

COURT FILE NUMBER 643 of 2016
COURT QUEEN'S BENCH FOR SASKATCHEWAN
 IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE SASKATOON
APPLICANTS 101133330 SASKATCHEWAN LTD. and
 101149825 SASKATCHEWAN LTD.

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 101133330 SASKATCHEWAN LTD. and 101149825 SASKATCHEWAN LTD.

ORDER (Fourth Extension and Secondary DIP Facility)

BEFORE THE HONOURABLE) THURSDAY, THE 31st DAY
MR. JUSTICE G.A. MESCHISHNICK) OF MAY, 2017
IN CHAMBERS)

UPON THE APPLICATION of counsel on behalf of the Applicants, 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd, and upon hearing read the Notice of Application with proof of service thereof, the Fifth Supplementary Affidavit of John Orr sworn May 24, 2017, the Second Supplementary Affidavit of David Calyniuk sworn May 23, 2017, the Confidential Affidavit of David Calyniuk sworn May 23, 2017, the Draft Order, the Order of the Honourable Justice N.G. Gabrielson dated May 20, 2016 (the "**Initial Order**"), the Order of the Honourable Justice G.A. Meschishnick dated June 13, 2016, the Order of the Honourable Justice G.A. Meschishnick dated August 17, 2016, the Order of the Honourable Justice G.A. Meschishnick dated December 22, 2016 (the "**Third Extension and DIP Facility #3 Order**"), the Fifth Report of the Monitor, the Sixth Report of the Monitor, and the Applicants' Brief of Law, all filed; and the pleadings and proceedings herein:

IT IS HEREBY ORDERED, ADJUDGED, AND DECLARED THAT:

VALIDATION OF SERVICE

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

EXTENSION OF THE INITIAL ORDER

2. The Initial Order, including the stay of proceedings provided for therein, as further extended by the Order of the Honourable Mr. Justice G.A. Meschishnick dated June 13, 2016, the Order of the Honourable Mr. Justice G.A. Meschishnick dated August 17, 2016, and the Third Extension and DIP Facility #3 Order, is confirmed and extended and shall continue to apply in accordance with its terms and conditions, save as amended by this and any other Order of this Court, until 11:59 p.m. on December, 24, 2017.

APPROVAL OF THE REPORTS AND ACTIVITIES OF THE MONITOR

3. The Fifth and Sixth Reports of the Monitor, Deloitte Restructuring Inc. (the “**Monitor**”), and the conduct and activities of the Monitor described therein are hereby approved.

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

4. The fees and disbursements of the Monitor for the period of for the period of December 6, 2016 to May 31, 2017 and its legal counsel, MLT Aikins LLP, for the period of December 6, 2016, to May 14, 2017, as more particularly described in the Fifth Report of the Monitor are hereby approved.

APPROVAL OF DIP FACILITY #4

5. The Applicants are hereby authorized and empowered to:
- (a) obtain and borrow under a Secondary credit facility (the “**Secondary DIP Credit Facility**”) from Staheli Construction Co. Ltd. (the “**Secondary DIP Lender**”) in order to finance the Applicants’ working capital requirements, and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$500,000.00, unless permitted by further Order of this Court; and
 - (b) execute and deliver such commitment letters, credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively the “**Secondary DIP Lender Documents**”) necessary to give effect to this order.
6. The Secondary DIP Credit Facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the Secondary DIP Lender dated effective May 24, 2017 (the “**Commitment Letter**”). The Commitment Letter is hereby approved, and the Applicants’ execution of the Commitment Letter is hereby authorized and approved *nunc pro tunc* the date of this order.
7. The Secondary DIP Lender shall be entitled to the benefits of a charge (the “**Secondary DIP Lender’s Charge**”) on the Property (as that term is defined in the Initial Order), which charge shall neither exceed the aggregate amount advanced on or after the date of this Order under the Secondary DIP Lender Documents nor secure an obligation that exists before this Order is made. The Secondary DIP Lender’s Charge against the Property is also subject to paragraph 38 of the Initial Order, and the priorities of the Administration Charge (as that term is defined in the Initial Order) the DIP

Lender's Charge, and the Secondary DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000.00);

Second – DIP Lender's Charge; and

Third – Secondary DIP Lender's Charge.

8. For greater certainty, the DIP Lender referred to in the Third Extension and DIP Facility #3 Order (and holder of the DIP Lender's Charge) is hereby confirmed to be Staheli Construction Co. Ltd.

9. Notwithstanding any other provision of this Order:

- (a) the Secondary DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Secondary DIP Lender's Charge or any of the Secondary DIP Lender Documents;
- (b) subject to subparagraph 7(c) hereof, in the event of a default under the Secondary DIP Lender Documents or the Secondary DIP Lender's Charge, prior to exercising any or all of its rights and remedies against the Applicants or the Property under or pursuant to the Secondary DIP Lender Documents and the Secondary DIP Lender's Charge (the "**Secondary DIP Lender's Remedies**"), the Secondary DIP Lender shall first apply to the Court for leave to exercise such Secondary DIP Lender's Remedies, including (without limitation) to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of any of the Applicants;

- (c) upon the occurrence of an event of default under the Secondary DIP Lender Documents, the Secondary DIP Lender shall be at liberty, without Court Order, but after first providing the Applicants with 48 hours' written notice of its intention to do so, to set off and/or consolidate any amounts owing by the Secondary DIP Lender to the Applicants against the obligations of the Applicants to the Secondary DIP Lender under the Secondary DIP Lender Documents or the Secondary DIP Lender's Charge and to seize and retain proceeds from the sale of the Property and the cash flow of the Applicants to repay amounts owing to the Secondary DIP Lender in accordance with the Secondary DIP Lender Documents and the Secondary DIP Lender's Charge, but subject to the priorities as set out in paragraphs 35 and 38 of the Initial Order; and
- (d) the foregoing rights and remedies of the Secondary DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any of the Applicants or the Property.

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

SEALING OF CONFIDENTIAL DOCUMENTS

11. The Confidential Affidavit of David Calyniuk sworn May 23, 2017 and filed in these proceedings, including the exhibit thereto (collectively, the "**Confidential Documents**"), shall be kept sealed and confidential, and shall not form part of the public record but shall be kept separate and apart from the other contents of the Court file in respect of this matter in a sealed envelope which sets out the style of cause of these proceedings and a statement that the contents thereof are subject to a Sealing Order, and shall not be opened except by the Honourable Mr. Justice G.A. Meschishnick, further

order of the Court, or upon written notice from the Applicants or the Monitor that 33330's rezoning application for the Campus has been completed.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 31st day of May, 2017.


DEPUTY LOCAL REGISTRAR

This Order was delivered by:

Name of firm:	McDougall Gauley LLP
Name of lawyer in charge of file:	Ian A. Sutherland
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TO: ALL PARTIES ON THE ATTACHED SERVICE LIST

SERVICE LIST

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GV Audio Inc.	<p><u>Attention: Derek Gould</u> 1355 Scarth Street Regina, Saskatchewan S4R 2E7 Email: derekg@gvaudio.ca</p>
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