



COURT FILE NUMBER 1603 20319

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

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

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF PARKLAND AIRPORT DEVELOPMENT
CORPORATION

DATED SEPTEMBER 5, 2017

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Table of Contents

Introduction	1
Notice to Reader	1
Purpose of this report	2
Monitor's Activities	2
Stay of Proceedings	3
Cash Flow Forecast	3
Conclusions and Recommendations	4

Introduction

1. On November 29, 2016 (the "Filing Date"), Parkland Airport Development Corporation (the "Company") made application to the Court of Queen's Bench of Alberta (the "Court") for an Initial Order (the "Initial Order") under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). Deloitte Restructuring Inc. ("Deloitte") was appointed as Monitor (the "Monitor") in the CCAA proceedings.
2. The Initial Order provided for an initial stay of proceedings until December 28, 2016 (the "Initial Stay").
3. On December 15, 2016, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order, until February 28, 2017. The Honourable Mr. Associate Chief Justice J.D. Rooke granted an Order (the "First Extension Order") extending the stay until February 28, 2017 (the "Stay").
4. On February 27, 2017, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order until September 15, 2017. The Honourable Mr. Justice S.D. Hillier granted an Order (the "Second Extension Order") extending the Stay until September 15, 2017.
5. The Second Extension Order also directed that, within 30 days of the date of the Second Extension Order, the Chief Restructuring Officer ("CRO") call a meeting of creditors and other affected parties to address the selection of a creditors' committee, the alternatives as described in the report of the CRO filed with this Honourable Court on February 16, 2017, and any other matters the CRO saw fit.
6. On May 2, 2017 (the "May 2nd Order"), the Court directed, *inter alia*, that the Company distribute to the market, a tender package for completion of the Phase I work as outlined previously in the Chief Restructuring Officer's Reports. In addition, the Court empowered the Company to proceed with a simultaneous process for the sale of the remaining lots in Phase I and the entire airport, including all lands owned by the Company.
7. Capitalized terms not otherwise defined herein have the meanings given to them in the First Report.
8. Information on the CCAA proceedings can be accessed on Deloitte's website at www.insoivencies.deloitte.ca under the link "Parkland Airport Development Corporation" (the "Monitor's Website").

Notice to reader

9. In preparing this report, the Monitor has relied on unaudited financial information, the books and records of the Company and discussions with the Company's employees, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
10. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in this report are the responsibility of management ("Management") for the Company. Management's responsibility extends beyond ensuring that the individual assumptions used to prepare the financial forecasts are appropriate in the circumstances and to ensuring that the assumptions as a whole are appropriate. While the Monitor has reviewed the information, the Monitor has not performed an audit or other verification of such information. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the financial forecasts, or relied upon by it in reporting on the financial forecasts. Future oriented financial information included in this report is based upon Management's assumptions regarding future events. Actual results achieved may vary and these variations may be material.
11. 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 report.
12. All amounts included herein are in Canadian dollars unless otherwise stated.

Purpose of this report

13. This is the fifth report of the Monitor (the "Fifth Report").
14. The Monitor has received and reviewed the Fifth Report of the Chief Restructuring Officer (the "CRO") dated August 18, 2017 (the "CRO's Fifth Report") and the Sixth Report of the CRO, dated September 1, 2017 (the "CRO's Sixth Report").
15. The purpose of the Fifth Report is to provide the Court with:
 - 15.1. An update on the Monitor's activities;
 - 15.2. To report on the reasonableness of the Company's request to extend the stay of proceedings to December 15, 2017; and
 - 15.3. A review of the Company's cash flow projections.

Monitor's Activities

16. The Monitor continues to post information with respect to these proceedings to the Monitor's Website, including all materials circulated by the Company in these proceedings. The Monitor will continue to

make regular updates to the Monitor's Website to ensure that creditors and interested parties have access to all available information in these proceedings.

17. The CRO provided information in the CRO's Fifth Report concerning the tendering process with respect to the completion of Phase I of the Airport, the increase in Interim Financing and the concurrent sales process. The Monitor reports that it attended various meetings and had discussions with Management, the Company's legal counsel and the CRO to discuss the progress with respect to the above.
18. The CRO's Sixth Report provided the Court with information concerning the sales process. The Monitor advises the Court that the CRO was diligent in updating the Monitor with respect to progress on the sales process and further, that the Monitor attended the offices of the Company's legal counsel on September 1, 2017 for the opening of the bids.
19. The Monitor continues to monitor the Company's cash flow projections and the Company's business and financial affairs during the Stay.

Stay of Proceedings

20. The Company is making an application to extend the Stay from September 15, 2017 to December 15, 2017.

21. Based on the Monitor's dealing with Management, the CRO and the Monitor's review of the Company's operations and restructuring efforts to date, the Monitor advises that:

21.1 The Company is acting in good faith and with due diligence;

21.2 The Company is cooperating with the Monitor and is making efforts to formulate a Plan to present to its creditors; and

21.3 The Monitor is of the view that the creditors of the Company will not be materially prejudiced by a further extension of the Stay until December 15, 2017.

22. Based on the above, the Monitor supports the requested extension of the Stay.

Cash Flow Forecast

23. Attached as **Exhibit "A"** is the Statement of Projected Cash Flow for the period of September 2, 2017 to December 1, 2017 (the "Company Forecast") along with Management's Report on the Statement of Projected Cash Flow. Attached as **Exhibit "B"** is the Monitor's Report on the Statement of Projected Cash Flow.

24. The Monitor reports as follows with respect to the Company Forecast:

24.1. The Company's Forecast has been prepared by Management for the purposes described in the notes contained therein (the "Notes") using the probable and hypothetical assumptions set out in the Notes;

24.2. The Monitor's review consisted of inquiries, analytical procedures and discussions related to information supplied by Management. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to the assumptions were limited to evaluating whether they were consistent with the purpose of the Company Forecast. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Company Forecast;

24.3. Based on our review nothing has come to the attention of the Monitor that causes us to believe that, in all material respects, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Company Forecast, given the hypothetical assumptions; and

24.4. Based on our review, nothing has come to the attention of the Monitor that causes us to believe, that in all material respects, the Company Forecast does not reflect the probable and hypothetical assumptions.

25. Since the Company Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Company Forecast will be achieved. We further express no opinion or other form of assurance with respect to the accuracy of any financial information reported with respect to the Company Forecast, or relied upon by it in reporting on the Company Forecast. The Company Forecast has been prepared solely for the purposes described the Notes and readers are cautioned that they may not be appropriate for other purposes.

Conclusions and Recommendations

26. Based on the Monitor's dealings with Management and the Monitor's review of the Company's operations and restructuring efforts to date, we advise that:

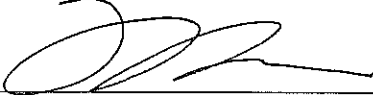
26.1 The Company appears to be acting in good faith and with due diligence and that an extension to file a Plan is appropriate in the circumstances;

- 26.2 The Company is cooperating with the Monitor and appears to be making efforts with the CRO to identify strategies to put forth a Plan;
- 26.3 The Company has been proactive in providing information to the Monitor with respect to the tender process and the concurrent sales process;
- 26.4 The Monitor is of the view that the Company's creditors will not be materially prejudiced by a further extension of the Stay.

All of which is respectfully submitted this 5th day of September, 2017.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed Monitor in
re: The plan of compromise or arrangement of
Parkland Airport Development Corp.
and not in its personal capacity



Darren M. Crocker, CPA, CGA, CIRP, LIT
Senior Vice-President

EXHIBIT "A"

Parkland Airport Development Corporation

Statement of Projected Cash Flow for the Period of Sep 2, 2017 to Dec 1, 2017

Amount in CAD\$

Week Ending Friday	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Forecast Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Beginning Cash Balance	3,248	(3,569)	(16,464)	47,616	37,712	29,593	19,579	7,349	52,087	43,399	33,637	21,649	11,487	3,248							
Receipts																					
Fuel Commission	2,000	-	-	-	2,000	-	-	-	2,000	-	-	-	-	2,000	-	-	-	-	-	-	-
Airport Building Leases	1,200	-	-	-	1,200	-	-	-	1,200	-	-	-	-	1,200	-	-	-	-	-	-	-
Airport Parking	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Land use	-	-	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Draw from Interim financing	-	-	-	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,200	-	75,500	-	-	-	-	50,000	3,700	500	400	100	3,200	-	-	-	-	-	-	-	-
Disbursements																					
Airport Staff	2,625	-	2,625	-	2,625	-	2,625	-	2,625	-	-	-	-	2,625	-	-	-	-	-	-	-
Professional Fees	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Utilities Fuel Oil Repairs	250	750	250	250	250	750	250	750	250	250	250	250	250	250	250	250	250	250	250	250	250
Vehicle Financing Interest	1,638	1,638	1,684	1,654	1,854	1,854	1,854	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
Total Disbursements	12,013	9,888	12,229	10,104	12,229	10,104	12,229	10,262	12,387	10,262	12,387	10,262	12,387	10,262	12,387	10,262	12,387	10,262	12,387	10,262	12,387
Net Cash Flow	(8,813)	(9,888)	63,271	(10,104)	(4,517)	(10,004)	(12,229)	44,738	(8,687)	(3,762)	(11,987)	(10,162)	(9,187)	(849)							
Ending Cash Balance	(5,565)	(15,453)	47,816	37,712	29,593	19,579	7,240	52,087	43,399	33,637	21,649	11,487	3,248								
Interim financing balance	699,572	699,572	644,572	644,572	644,572	644,572	644,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572	699,572

Dated at the City of Edmonton, in the Province of Alberta, this 5th day of September, 2017

Robert Gilman
President

This statement of projected cash-flow of Parkland Airport Development Corporation prepared in accordance with the provisions of the CCA should be read in conjunction with the Monitor's and Management's Report on the Cash-Flow Statement.

Notes to the Statement of Projected Cash-Flow:

- (1) The purpose of the cash flow forecast is to determine the liquidity requirements of the Company during the forecast period.
- (2) The forecast is based on the company's sales and operating forecasts.
- (3) Forecast Income and Expenses are based on generalised amounts in the periods leading up to the forecast period and assume no changes in levels.
- (4) Forecast airport parking and fuel commission income forecast is based on the expected airport user activity.
- (5) Interim financing will continue to be available to the Company.
- (6) Projections do not yet take into account airport construction costs.

COURT OF QUEEN'S BENCH OF ALBERTA

**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
PARKLAND AIRPORT DEVELOPMENT CORPORATION**

**MANAGEMENT'S REPORT ON THE CASH-FLOW STATEMENT
(Sections 23(1)(b) of the CCAA)**

The management of Parkland Airport Development Corporation (the "Company") has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 5th day of September 2017, consisting of the week ended September 8th, 2017 up to and including the week ended December 1st, 2017.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1 and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2 to 6.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1 using a set of hypothetical and probable assumptions set out in Notes 2 to 6. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Edmonton, Alberta, this 5th day of September 2017.



PARKLAND AIRPORT DEVELOPMENT CORPORATION

Per: Robert Gilgen
President

EXHIBIT "B"

COURT OF QUEEN'S BENCH OF ALBERTA

**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
PARKLAND AIRPORT DEVELOPMENT CORPORATION**

**CCAA MONITOR'S REPORT ON THE CASH-FLOW STATEMENT
(Sections 23(1)(b) of the CCAA)**

The statement of projected cash-flow attached as Appendix "A" of this report (the "Cash-Flow Statement"), of Parkland Airport Development Corporation (the "Company"), as of the 5th day of September 2017, consisting of the week ended September 8, 2017 up to and including the week ended December 1, 2017, has been prepared by the management of the company for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 6.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of the company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash-Flow Statement. We have also reviewed the support provided by management of the company for the probable assumptions, and the preparation and presentation of the cash-flow statement.

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

- a) the hypothetical assumptions are not consistent with the purpose of the Cash-Flow Statement;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the company or do not provide a reasonable basis for the cash-flow statement, given the hypothetical assumptions; or
- c) the Cash-Flow Statement does not reflect the probable and hypothetical assumptions.

Since the Cash-Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash-Flow Statement will be achieved. The Cash-Flow Statement has been prepared solely for the purpose described in Note 1 on the face of the Cash-Flow Statement, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Edmonton, Alberta this 5th day of September, 2017.

DELOITTE RESTRUCTURING INC.

in its capacity as CCAA Monitor of
Parkland Airport Development Corporation
and not in its personal capacity

Per: 

Darren Crocker, CPA, CGA, CIRP, LIT
Senior Vice-President