shareholder)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		53,325	34,475	-	10,425	-	3,650	-	1,000	81,325	-	-	-	-	33,600
<b>Disbursements</b>															
<b>CSLC Operating Costs</b>															
Bank Fees	5	25	94	25	-	25	8	25	8	25	8	25	64	25	22
Commercial Insurance	5	195	-	-	-	-	-	-	-	195	-	-	-	-	2,636
Consulting costs	6	-	5,500	7,500	2,000	-	1,750	7,500	-	3,17	-	7,500	-	13,500	
Land taxes	5	317	-	-	-	-	-	-	-	317	-	-	-	-	
Park operator license	5	8	-	-	-	-	-	-	8	-	-	-	-	-	
Repairs and maintenance	7	-	-	-	-	1,500	-	-	567	-	-	-	-	-	
Saskpower / SaskEnergy	8	859	-	-	1,987	-	200	-	859	-	-	-	-	-	
Source deduction remittance	9	2,000	-	-	-	-	2,167	-	-	-	-	-	-	-	
Street repair / road maintenance	10	447	-	-	-	1,500	-	-	-	447	-	-	-	-	
Travel costs	11	-	105	-	2,117	-	-	-	-	-	-	-	-	-	
Vehicle expenses	12	500	-	-	-	-	1,829	-	608	500	-	-	-	3,459	
Wages	13	4,167	2,479	-	-	-	111	-	-	4,167	-	-	-	-	
Waste disposal	5	1,455	-	-	-	-	-	-	-	1,455	-	-	-	-	
Water tests	5	46	-	-	-	-	-	-	-	46	-	-	-	-	
WUSA permit	14	50	-	-	-	-	-	-	-	50	-	-	-	-	
Contingency	15	-	590	5,000	1,093	-	875	5,000	-	967	-	5,000	-	1,000	
<b>Subtotal</b>		10,069	8,755	12,525	7,187	3,025	6,940	12,525	1,173	8,059	1,092	12,525	-	20,617	
<b>MDI Utility Corp. Development Costs</b>															
Potable Water System	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Water System	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>MDI Utility Corp. Operating Costs</b>															
Maintenance	17	3,200	-	-	-	-	-	-	-	3,200	-	-	-	-	-
Labor	18	4,500	-	-	-	-	-	-	-	4,500	-	-	-	-	
Utilities	18	1,500	-	-	-	-	-	-	-	1,500	-	-	-	-	
Other	19	500	-	-	-	-	-	-	-	500	-	-	-	-	
<b>Subtotal</b>		9,700	-	-	-	-	-	-	-	9,700	-	-	-	-	
<b>Financing Costs and Professional Fees</b>															
Debtor in possession (DIP) Costs	20	16,000	-	-	-	-	-	-	-	16,000	-	-	-	-	-
Professional fees	21	-	26,177	15,000	-	-	-	15,000	-	16,000	-	-	-	30,000	
<b>Subtotal</b>		16,000	26,177	15,000	-	-	-	15,000	-	30,000	-	-	-	30,000	
<b>Total Disbursements</b>															
		35,769	34,934	27,525	7,187	3,025	6,940	27,525	1,173	33,769	1,092	42,525	-	20,617	
<b>Net Cash Flows</b>															
Opening Cash (Balance per Bank)	22	(1,120,874)	1,690	(1,103,316)	1,281	(1,130,943)	4,469	(1,133,868)	1,178	(1,161,398)	1,006	(1,113,836)	(26)	(1,113,836)	
Net Cash Flows		17,556	(459)	(27,525)	3,238	(3,025)	6,940	(27,525)	(173)	47,556	(1,032)	(42,525)	(26)	(1,113,836)	
Closing Cash (Indebtedness)		\$ (1,103,318)	(1,231)	\$ (1,130,943)	\$ 4,469	\$ (1,133,868)	\$ 1,178	\$ (1,161,393)	\$ 1,006	\$ (1,113,836)	\$ (26)	\$ (1,156,361)	\$ 13,157	\$ (1,156,361)	

COPPER SANDS LAND CORP. ("CSL C")  
 WILLOW RUSH LAND CORP. ("Willow Rush")  
 MDI UTILITY CORP.  
 JLL DEVELOPMENT'S AND INVESTMENTS CORP. ("JLL")  
 MIDTAL DEVELOPMENT'S AND INVESTMENTS CORP. ("MDI")  
 PRAIRIE COUNTRY HOMES LTD. ("PRAIRIE COUNTRY")  
 Collectively the "COMPANIES")

14-Week Forecast to Actual Results

	Notes	Forecast Week 13 9-Apr-18 15-Apr-18	Actual Week 13 9-Apr-18 15-Apr-18	Forecast Week 14 16-Apr-18 22-Apr-18	Actual Week 14 16-Apr-18 22-Apr-18	Forecast Week 1 - 14 Cumulative Totals	Actual Week 1 - 14 Cumulative Totals	Variance
<b>Receipts</b>								
CSL C monthly rent (existing CSL Cleanaris)	1	-	3,350	-	-	118,525	127,704	11,179
CSL C monthly rent (Tanglewood expansion)	2	-	-	-	-	43,450	-	(43,450)
MDI Utility Corp. waste removal services	3	-	-	28,000	-	56,000	-	(56,000)
MDI Utility Corp. services agreement	4	-	3,000	-	-	-	4,929	4,929
Other (Advance from Shareholder)		-	-	28,000	-	215,975	132,533	(83,442)
<b>Total Receipts</b>		-	6,350	-	1,829	-	-	-
<b>Disbursements</b>								
<b>CSL C Operating Costs</b>								
Bank Fees	5	25	8	25	-	358	353	3
Commercial Insurance	5	-	-	-	-	586	2,638	2,050
Consulting costs	6	-	3,000	7,500	-	52,500	37,016	(15,484)
Land taxes	5	-	-	-	-	950	-	(950)
Repairs and maintenance	7	1,500	-	-	-	25	-	(25)
SaskPower / SaskEnergy	8	-	-	-	-	6,000	4,828	(1,174)
Source deduction remittance	10	-	-	-	-	2,578	2,000	3,783
Street repair / road maintenance	11	-	69	-	-	1,341	800	(541)
Travel costs	12	1,500	-	-	-	6,000	8,114	2,114
Vehicle expenses	13	-	-	-	-	12,500	17,210	4,710
Wages	5	-	-	-	-	4,365	1,728	(2,639)
Waste disposal	5	-	-	-	-	137	111	(26)
WSP permit	14	-	-	-	-	150	-	(150)
Contingency	15	-	16,350	5,000	-	35,000	30,017	(4,983)
<b>Subtotal</b>		3,025	19,426	12,525	1,829	125,981	109,270	(16,711)
<b>MDI Utility Corp. Development Costs</b>								
Portable Water System	16	-	-	-	-	152,000	-	(152,000)
Waste Water System	16	-	-	-	-	645,000	-	(645,000)
<b>Subtotal</b>		-	-	-	-	797,000	-	(797,000)
<b>MDI Utility Corp. Operating Costs</b>								
Maintenance	17	-	-	3,200	-	9,600	-	(9,600)
Labor	18	-	-	4,500	-	13,500	-	(13,500)
Utilities	18	-	-	1,500	-	4,500	-	(4,500)
Other	19	-	-	500	-	1,500	-	(1,500)
<b>Subtotal</b>		-	-	9,700	-	28,100	-	(28,100)
<b>Financing Costs and Professional Fees</b>								
Debtor in possession (DIP) Costs	20	-	-	-	-	85,500	-	(85,500)
Professional fees	21	50,000	-	40,000	-	425,000	26,177	(398,823)
<b>Subtotal</b>		50,000	-	40,000	-	510,500	26,177	(484,323)
<b>Total Disbursements</b>								
		53,025	19,426	62,225	1,829	1,482,581	135,447	(1,327,134)
<b>Net Cash Flows</b>								
		(\$3,925)	(13,076)	(34,225)	-	(1,246,606)	(2,914)	1,243,692
<b>Opening Cash (Balance per Bank)</b>								
	22	(1,156,361)	13,157	(1,209,386)	81	2,995	2,995	2,995
<b>Net Cash Flows</b>								
		(\$3,025)	(13,076)	(34,225)	-	(1,246,606)	(2,914)	1,243,692
<b>Closing Cash (Indebtedness)</b>								
		\$ (1,209,386)	\$ 81	\$ (1,243,611)	\$ 81	\$ (1,243,611)	\$ 81	\$ 1,246,687

**Notes and Assumptions**

1	CSLC revenues are forecast based on 79 existing Copper Sands Mobile Home Park tenants paying lease fees of \$675 per month.
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 February 28, 2018, as of March 1, 2018 \$275 of the CSLC monthly rental fees will be directed to MDI Utility Corp. (which will be responsible for all of the Park bills including water services).
4	Assuming that the MDI Utility Corp. Utility Facility is commissioned by February 28, 2018, 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 based on actual repairs and maintenance costs incurred for the period November 20, 2017 to January 14, 2018.
8	Forecast electricity costs are based on annual costs associated with five (5) accounts prorated monthly.
9	Estimated quarterly remittance of payroll source deductions.
10	Forecast repairs and maintenance for the gravel roads and water testing are based on annualized costs prorated monthly.
11	Forecast based on actual travel costs incurred by Ms. Middal for the period November 20, 2017 to January 14, 2018.
12	Forecast vehicle costs are based on monthly fuel charges of \$500.
13	Wages are forecast based on the actual cost of the on-site resident manager at Copper Sands Mobile Home Park.
14	Water Security Agency (WSA) costs are based on annualized costs prorated monthly.
15	Contingency reserve for unbudgeted development costs.
16	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).
17	Estimated monthly maintenance costs associated with operating the MDI Utility Corp. Utility Facility.
18	Estimated costs associated with one full-time and one part-time employee necessary to operate the MDI Utility Corp. Utility Facility.
19	Estimated electricity costs associated with operating the MDI Utility Corp. Utility Facility.
20	Estimated fees and interest costs associated with the necessary DIP financing.
21	Estimated professional fees associated with initial application (and the hearings on November 15 and December 11, 2017, and January 10, 2018) and ongoing monitoring of the CCAA proceedings.
22	Opening cash balance is expected to be negligible based on the books and records of the Companies.

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

Summary of Consulting Costs

Date	Description	Amount
1-Feb-18	Draw for Jaimey plus expenses for printer cartridges / paper	\$ 6,000
6-Feb-18	LBB Environmental Payment	2,328
19-Feb-18	Partial re-payment of Jaimey's loan into company (December 20/17)	1,258
23-Feb-18	Reimbursement for Dec 20 loan (Jaimey) plus expenses	1,680
1-Mar-18	Jaimey draw	5,500
5-Mar-18	762604 Alberta Ltd. partial invoice payment	2,000
12-Mar-18	Payment to LBB Environmental	1,750
3-Apr-18	Jaimey draw	3,000
4-Apr-18	Jaimey draw	3,000
4-Apr-18	Utility valuation	7,500
12-Apr-18	Dillon Engineering	3,000
<b>Total</b>		<b>\$ 37,016</b>

**Exhibit D – May 18, 2018 Miller Thomson LLP Correspondence**



**MILLER THOMSON**  
AVOCATS | LAWYERS

MILLER THOMSON LLP  
BANK OF MONTREAL BUILDING  
2103 - 11TH AVENUE, SUITE 600  
REGINA, SK S4P 3Z8  
CANADA

T 306.347.8300  
F 306.347.8350

MILLERTHOMSON.COM

May 18, 2018

**Private and Confidential**

McDougal Gauley LLP  
500-616 Main Street  
Saskatoon SK, Canada  
S7H 0J6

Attention: Ian Sutherland

Dear Sir:

**Re: Copper Sands et al, CCAA matters**

**Rick Van Beselaere**  
Direct Line: 306.347.8316  
rvanbeselaere@millerthomson.com

File: 209995.0001

Thank you for your letter of May 16. We will review the cashflow statements over the coming days and respond to you. Initially, we do find it troubling that Ms. Mitdal is drawing funds from the company under the label of "consulting fees". Given the circumstances and what appear to be minimal efforts required on her part on a part-time basis for Copper Sands, those payments seem strange. In addition, we would ask the Monitor to please provide some explanation as to the \$7,500 expenditure for "Utility valuation" and the other payments to LBB Environmental as well as Dillon Engineering.

With respect to our other request, we are troubled by the notion that the Monitor sees itself only able to proceed with the requested review if an additional \$150,000 is "put up" by way of an increased Administrative Charge. Clearly, that the increased Administrative Charge is borne by the secured creditors because it comes out of the value of their security.

This also raises the question of what the Monitor's costs have been to date and how those costs are being addressed, and the question of what the financial statements for the company are showing in terms of accrued but unpaid liabilities particularly as those relate to and impact the existing Administrative Charge.

I am not certain that the work that we have asked the Monitor to review is outside of what would ordinarily be its core set of services in its role. We are also certain these costs could not come anywhere close to \$150,000 sought as the additional Administrative Charge.

We would ask for an estimate by the Monitor of what its charges would be solely for the review that we are asking be done. There may be other means to address those costs that do not involve this substantial increase in the Administrative Charge.

Please review with the Monitor and advise as soon as possible. Thank you.

Yours truly,

MILLER THOMSON LLP

Per:



Rick Van Beselaere

31421309.1





**Exhibit E – June 14, 2018 Miller Thomson LLP Correspondence**



**MILLER THOMSON**  
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June 14, 2018

**Private and Confidential**

McDougal Gauley LLP  
500-616 Main Street  
Saskatoon SK, Canada  
S7H 0J6

**Rick Van Beselaere**  
Direct Line: 306.347.8316  
rvanbeselaere@millerthomson.com

File: 209995.0001

Attention: Ian Sutherland

Dear Sir:

**Re: Copper Sands et al, CCAA matters**

I am responding to your letter of May 16. We do find it troubling that Ms. Mitdal is drawing funds from Copper Sands under the label of "consulting fees". Given the circumstances and what appear to be minimal efforts required on her part on a part-time basis for Copper Sands, those payments seem excessive. In addition, we would ask the Monitor to please provide some explanation as to the \$7,500 expenditure for "Utility valuation" and the other payments to LBB Environmental as well as Dillon Engineering.

With respect to our other request, we are troubled by the notion that the Monitor sees itself only able to proceed with the requested review if we consent to an additional \$150,000 is added to the existing Administrative Charge. Clearly, the burden of the increased Administrative Charge is borne by the secured creditors because it comes out of the value of their security, unless the secured creditors are paid out in this process.

This also raises the question of what the Monitor's costs have been to date and how those costs are being addressed. We also would like to know how the financial statements for the company are dealing with the accrued but unpaid liabilities for these proceedings and how those impact the existing Administrative Charge.

I am not certain that the work that we have asked the Monitor to do, which is really to look at what information the Companies are putting forward related to these equipment issues and to require the Companies to provide that information, is outside of what would ordinarily be part of the core set of services as Monitor. We are also certain these costs could not come anywhere close to \$150,000 sought as the additional Administrative Charge. Most of the work would be to gather the information from Ms. Midtdal (much is in Affidavits already) and to review and address the apparent inconsistencies.

We would ask for an estimate by the Monitor of what its charges would be for the review that we are asking be done. The question of an increase to the Administrative Charge has been raised in the discussions with the companies about an extension of the Order to continue what we hope are ongoing efforts by the companies to secure funds to pay out the secured creditors.


It appears that the Order will be extended for another short time to address this and other matters so we would like to deal with this issue in the next short while.

Please review with the Monitor and advise as soon as possible. Thank you.

Yours truly,

MILLER THOMSON LLP

Per:

  
Rick Van Beselaere  
cc. Kanuka Thuringer LLP  
CC. MLT Aikens LLP



**Exhibit F – Actual vs. Forecast Cash Flows for the Period January 15, 2018 to April 22, 2018**

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")

14-Week Forecast to Actual Results

	Notes	Forecast Week 1 15-Jan-18 21-Jan-18	Actual Week 1 15-Jan-18 21-Jan-18	Forecast Week 2 22-Jan-18 28-Jan-18	Actual Week 2 22-Jan-18 28-Jan-18	Forecast Week 3 29-Jan-18 4-Feb-18	Actual Week 3 29-Jan-18 4-Feb-18	Forecast Week 4 5-Feb-18 11-Feb-18	Actual Week 4 5-Feb-18 11-Feb-18	Forecast Week 5 12-Feb-18 18-Feb-18	Actual Week 5 12-Feb-18 18-Feb-18	Forecast Week 6 19-Feb-18 25-Feb-18	Actual Week 6 19-Feb-18 25-Feb-18
<b>Receipts</b>													
CSLC monthly rent (existing CSLC tenants)	1	\$ -	\$ 854	\$ -	\$ 1,200	\$ 53,325	\$ 27,175	\$ -	\$ 8,640	\$ -	\$ -	\$ -	\$ 3,135
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-
MDI Utility Corp. waste removal services	3	-	-	-	-	-	-	-	-	-	-	-	-
MDI Utility Corp. services agreement	4	-	-	-	-	-	-	-	-	-	-	-	-
Other (Advance from Shareholder)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Ready to Move Home (RTM)	-	-	-	-	-	-	-	-	-	-	-	-	-
Willow Rush Land Transaction	-	-	4,200,000	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		-	4,200,854	-	1,200	53,325	27,175	-	8,640	-	-	-	3,135
<b>Disbursements</b>													
<b>CSLC Operating Costs</b>													
Bank Fees	5	25	-	25	48	25	99	25	8	25	-	25	7
Commercial insurance	5	-	-	-	-	195	-	-	-	-	-	-	-
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-
Consulting costs	6	-	-	7,500	-	-	6,000	7,500	2,328	-	-	7,500	2,938
Land taxes	5	-	-	-	-	317	-	-	-	-	-	-	-
GST remittance	-	-	-	-	-	-	-	-	-	-	-	-	-
Park operator license	5	-	-	-	-	8	-	-	-	-	-	-	-
Payment to secured creditor (IPRL)	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	7	1,500	-	-	658	-	-	-	3,350	1,500	-	-	161
SaskPower / SaskEnergy	8	-	-	-	-	859	2,206	-	-	-	-	-	-
Source deduction remittance	9	-	-	-	-	-	-	-	-	-	-	-	-
Street repair / road maintenance	10	-	-	-	-	447	-	-	800	-	-	-	-
Travel costs	11	1,500	1,827	-	700	-	88	-	2,159	1,500	-	-	1,050
Vehicle expenses	12	-	-	-	-	500	-	-	-	-	-	-	-
Wages	13	-	1,829	-	-	4,167	2,738	-	-	-	2,438	-	-
Waste disposal	5	-	-	-	-	1,455	-	-	1,726	-	-	-	-
Water tests	5	-	-	-	-	46	-	-	-	-	-	-	-
WSA permit	14	-	-	-	-	50	-	-	-	-	-	-	-
Contingency	15	-	-	5,000	-	-	4,179	5,000	1,886	-	2,736	5,000	350
<b>Subtotal</b>		3,025	3,657	12,525	1,406	8,069	15,309	12,525	12,256	3,025	5,174	12,525	4,506
<b>MDI Utility Corp. Development Costs</b>													
Potable Water System	16	-	-	50,667	-	-	-	50,667	-	-	-	50,667	-
Waste Water System	16	-	-	215,000	-	-	-	215,000	-	-	-	215,000	-
<b>Subtotal</b>		-	-	265,667	-	-	-	265,667	-	-	-	265,667	-
<b>MDI Utility Corp. Operating Costs</b>													
Maintenance	17	-	-	-	-	-	-	-	-	-	-	-	-
Labor	18	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	19	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Financing Costs and Professional Fees</b>													
Debtor in possession (DIP) Costs	20	37,500	-	-	-	16,000	-	-	-	-	-	-	-
Professional fees	21	200,000	-	50,000	-	-	-	10,000	-	-	-	15,000	-
Willow Rush Land Transaction Distributions	-	-	-	-	4,200,000	-	-	-	-	-	-	-	-
<b>Subtotal</b>		237,500	-	50,000	4,200,000	16,000	-	10,000	-	-	-	15,000	-
<b>Total Disbursements</b>		240,525	3,657	328,192	4,201,407	24,069	15,309	288,192	12,256	3,025	5,174	293,192	4,506
<b>Net Cash Flows</b>		(240,525)	4,197,198	(328,192)	(4,200,207)	29,256	11,866	(288,192)	(3,616)	(3,025)	(5,174)	(293,192)	(1,371)
<b>Opening Cash (Balance per Bank)</b>	22	2,995	2,995	(237,530)	4,200,192	(565,722)	(14)	(536,466)	11,851	(824,657)	8,235	(827,682)	3,061
Net Cash Flows		(240,525)	4,197,198	(328,192)	(4,200,207)	29,256	11,866	(288,192)	(3,616)	(3,025)	(5,174)	(293,192)	(1,371)
<b>Closing Cash (Indebtedness)</b>		\$ (237,530)	\$ 4,200,192	\$ (565,722)	\$ (14)	\$ (536,466)	\$ 11,851	\$ (824,657)	\$ 8,235	\$ (827,682)	\$ 3,061	\$ (1,120,874)	\$ 1,690

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

14-Week Forecast to Actual Results

	Notes	Forecast Week 7 26-Feb-18 4-Mar-18	Actual Week 7 26-Feb-18 4-Mar-18	Forecast Week 8 5-Mar-18 11-Mar-18	Actual Week 8 5-Mar-18 11-Mar-18	Forecast Week 9 12-Mar-18 18-Mar-18	Actual Week 9 12-Mar-18 18-Mar-18	Forecast Week 10 19-Mar-18 25-Mar-18	Actual Week 10 19-Mar-18 25-Mar-18	Forecast Week 11 26-Mar-18 1-Apr-18	Actual Week 11 26-Mar-18 1-Apr-18	Forecast Week 12 2-Apr-18 8-Apr-18	Actual Week 12 2-Apr-18 8-Apr-18
<b>Receipts</b>													
CSLC monthly rent (existing CSLC tenants)	1	\$ 31,600	\$ 34,475	\$ -	\$ 10,425	\$ -	\$ 3,650	\$ -	\$ 1,000	\$ 31,600	\$ -	\$ -	\$ 33,800
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-
MDI Utility Corp. waste removal services	3	21,725	-	-	-	-	-	-	-	21,725	-	-	-
MDI Utility Corp. services agreement	4	-	-	-	-	-	-	-	-	28,000	-	-	-
Other (Advance from Shareholder)		-	-	-	-	-	-	-	-	-	-	-	-
Sale of Ready to Move Home (RTM)		-	73,500	-	-	-	-	-	-	-	-	-	-
Willow Rush Land Transaction		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		<b>53,325</b>	<b>107,975</b>	<b>-</b>	<b>10,425</b>	<b>-</b>	<b>3,650</b>	<b>-</b>	<b>1,000</b>	<b>81,325</b>	<b>-</b>	<b>-</b>	<b>33,800</b>
<b>Disbursements</b>													
<b>CSLC Operating Costs</b>													
Bank Fees	5	25	84	25	-	25	8	25	8	25	64	25	22
Commercial insurance	5	195	-	-	-	-	-	-	-	195	-	-	2,636
Commissions		-	7,350	-	-	-	-	-	-	-	-	-	-
Consulting costs	6	-	5,500	7,500	2,000	-	1,750	7,500	-	-	7,500	-	13,500
Land taxes	5	317	-	-	-	-	-	-	-	317	-	-	-
GST remittance		-	3,500	-	-	-	-	-	-	-	-	-	-
Park operator license	5	8	-	-	-	-	-	-	-	8	-	-	-
Payment to secured creditor (IPRL)		-	61,650	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	7	-	-	-	-	1,500	200	-	557	-	-	-	-
SaskPower / SaskEnergy	8	859	-	-	1,987	-	2,167	-	-	859	-	-	-
Source deduction remittance	9	2,000	-	-	-	-	-	-	-	-	-	-	-
Street repair / road maintenance	10	447	-	-	-	-	-	-	-	447	-	-	-
Travel costs	11	-	105	-	2,117	1,500	-	-	-	-	-	-	-
Vehicle expenses	12	500	-	-	-	-	-	-	-	500	-	-	-
Wages	13	4,167	2,479	-	-	-	1,829	-	608	4,167	-	-	3,459
Waste disposal	5	1,455	-	-	-	-	-	-	-	1,455	-	-	-
Water tests	5	46	-	-	-	-	111	-	-	46	-	-	-
WSA permit	14	50	-	-	-	-	-	-	-	50	-	-	-
Contingency	15	-	590	5,000	1,083	-	875	5,000	-	-	967	5,000	1,000
<b>Subtotal</b>		<b>10,069</b>	<b>81,258</b>	<b>12,525</b>	<b>7,187</b>	<b>3,025</b>	<b>6,940</b>	<b>12,525</b>	<b>1,173</b>	<b>8,069</b>	<b>1,032</b>	<b>12,525</b>	<b>20,617</b>
<b>MDI Utility Corp. Development Costs</b>													
Potable Water System	16	-	-	-	-	-	-	-	-	-	-	-	-
Waste Water System	16	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>MDI Utility Corp. Operating Costs</b>													
Maintenance	17	3,200	-	-	-	-	-	-	-	3,200	-	-	-
Labor	18	4,500	-	-	-	-	-	-	-	4,500	-	-	-
Utilities	19	1,500	-	-	-	-	-	-	-	1,500	-	-	-
Other		500	-	-	-	-	-	-	-	500	-	-	-
<b>Subtotal</b>		<b>9,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,700</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing Costs and Professional Fees</b>													
Debtor in possession (DIP) Costs	20	16,000	-	-	-	-	-	-	-	16,000	-	-	-
Professional fees	21	-	27,177	15,000	-	-	-	15,000	-	-	-	30,000	-
Willow Rush Land Transaction Distributions		-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>16,000</b>	<b>27,177</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>16,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>
<b>Total Disbursements</b>		<b>35,769</b>	<b>108,434</b>	<b>27,525</b>	<b>7,187</b>	<b>3,025</b>	<b>6,940</b>	<b>27,525</b>	<b>1,173</b>	<b>33,769</b>	<b>1,032</b>	<b>42,525</b>	<b>20,617</b>
<b>Net Cash Flows</b>		<b>17,556</b>	<b>(459)</b>	<b>(27,525)</b>	<b>3,238</b>	<b>(3,025)</b>	<b>(3,290)</b>	<b>(27,525)</b>	<b>(173)</b>	<b>47,556</b>	<b>(1,032)</b>	<b>(42,525)</b>	<b>13,183</b>
<b>Opening Cash (Balance per Bank)</b>	22	<b>(1,120,874)</b>	<b>1,690</b>	<b>(1,103,318)</b>	<b>1,231</b>	<b>(1,130,843)</b>	<b>4,469</b>	<b>(1,133,868)</b>	<b>1,178</b>	<b>(1,161,393)</b>	<b>1,006</b>	<b>(1,113,836)</b>	<b>(26)</b>
Net Cash Flows		17,556	(459)	(27,525)	3,238	(3,025)	(3,290)	(27,525)	(173)	47,556	(1,032)	(42,525)	13,183
<b>Closing Cash (Indebtedness)</b>		<b>\$ (1,103,318)</b>	<b>1,231</b>	<b>\$ (1,130,843)</b>	<b>\$ 4,469</b>	<b>\$ (1,133,868)</b>	<b>\$ 1,178</b>	<b>\$ (1,161,393)</b>	<b>\$ 1,006</b>	<b>\$ (1,113,836)</b>	<b>\$ (26)</b>	<b>\$ (1,156,361)</b>	<b>\$ 13,157</b>

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")

14-Week Forecast to Actual Results

	Notes	Forecast Week 13 9-Apr-18 15-Apr-18	Actual Week 13 9-Apr-18 15-Apr-18	Forecast Week 14 16-Apr-18 22-Apr-18	Actual Week 14 16-Apr-18 22-Apr-18	Forecast Week 1 - 14 Cumulative Totals	Actual Week 1 - 14 Cumulative Totals	Variance
<b>Receipts</b>								
CSLC monthly rent (existing CSLC tenants)	1	\$ -	\$ 3,350	\$ -	\$ -	\$ 116,525	\$ 127,704	\$ 11,179
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-
MDI Utility Corp. waste removal services	3	-	-	-	-	43,450	-	(43,450)
MDI Utility Corp. services agreement	4	-	-	28,000	-	56,000	-	(56,000)
Other (Advance from Shareholder)	-	-	3,000	-	1,829	-	4,829	4,829
Sale of Ready to Move Home (RTM)	-	-	-	-	-	-	73,500	73,500
Willow Rush Land Transaction	-	-	-	-	-	-	4,200,000	4,200,000
<b>Total Receipts</b>		-	6,350	28,000	1,829	215,975	4,406,034	4,190,059
<b>Disbursements</b>								
<b>CSLC Operating Costs</b>								
Bank Fees	5	25	8	25	-	350	353	3
Commercial insurance	5	-	-	-	-	586	2,636	2,050
Commissions	-	-	-	-	-	-	7,350	7,350
Consulting costs	6	-	3,000	7,500	-	52,500	37,016	(15,484)
Land taxes	5	-	-	-	-	950	-	(950)
GST remittance	-	-	-	-	-	-	3,500	3,500
Park operator license	5	-	-	-	-	25	-	(25)
Payment to secured creditor (IPRL)	-	-	-	-	-	-	61,650	61,650
Repairs and maintenance	7	1,500	-	-	-	6,000	4,926	(1,074)
SaskPower / SaskEnergy	8	-	-	-	-	2,578	6,360	3,783
Source deduction remittance	9	-	-	-	-	2,000	-	(2,000)
Street repair / road maintenance	10	-	-	-	-	1,341	800	(541)
Travel costs	11	1,500	69	-	-	6,000	8,114	2,114
Vehicle expenses	12	-	-	-	-	1,500	-	(1,500)
Wages	13	-	-	-	1,829	12,500	17,210	4,710
Waste disposal	5	-	-	-	-	4,365	1,726	(2,639)
Water tests	5	-	-	-	-	137	111	(26)
WSA permit	14	-	-	-	-	150	-	(150)
Contingency	15	-	16,350	5,000	-	35,000	30,017	(4,983)
<b>Subtotal</b>		3,025	19,426	12,525	1,829	125,981	181,770	55,789
<b>MDI Utility Corp. Development Costs</b>								
Potable Water System	16	-	-	-	-	152,000	-	(152,000)
Waste Water System	16	-	-	-	-	645,000	-	(645,000)
<b>Subtotal</b>		-	-	-	-	797,000	-	(797,000)
<b>MDI Utility Corp. Operating Costs</b>								
Maintenance	17	-	-	3,200	-	9,600	-	(9,600)
Labor	18	-	-	4,500	-	13,500	-	(13,500)
Utilities	19	-	-	1,500	-	4,500	-	(4,500)
Other	-	-	-	500	-	1,500	-	(1,500)
<b>Subtotal</b>		-	-	9,700	-	29,100	-	(29,100)
<b>Financing Costs and Professional Fees</b>								
Debtor in possession (DIP) Costs	20	-	-	-	-	85,500	-	(85,500)
Professional fees	21	50,000	-	40,000	-	425,000	27,177	(397,823)
Willow Rush Land Transaction Distributions	-	-	-	-	-	-	4,200,000	4,200,000
<b>Subtotal</b>		50,000	-	40,000	-	510,500	4,227,177	3,716,677
<b>Total Disbursements</b>		53,025	19,426	62,225	1,829	1,462,581	4,408,947	2,946,366
<b>Net Cash Flows</b>		(53,025)	(13,076)	(34,225)	-	(1,246,606)	(2,914)	1,243,692
<b>Opening Cash (Balance per Bank)</b>	22	(1,156,361)	13,157	(1,209,386)	81	2,995	2,995	
Net Cash Flows		(53,025)	(13,076)	(34,225)	-	(1,246,606)	(2,914)	
<b>Closing Cash (Indebtedness)</b>		\$ (1,209,386)	\$ 81	\$ (1,243,611)	\$ 81	\$ (1,243,611)	\$ 81	

## Notes and Assumptions

1	CSLC revenues are forecast based on 79 existing Copper Sands Mobile Home Park tenants paying lease fees of \$675 per month.
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 February 28, 2018, as of March 1, 2018 \$275 of the CSLC monthly rental fees will be directed to MDI Utility Corp. (which will be responsible for all of the Park bills including water services).
4	Assuming that the MDI Utility Corp. Utility Facility is commissioned by February 28, 2018, 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 based on actual repairs and maintenance costs incurred for the period November 20, 2017 to January 14, 2018.
8	Forecast electricity costs are based on annual costs associated with five (5) accounts prorated monthly.
9	Estimated quarterly remittance of payroll source deductions.
10	Forecast repairs and maintenance for the gravel roads and water testing are based on annualized costs prorated monthly.
11	Forecast based on actual travel costs incurred by Ms. Midtdal for the period November 20, 2017 to January 14, 2018.
12	Forecast vehicle costs are based on monthly fuel charges of \$500.
13	Wages are forecast based on the actual cost of the on-site resident manager at Copper Sands Mobile Home Park.
14	Water Security Agency (WSA) costs are based on annualized costs prorated monthly.
15	Contingency reserve for unbudgeted development costs.
16	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).
17	Estimated monthly maintenance costs associated with operating the MDI Utility Corp. Utility Facility.
18	Estimated costs associated with one full-time and one part-time employee necessary to operate the MDI Utility Corp. Utility Facility.
19	Estimated electricity costs associated with operating the MDI Utility Corp. Utility Facility.
20	Estimated fees and interest costs associated with the necessary DIP financing.
21	Estimated professional fees associated with initial application (and the hearings on November 15 and December 11, 2017, and January 10, 2018) and ongoing monitoring of the CCAA proceedings.
22	Opening cash balance is expected to be negligible based on the books and records of the Companies.



**Exhibit G – Updated Cash Flow Statement for the Period April 23, 2018 to September 9, 2018**

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

20-Week Cash Flow Projection

	Notes	Forecast Week 1 23-Apr-18 29-Apr-18	Actual Week 1 23-Apr-18 29-Apr-18	Forecast Week 2 30-Apr-18 6-May-18	Actual Week 2 30-Apr-18 6-May-18	Forecast Week 3 7-May-18 13-May-18	Actual Week 3 7-May-18 13-May-18	Forecast Week 4 14-May-18 20-May-18	Actual Week 4 14-May-18 20-May-18	Forecast Week 5 21-May-18 27-May-18	Actual Week 5 21-May-18 27-May-18	Forecast Week 6 28-May-18 3-Jun-18	Actual Week 6 28-May-18 3-Jun-18
<b>Receipts</b>													
CSLC monthly rent (existing CSLC tenants)	1	\$ -	\$ 1,925	\$ 33,750	\$ 30,153	\$ 10,125	\$ 7,975	\$ 9,450	\$ 550	\$ -	\$ 675	\$ 33,750	\$ 35,844
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	87	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		-	1,925	33,750	30,241	10,125	7,975	9,450	550	-	675	33,750	35,844
<b>Disbursements</b>													
<b>CSLC Operating Costs</b>													
Advertising	3	-	-	-	-	-	-	-	-	-	-	-	-
Bank Fees	4	25	-	100	71	25	23	25	23	25	-	100	97
Consulting costs	5	-	1,700	7,500	5,000	-	10,827	7,500	-	-	-	7,500	5,000
Land taxes	4	-	-	-	-	-	-	-	-	-	-	3,800	-
Marketing / meals and entertainment	4	150	-	-	-	150	-	-	-	150	-	-	-
Miscellaneous operating costs	4	-	-	500	2,405	-	-	500	-	-	-	500	300
Park operator license	4	100	-	-	-	-	-	-	-	-	-	-	-
Property taxes	6	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	7	-	-	-	-	-	-	1,500	-	-	500	-	244
SaskPower / SaskEnergy	8	-	-	1,500	-	-	-	-	1,975	1,975	-	-	2,210
Source deduction remittance	9	-	-	-	-	-	-	-	-	-	-	-	-
Street repair / road maintenance	10	-	-	447	-	-	-	-	-	-	-	447	-
Travel costs	11	-	-	1,500	202	-	94	-	22	1,500	-	1,500	2,180
Vehicle expenses	12	-	-	500	-	-	-	-	-	-	-	500	500
Wages	13	-	-	2,438	2,438	-	-	2,438	2,438	-	-	2,438	3,088
Waste disposal	4	-	-	1,455	1,800	-	-	-	-	-	-	1,455	-
Water tests	4	-	-	-	-	-	202	110	-	-	-	-	518
Well remediation	14	-	-	-	-	-	-	-	-	-	-	-	1,420
WSA permit	15	-	-	-	-	600	-	-	-	-	-	-	-
Contingency	16	5,000	-	-	500	5,000	-	-	4,000	-	-	5,000	1,722
<b>Subtotal</b>		5,275	1,700	15,940	12,416	5,775	11,146	12,073	6,482	3,650	2,475	23,240	17,279
<b>Financing Costs and Professional Fees</b>													
Debtor in possession (DIP) Costs	17	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	18	-	-	-	-	5,000	7,000	-	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	5,000	7,000	-	-	-	-	-	-
<b>Total Disbursements</b>		5,275	1,700	15,940	12,416	10,775	18,146	12,073	6,482	3,650	2,475	23,240	17,279
<b>Net Cash Flows</b>		(5,275)	225	17,810	17,824	(650)	(10,171)	(2,623)	(5,932)	(3,650)	(1,800)	10,510	18,565
<b>Opening Cash (Balance per Bank)</b>	19	81	81	(5,194)	306	12,616	18,130	11,966	7,959	9,343	2,027	5,693	227
Net Cash Flows		(5,275)	225	17,810	17,824	(650)	(10,171)	(2,623)	(5,932)	(3,650)	(1,800)	10,510	18,565
<b>Closing Cash (Indebtedness)</b>		\$ (5,194)	\$ 306	\$ 12,616	\$ 18,130	\$ 11,966	\$ 7,959	\$ 9,343	\$ 2,027	\$ 5,693	227	\$ 16,203	18,792

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

20-Week Cash Flow Projection

	Notes	Forecast Week 7 4-Jun-18 10-Jun-18	Actual Week 7 4-Jun-18 10-Jun-18	Forecast Week 8 11-Jun-18 17-Jun-18	Actual Week 8 11-Jun-18 17-Jun-18	Forecast Week 9 18-Jun-18 24-Jun-18	Actual Week 9 18-Jun-18 24-Jun-18	Forecast Week 1 - 9 Cumulative Totals	Actual Week 1 - 9 Cumulative Totals	Variance
<b>Receipts</b>										
CSLC monthly rent (existing CSLC tenants)	1	\$ 10,125	\$ -	\$ 9,450	\$ 1,825	\$ -	\$ -	\$ 106,650	\$ 78,947	\$ (27,703)
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	87	87
<b>Total Receipts</b>		<b>10,125</b>	<b>-</b>	<b>9,450</b>	<b>1,825</b>	<b>-</b>	<b>-</b>	<b>106,650</b>	<b>79,035</b>	<b>(27,615)</b>
<b>Disbursements</b>										
<b>CSLC Operating Costs</b>										
Advertising	3	5,000	-	-	-	-	-	5,000	-	(5,000)
Bank Fees	4	25	-	25	8	25	-	375	221	(154)
Consulting costs	5	-	-	7,500	-	-	-	30,000	22,527	(7,473)
Land taxes	4	-	-	-	-	-	-	3,800	-	(3,800)
Marketing / meals and entertainment	4	150	45	-	185	150	452	750	682	(68)
Miscellaneous operating costs	4	-	-	500	-	-	264	2,000	2,969	969
Park operator license	4	-	-	-	-	100	-	200	-	(200)
Property taxes	6	-	-	-	-	-	-	-	-	-
Repairs and maintenance	7	-	-	1,500	-	-	600	3,000	1,344	(1,656)
SaskPower / SaskEnergy	8	-	-	-	2,058	-	-	3,475	6,243	2,768
Source deduction remittance	9	3,800	-	-	-	-	-	3,800	-	(3,800)
Street repair / road maintenance	10	-	-	-	-	-	-	894	-	(894)
Travel costs	11	-	-	1,500	3,000	-	27	6,000	5,526	(474)
Vehicle expenses	12	-	-	-	-	-	-	1,000	500	(500)
Wages	13	-	-	2,438	2,438	-	1,400	9,752	11,802	2,050
Waste disposal	4	-	-	-	-	-	-	2,910	1,800	(1,110)
Water tests	4	-	-	110	-	-	-	220	720	500
Well remediation	14	10,000	-	10,000	3,000	-	1,318	20,000	5,738	(14,262)
WSA permit	15	600	-	-	10	-	-	1,200	10	(1,190)
Contingency	16	-	-	5,000	-	-	-	20,000	6,222	(13,778)
<b>Subtotal</b>		<b>19,575</b>	<b>45</b>	<b>28,573</b>	<b>10,699</b>	<b>275</b>	<b>4,061</b>	<b>114,376</b>	<b>66,303</b>	<b>(48,073)</b>
<b>Financing Costs and Professional Fees</b>										
Debtor in possession (DIP) Costs	17	-	-	-	-	-	-	-	-	-
Professional fees	18	-	-	-	-	-	-	5,000	7,000	2,000
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>7,000</b>	<b>2,000</b>
<b>Total Disbursements</b>		<b>19,575</b>	<b>45</b>	<b>28,573</b>	<b>10,699</b>	<b>275</b>	<b>4,061</b>	<b>119,376</b>	<b>73,303</b>	<b>(46,073)</b>
<b>Net Cash Flows</b>		<b>(9,450)</b>	<b>(45)</b>	<b>(19,123)</b>	<b>(8,874)</b>	<b>(275)</b>	<b>(4,061)</b>	<b>(12,726)</b>	<b>5,731</b>	<b>18,457</b>
<b>Opening Cash (Balance per Bank)</b>	19	16,203	18,792	6,753	18,747	(12,370)	9,873	81	81	
Net Cash Flows		(9,450)	(45)	(19,123)	(8,874)	(275)	(4,061)	(12,726)	5,731	
<b>Closing Cash (Indebtedness)</b>		<b>\$ 6,753</b>	<b>18,747</b>	<b>\$ (12,370)</b>	<b>9,873</b>	<b>\$ (12,645)</b>	<b>5,812</b>	<b>\$ (12,645)</b>	<b>\$ 5,812</b>	

COPPER SANDS LAND CORP. ("CSLC")  
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MIDTAL DEVELOPMENTS AND INVESTMENTS CORP. ("MDI")  
PRAIRIE COUNTRY HOMES LTD. ("PRAIRIE COUNTRY")  
(Collectively the "COMPANIES")

20-Week Cash Flow Projection

	Notes	Forecast Week 10 25-Jun-18 1-Jul-18	Forecast Week 11 2-Jul-18 8-Jul-18	Forecast Week 12 9-Jul-18 15-Jul-18	Forecast Week 13 16-Jul-18 22-Jul-18	Forecast Week 14 23-Jul-18 29-Jul-18	Forecast Week 15 30-Jul-18 5-Aug-18	Forecast Week 16 6-Aug-18 12-Aug-18	Forecast Week 17 13-Aug-18 19-Aug-18	Forecast Week 18 20-Aug-18 26-Aug-18	Forecast Week 19 27-Aug-18 2-Sep-18	Forecast Week 20 3-Sep-18 9-Sep-18	Forecast Week 10 - 20 Cumulative Totals
<b>Receipts</b>													
CSLC monthly rent (existing CSLC tenants)	1	\$ 33,750	\$ 10,125	\$ 9,450	\$ -	\$ -	\$ 33,750	\$ 10,125	\$ 9,450	\$ -	\$ -	\$ 33,750	\$ 140,400
CSLC monthly rent (Tanglewood expansion)	2	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>		<b>33,750</b>	<b>10,125</b>	<b>9,450</b>	<b>-</b>	<b>-</b>	<b>33,750</b>	<b>10,125</b>	<b>9,450</b>	<b>-</b>	<b>-</b>	<b>33,750</b>	<b>140,400</b>
<b>Disbursements</b>													
<b>CSLC Operating Costs</b>													
Advertising	3	-	-	5,000	-	-	-	-	-	-	-	-	5,000
Bank Fees	4	100	25	25	25	25	100	25	25	25	25	25	425
Consulting costs	5	7,500	-	7,500	-	7,500	-	7,500	-	7,500	-	7,500	45,000
Land taxes	4	-	3,800	-	-	-	-	-	-	-	-	-	3,800
Marketing / meals and entertainment	4	-	150	-	150	-	150	-	150	-	150	-	750
Miscellaneous operating costs	4	500	-	500	-	500	-	500	-	500	-	500	3,000
Park operator license	4	-	-	100	-	-	-	-	-	100	-	-	200
Property taxes	6	5,000	-	-	-	-	5,000	-	-	-	-	5,000	15,000
Repairs and maintenance	7	-	-	1,500	-	-	-	-	1,500	-	-	-	3,000
SaskPower / SaskEnergy	8	1,500	-	-	-	-	1,500	-	-	-	-	1,500	4,500
Source deduction remittance	9	-	-	3,800	-	-	-	-	-	-	-	-	3,800
Street repair / road maintenance	10	447	-	-	-	-	447	-	-	-	-	447	1,341
Travel costs	11	-	1,500	-	-	-	1,500	-	-	-	-	1,500	4,500
Vehicle expenses	12	500	-	-	-	-	500	-	-	-	-	500	1,500
Wages	13	2,438	-	2,438	-	2,438	-	2,438	-	2,438	-	2,438	14,628
Waste disposal	4	1,455	-	-	-	-	1,455	-	-	-	-	1,455	4,365
Water tests	4	-	-	110	-	-	-	-	110	-	-	-	220
Well remediation	14	-	5,000	5,000	-	-	-	-	-	-	-	-	10,000
WSA permit	15	-	-	-	600	-	-	-	-	-	-	-	600
Contingency	16	1,500	-	1,500	-	1,500	-	1,500	-	1,500	-	1,500	9,000
<b>Subtotal</b>		<b>20,940</b>	<b>10,475</b>	<b>27,473</b>	<b>775</b>	<b>11,963</b>	<b>10,652</b>	<b>11,963</b>	<b>1,785</b>	<b>12,063</b>	<b>175</b>	<b>22,365</b>	<b>130,629</b>
<b>Financing Costs and Professional Fees</b>													
Debtor in possession (DIP) Costs	17	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	18	-	-	10,000	-	-	-	-	10,000	-	-	-	20,000
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
<b>Total Disbursements</b>		<b>20,940</b>	<b>10,475</b>	<b>37,473</b>	<b>775</b>	<b>11,963</b>	<b>10,652</b>	<b>11,963</b>	<b>11,785</b>	<b>12,063</b>	<b>175</b>	<b>22,365</b>	<b>150,629</b>
<b>Net Cash Flows</b>		<b>12,810</b>	<b>(350)</b>	<b>(28,023)</b>	<b>(775)</b>	<b>(11,963)</b>	<b>23,098</b>	<b>(1,838)</b>	<b>(2,335)</b>	<b>(12,063)</b>	<b>(175)</b>	<b>11,385</b>	<b>(10,229)</b>
<b>Opening Cash (Balance per Bank)</b>	19	5,812	18,622	18,272	(9,751)	(10,526)	(22,489)	609	(1,229)	(3,564)	(15,627)	(15,802)	5,812
Net Cash Flows		12,810	(350)	(28,023)	(775)	(11,963)	23,098	(1,838)	(2,335)	(12,063)	(175)	11,385	(10,229)
<b>Closing Cash (Indebtedness)</b>		<b>\$ 18,622</b>	<b>\$ 18,272</b>	<b>\$ (9,751)</b>	<b>\$ (10,526)</b>	<b>\$ (22,489)</b>	<b>\$ 609</b>	<b>\$ (1,229)</b>	<b>\$ (3,564)</b>	<b>\$ (15,627)</b>	<b>\$ (15,802)</b>	<b>\$ (4,417)</b>	<b>\$ (4,417)</b>

## Notes and Assumptions

1	CSLC revenues are forecast based on 79 existing Copper Sands Mobile Home Park tenants paying lease fees of \$675 per month.
2	CSLC continues to work with the Rural Municipality of Edenwold to obtain approval of the development plan and subdivision for the CSLC Expansion (Tanglewood). As the timing of development is uncertain, no rental revenues have been included in the forecast.
3	Estimated costs associated with advertising the CCAA proceedings.
4	Operating costs are forecast based on the historical annualized operating costs for Copper Sands Mobile Home Park prorated monthly.
5	Forecast consulting costs for Ms. Midtdal and other third party external consultants associated with the CSLC Expansion (Tanglewood), development of the MDI Utility, and securing alternative financing.
6	Forecast property tax reserve account payments to be paid to the Monitor in accordance with the agreement with the secured lenders to commence July 1, 2018.
7	Forecast based on actual repairs and maintenance costs incurred for the period January 15, 2018 to June 24, 2018.
8	Forecast electricity costs are based on annual costs associated with five (5) accounts prorated monthly.
9	Estimated quarterly remittance of payroll source deductions.
10	Forecast repairs and maintenance for the gravel roads and water testing are based on annualized costs prorated monthly.
11	Forecast based on actual travel costs incurred by Ms. Midtdal for the period January 15, 2018 to June 24, 2018.
12	Forecast vehicle costs are based on monthly fuel charges of \$500.
13	Wages are forecast based on the actual cost of the on-site resident manager at Copper Sands Mobile Home Park and a part-time maintenance/repair individual.
14	Given the dry conditions in the Copper Sands Mobile Home Park, the water table in the area is incredibly low and the Park's two wells are not recovering. Given the delays in accessing capital to finish the Utility Facility, the Applicants will have to incur costs to remediate the existing wells. The Applicants estimate that an additional \$10,000 may be needed to complete the remediation.
15	Water Security Agency (WSA) costs are based on historical costs.
16	Contingency reserve for unbudgeted costs.
17	Estimated fees and interest costs associated with the necessary DIP financing.
18	Given the limited operating capital available to the Applicants, professional fees will continue to accrue during the extension period and only limited professional fees are expected to be paid. Professional fee arrears owing as at June 24, 2018 in the approximate amount of \$525,000 (i.e. approximately \$125,000 for the Monitor, \$100,000 for the Monitor's legal counsel, and \$300,000 for the Applicants' legal counsel) have not been included in the forecast.
19	Opening cash balance as at June 25, 2018.

**Exhibit H – January 24, 2018 Distribution Order**

COURT FILE NUMBER      **Q.B.G. No. 1693 of 2017**

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE          **SASKATOON**

APPLICANTS                      **COPPER SANDS LANDS CORP., WILLOW RUSH  
DEVELOPMENT CORP., MIDTDAL DEVELOPMENTS  
& INVESTMENTS CORP., PRAIRIE COUNTRY HOMES  
LTD., JJL DEVELOPMENTS & INVESTMENTS CORP.  
and MDI UTILITY CORP.**

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

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

**DISTRIBUTION ORDER**

Order made this 24<sup>th</sup> day of January, 2018.

Before the Honourable Mr. Justice N. Gabrielson in chambers the 24<sup>th</sup> day of  
January, 2018.

Upon the application by Ryan A. Pederson, counsel on behalf of the  
Respondent, Affinity Credit Union 2013, and upon reading the Endorsement of the  
Honourable Mr. Justice M.J. Herauf dated the 18<sup>th</sup> day of January, 2018, the Affidavit of  
Gary Cooke sworn January 22<sup>nd</sup>, 2018 and the Draft Distribution Order, all filed;

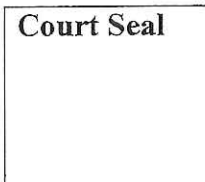
The Court orders:

1. The net proceeds of the sale of the Willow Rush Lands (as defined in the Pre-Filing  
Report of the Monitor) in the amount of \$4,200,000.00, held by counsel to the

Monitor, McDougall Gauley LLP, shall forthwith be paid to the Respondent, Affinity Credit Union 2013 ("Affinity"), on the account of and in substantial satisfaction of the security previously held by Affinity on the Willow Rush Lands, less the following amounts:

- (a) Legal fees, disbursements, GST and PST for the real estate counsel to Willow Rush Development Corp. in the amount of \$51,723.60 (the "Fee Holdback"), to be paid to the credit of this cause and subject to taxation and further order of this Court;
- (b) \$6,500.00 to cover property taxes owing through December 31, 2017, including all interest and penalties thereon and an adjustment for property taxes to the closing date, in favour of the purchaser (the "Tax Holdback").

**ISSUED** at Saskatoon, Saskatchewan, this 25<sup>th</sup> day of January, 2018.



A handwritten signature in blue ink, appearing to read "Wayne L. Pederson", written over a horizontal line. Below the line, the text "Local Registrar" is printed in a black, sans-serif font.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

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