

COURT FILE NUMBER Q.B. 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.

**ORDER**

**(Extension of Stay of Proceedings and Decoupling of Transactions)**

Before the Honourable Mr. Justice B.J. Scherman in Chambers the 12<sup>th</sup> day of March, 2019.

Upon the application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel on behalf of the 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. (the "**Applicants**"), and upon reading the Notice of Application filed on behalf of the Applicants, Consent Order endorsed by counsel for the Applicants and counsel for IPR Capital Ltd., Industrial Properties Regina Limited, 101297277 Saskatchewan Ltd., and Deloitte Restructuring Inc.; and the pleadings and proceedings herein:

The Court Orders:

1. All terms which are capitalized, but not defined, herein shall bear the respective meanings ascribed to them in the Order granted by the Honourable Mr. Justice N.G. Gabrielson in these proceedings on December 7, 2018 (the "**December 7 Order**") and the Sale Approval Vesting & Distribution Order granted by the Honourable Mr. Justice N.G. Gabrielson in these proceedings on January 9, 2019 (the "**January 9 Order**").

**Extension of Time for Closing**

2. In paragraph 4 of the January 9 Order, as amended by the February 13, 2019 Order granted by the Honourable Mr. Justice N.G. Gabrielson in these proceedings on February 13, 2019 (the "**February 13 Order**");

(a) the words "on or before February 28, 2019" shall be, and are hereby, deleted and replaced with the words "on or before April 1, 2019".

3. In paragraph 9 of the January 9 Order, as amended by the February 13 Order:

(a) the words "on or before February 28, 2019" shall be, and are hereby, deleted and replaced with the words "on or before April 1, 2019".

#### **Sale By Tender Processes**

4. The December 7 Order, as amended by the February 13 Order, shall be and is hereby amended as follows:

(a) the Tender Deadline referred to in paragraph 12(a) of the December 7 Order, is changed to June 10, 2019.

5. The February 13 Order shall be and is hereby amended as follows:

(a) Paragraph 6 of the February 13 Order shall be, and is hereby, deleted and replaced with the following:

(i) If the Refinancing Transaction does not close on or before Monday, April 1, 2019, or if the Refinancing Proceeds are not distributed as contemplated in paragraph 13 of the January 9 Order prior to Monday, April 9, 2019, the assets defined as the "**WWTP Package**" and the "**Equipment Package**" in the December 7 Order shall be sold by way of the process described in paragraphs 8 through 28 of the December 7 Order, *mutatis mutandis* and subject to the qualifications set out herein (the "**WWTP/Equipment Sale by Tender Process**").

(b) Paragraph 7 of the February 13 Order shall be, and is hereby, deleted and replaced with the following:

(i) If the Proposed Sale does not close on or before Monday, April 1, 2019, or if the Sale Proceeds are not distributed as contemplated in paragraph 13 of the January 9 Order prior to Monday, April 9, 2019, the assets defined as the "**MHP Package**" in the December 7 Order shall be sold by way of the process described in paragraphs 8 through 28 of the December 7 Order, *mutatis mutandis* and subject to the qualifications set out herein (the "**MHP Sale by Tender Process**").

### Extension of Stay of Proceedings

6. The Amended and Restated Initial Order of the Honourable Mr. Justice N.G. Gabrielson granted in these proceedings on July 5, 2018 (the "**Amended and Restated Initial Order**"), and the stay of proceedings provided therein, shall be and are hereby further extended, effective as of 11:59 p.m. on Friday, March 15, 2019 until 11:59 p.m. Saskatchewan time on Monday, April 15, 2019.

### Miscellaneous Matters

7. The Applicants are hereby directed until further order of this Court that all rents (the "**Subject Rents**") owing from the tenants of the Copper Sands Mobile Home Park which are collected or received on or after the date on which this Order is granted (the "**Order Date**") shall be forthwith paid to counsel for Copper Sands Group, MLT Aikins LLP to be held in trust and dealt with as follows:
- (a) The Applicants shall forward to MLT Aikins LLP all invoices for expenses incurred or becoming due and payable in respect of the period from and after the Order Date (the "**Applicable Period**") and MLT Aikins shall to be authorized and directed to pay each month from the Subject Rents received by them from time to time those monthly operating expenses for the Copper Sands Mobile Home Park listed in Schedule "A" to this Order ("**Operating Expenses**"). Any expenses for the Applicable Period which are not listed in Schedule "A" to this Order may only be paid with the consent of each of the Applicants, IPR Capital Ltd., Industrial Properties Regina Limited, and 1012977277 Saskatchewan Ltd. (collectively the "**Secured Parties**"), or, failing such unanimous consent, by order of this Court.
  - (b) From the Subject Rents received by it from time to time, to the extent that there is an adequate amount of Subject Rents to permit it to do so, MLT Aikins LLP shall set aside from any surplus after paying Operating Expenses a reserve of \$10,000 to be used to pay Operating Expenses if there are not sufficient Subject Rents received at any point (the "**Reserve Amount**").
  - (c) Any amounts held in trust by MLT Aikins in excess of the amount required for Operating Expenses and the Reserve Amount shall be paid towards any outstanding property taxes owing in respect of first LSD 5 and then LSD 4, until all such outstanding property taxes have been paid (the "**Property Tax Payments**").
  - (d) Any remaining amounts of Subject Rents which remain in trust with MLT Aikins LLP subsequent to the payment of the Operating Expenses and the Property Tax Payments which are in excess of the Reserve Amount shall be held in trust until paid out in

accordance with paragraph 13 of the January 9 Order, if such paragraph is engaged. If paragraph 13 of the January 9 Order is not engaged, then funds held pursuant to this paragraph 7(d) shall be paid out at the close of these proceedings to the Monitor (Deloitte Restructuring Inc.), legal counsel to the Monitor (McDougall Gauley LLP) and legal counsel to the Applicants (MLT Aikins LLP) (in such amounts as such three firms shall agree in writing) and any amounts so paid shall be considered payments toward the \$250,000 portion of the Administration Charge. For greater certainty, no more than \$250,000 shall be paid in full and final satisfaction of the Administration Charge in these proceedings.

- (e) MLT Aikins shall provide the Secured Creditors with a monthly summary of the amounts received and expenses and other amounts paid by it in accordance with this section 7, and a copy of such summary or summaries shall be filed with this Court before any subsequent application as may be made in these proceedings.
8. To the extent that they are in possession of funds permitting them to do so, the Applicants are hereby directed to pay all Operating Expenses accruing prior to March 1.
  9. The Applicants are directed to forthwith provide to the Selling Officer, Chad Jesse (of Bridges & Company LLP), all current rent roll information and financial books and records (including, without limitation all documentation previously provided by the Applicants to Old Kent Road Financial Inc. and/or to Edna Keep) in respect of the Assets of the Applicants. The Applicants shall further provide monthly financial reports as to income and expenses to the Selling Officer within 10 days of the end of each month commencing on March 15 for the month of February.
  - 9A. The Selling Officer shall receive any information provided to him pursuant to paragraph 9 of this Order in strict confidence and shall not disclose or distribute any such information to any party until the WWTP/Equipment Sale by Tender Process and/or the MHP Sale by Tender Process proceeds in accordance with this Order. The Selling Officer is hereby directed and authorized to disclose as much information collected in accordance with this Order as may, in his opinion, be commercially reasonable to prospective bidders in the WWTP/Equipment Sale by Tender Process and/or the MHP Sale by Tender Process.
  10. To the extent that the WWTP/Equipment Sale by Tender Process and/or the MHP Sale by Tender Process actually proceeds in accordance with paragraphs 5(a) and 5(b) this Order, the Selling Officer is hereby directed and authorized take all steps and do all things he may consider reasonably necessary to be in a position to proceed with the sale by tender as contemplated in paragraphs 8 through 28 of the December 7 Order. The Selling Officer shall have immediate and unfettered access to the Assets (including the Land) from and after the date of this Order,

including the right to photograph and catalogue the Assets, obtain appraisals or assessments thereof and to generally do all things he considers reasonably necessary to proceed with the selling processes.

10A. In paragraph 13(d) of the February 13 Order, the date "Thursday, February 28, 2019" shall be and is hereby replaced with "Monday, April 1, 2019".

11. For greater certainty:

- (a) the Assets shall not be sold by the Selling Officer prior to April 1 except as provided in this Order but may be fully prepared for sale by the Selling Officer in advance as stated in paragraph 10 of this Order.
- (b) except as expressly provided in this Order and the February 13 Order, the January 9 Order remains in full force and effect in all other respects;
- (c) any deposit funds which are forfeited in relation to the Proposed Sale shall be distributed in the order contemplated in paragraphs 13(c-j) of the January 9 Order; and
- (d) to the extent that any payments are made pursuant to paragraph 13(e) of the January 9 Order, the Administration Charge (as that term is defined in the Amended and Restated Initial Order) shall be reduced by the amount of such payments.

ISSUED at Saskatoon, Saskatchewan, this 12<sup>th</sup> day of March, 2019.



X. PINO

(Deputy) Local Registrar

**CONTACT INFORMATION AND ADDRESS FOR SERVICE:**

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**Schedule "A"**

**Operating Expenses for the Copper Sands Mobile Home Park**

Bank Fees

Park operator license

Repairs and maintenance

SaskPower / SaskEnergy

Source Deduction Remittances

Street repair / road maintenance

Utility Fees

Vehicle expenses (Copper Sands Mobile Home Park Property Manager)

Wages (Copper Sands Mobile Home Park Property Manager)

Waste disposal

Water tests

Well costs