

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 (Seventh Extension and Stalking Horse Sale Process Approval)

BEFORE THE HONOURABLE) FRIDAY, THE 22nd DAY
MR. JUSTICE G.A. MESCHISHNICK) OF FEBRUARY, 2019
IN CHAMBERS)

ON THE APPLICATION of counsel on behalf of the Applicants, 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd, and on having read the Notice of Application with proof of service thereof, the Eleventh Supplementary Affidavit of John Orr sworn February 22, 2019 (the "**Eleventh Orr Affidavit**"), the Confidential Supplement to the Eleventh Supplementary Affidavit of John Orr sworn February 22, 2019 (the "**Confidential Orr Affidavit**"), the Draft Order, the Order of the Honourable Justice N.G. Gabrielson dated May 20, 2016 (the "**Initial Order**"), as well as the Orders of the Honourable Justice G.A. Meschishnick dated June 13, 2016, August 17, 2016, December 22, 2016, May 31, 2017, December 20, 2017, June 1, 2018, and August 30, 2018 (all orders following the Initial Order are hereafter sometimes referred to collectively as the "**Subsequent Orders**"), the Tenth Report of the Monitor, Deloitte Restructuring Inc. (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 Subsequent Orders, 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 Monday, May 6, 2019.

APPROVAL OF THE REPORTS AND ACTIVITIES OF THE MONITOR

3. The Tenth Report of 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 August 20, 2018 to February 4, 2019, and those of its legal counsel, MLT Aikins LLP, for the period of August 23, 2018 to January 30, 2019, as more particularly described in the Tenth Report of the Monitor are hereby approved.

SEALING OF CONFIDENTIAL DOCUMENTS

5. The Confidential Orr Affidavit, including the exhibits 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 following 60 days having passed since the issuance of an order confirming the sale of the Property (as that term is defined in the Eleventh Orr Affidavit), or alternatively written notice to the Court from the Applicants or the Monitor that continued preservation of the confidentiality associated with the Confidential Documents is no longer required.

APPROVAL OF THE SALES PROCESS

6. The Monitor is directed to market the Property in accordance with the Stalking Horse Sale Process more particularly described in Schedule “B” to this Order, and the Monitor and 33330 are further directed, authorized, and empowered to take such further steps as they consider necessary or desirable in the course of the Stalking Horse Sale Process to finalize an asset purchase agreement with a prospective purchaser for the purchase of the Property, to be presented for approval of this Honourable Court on a future application.

7. On Tuesday, April 9, 2019 at 9:00 a.m., the Court will hear further applications in relation to this matter or a conference call will be held at that time so that the parties can provide the Court with an update on the Stalking Horse Sale Process.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 25th day
of February, 2019.



DEPUTY LOCAL REGISTRAR

This Order was delivered by:

Name of firm:	McDougall Gauley LLP
Name of lawyer in charge of file:	Ian A. Sutherland / Craig Frith
Address of legal firm:	500-616 Main Street Saskatoon, SK S7H 0J6
Telephone number:	(306) 665-5417
Fax number:	(306) 652-1323
Email address:	isutherland@mcdougallgauley.com cfrith@mcdougallgauley.com

TO: ALL PARTIES ON THE ATTACHED SERVICE LIST

SCHEDULE "A" – SERVICE LIST

PARTY	COUNSEL
<p>101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.</p>	<p><u>Attention: Ian Sutherland</u> McDougall Gauley LLP 500 – 616 Main Street Saskatoon, SK S7H 0J6 Phone: (306) 665-5417 FAX: (306) 664-4431 Email: isutherland@mcdougallgauley.com</p> <p><u>Attention: Craig Frith</u> McDougall Gauley LLP 500 – 616 Main Street Saskatoon, SK S7H 0J6 Phone: (306) 665-5432 FAX: (306) 664-4431 Email: cfrith@mcdougallgauley.com</p>
<p>Firm Capital Corp.</p>	<p><u>Attention: David Gerecke</u> Miller Thomson LLP 300, 15 – 23rd Street East Saskatoon, SK S7K 0H6 Phone: (306) 667-5615 FAX: (306) 652-1586 Email: dgerecke@millerthomson.com</p>
<p>Deloitte Restructuring Inc.</p>	<p><u>Attention: Jeff Lee, Q.C.</u> MacPerson Leslie & Tyerman LLP 1500, 410 – 22nd Street East Saskatoon, SK S7K 5T6 Phone: (306) 975-7136 FAX: (306) 975-7145 Email: jmlee@mlt.com Email: polfert@mlt.com</p>
<p>Deloitte Restructuring Inc.</p>	<p><u>Attention: Brent Warga</u> 2300 - 360 Main Street Winnipeg, MB R3C 3Z3 Phone: (204) 944-3611 FAX: (204) 947-2689 Email: bwarga@deloitte.ca</p> <p><u>Attention: John R. Fritz</u> 2300 - 360 Main Street Winnipeg, MB R3C 3Z3 Phone: (204) 944-3611 FAX: (204) 947-2689 Email: jofritz@deloitte.ca</p>

Atlantic (HS) Financial Corporation	<p>Attention: Frank Pa 211 – 80 Acadia Ave Markham, ON L3R 9V1 Phone: (905) 940-2783 Email: frankpa@atlfn.com</p>
Affinity Credit Union	<p>Attention: Randall M. Sandbeck, Q.C. 1000 – 2002 Victoria Avenue Regina, SK S4P 0R7 Phone: (306) 347-2105 FAX: (306) 352-0771 Email: rsandbeck@owzw.com Attention: Shelley Joyce Phone: (306) 347-2109 Email: sjoyce@owzw.com</p>
SaskPower	<p>Attention: Anne Laliberte Phone: 1-888-757-6937 (option 1,1,4&5) FAX: (306) 566-2430 Email: estatesandinsolvencies@saskpower.com</p>
SaskEnergy	<p>Attention: Florence Goertz 900 – 1777 Victoria Avenue Regina, SK S4P 4K5 Phone: (306) 777-9321 FAX: (306) 777-9223 Email: collections@saskenergy.com Email: FGoertz@saskenergy.com</p>
Cobra Mortgage Services Ltd.	<p>Attention: Eric Johnson c/o Miller Thomson LLP 600, 2103 11th Avenue, Regina, Saskatchewan S4P 3Z8 Phone: (306)-347-8337 Fax (306)-347-8350 Email: ejohnson@millერთhompson.com</p>
Canadian Western Trust Company	<p>Attention: M. Kim Anderson, Q.C. Robertson Stromberg LLP Suite 600, 105 – 21st Street East Saskatoon, Saskatchewan S7K 0B3 Email: mk.anderson@rslaw.com</p>
City of Regina	<p>Attention: Jana-Marie Odling City of Regina 2476 Victoria Avenue PO Box 1790 Regina, Saskatchewan S4P 3L8 Email: jodling@regina.ca</p>

Atlas Sanitary Sewer Services	<p><u>Attention: Joy White</u> 2333 6th Avenue Regina, Saskatchewan S4R 1B4 Email: joy.atlas@sasktel.net</p>
Prairie Meats	<p><u>Attention: Kelly Leahy</u> 2450 Dudley Street Saskatoon, Saskatchewan S7M 5S9 Email: kelly@prairiemeats.ca</p>
Pro AV – Professional Audio Visual Ltd.	<p><u>Attention: Richard Kowalyk</u> 1370 Cornwall Street Regina, Saskatchewan S4R 2HS Email: info@proavltd.com</p>
GV Audio Inc.	<p><u>Attention: Derek Gould</u> 1355 Scarth Street Regina, Saskatchewan S4R 2E7 Email: derekg@gvaudio.ca</p>
D-Code Engineering Ltd.	<p><u>Attention: Lara DeRosier</u> 306 Dore Way Saskatoon, Saskatchewan S7K 4Y2 Email: dcodeengineering@sasktel.net</p>
SaskTel	<p><u>Attention: F. Pelletier</u> 12th Floor, 2121 Saskatchewan Drive Regina, Saskatchewan S4P 3Y2 Facsimile: 877-790-0011</p>
Blue Chip Leasing Corporation	<p><u>Attention: Juanita Gaona</u> Unit 16 - 156 Duncan Mill Road Toronto, Ontario M3B 3N2 Email: juanita@bluechipleasing.com</p>
Western Litho Printers	<p><u>Attention: Terry Leigh</u> 300 Dewdney Avenue Regina, Saskatchewan S4N 0E3 Email: terry@westernlitho.ca</p>
A-1 Rent Alls	<p><u>Attention: Deborah Wright</u> 1270 Halifax Street Regina, Saskatchewan S4R 1T8 Email: debbie@rent1.net</p>

Momentum HVAC Services	<p><u>Attention: Mikolay A. Cupial</u> SQL LLP 302 – 2201 11th Avenue (Canada Place) Regina, Saskatchewan S4P 0J8 Email: mcupial@sqlllp.com</p> <p>Momentum HVAC Services 1411 1st Avenue Regina, Saskatchewan S4R 3T8</p>
Darlene Hanis	<p>Box 446 Esterhazy, Saskatchewan S0A 0X0 Email: dhanis1976@gmail.com</p>
Firm Capital Mortgage Fund Inc.	<p><u>Attention: Jonathan Mair</u> 103 Cartwright Avenue Toronto, Ontario M2P 1A2 Email: jmair@firmcapital.com</p>
University of Saskatchewan	<p><u>Attention: Nicole Rozon</u> E287 – 105 Administration Place Saskatoon, Saskatchewan S7N 5A2 Email: nicole.rozon@usask.ca</p>
We An-ser Communications Group	<p><u>Attention: Jennifer Harkes</u> Box 32058 Regina, Saskatchewan S4N 7L2 Email: accounting@wean-ser.com</p>
Saskatchewan Association of Licensed Practical Nurses	<p><u>Attention: Lynsay Nair</u> 700 – A, 4400 – 4th Avenue Regina, Saskatchewan S4T 0H8 Email: lnair@salpn.com</p>
Saskatchewan Workers Compensation Board	<p><u>Attention: Dean Marcia</u> 200 – 1881 Scarth Street Regina, Saskatchewan S4P 4L1 Email: dmarcia@wbsask.com</p>
Access Communications	<p><u>Attention: Laurie Nickel</u> 2250 Park Street Regina, Saskatchewan S4N 7K7 Email: laurie.nickel@myaccess.coop</p>
Dale Anderson	<p><u>Attention: Michelle M. Tobin</u> c/o W Law Group LLp Suite 300, 110 – 21st Street East Saskatoon, Saskatchewan S7K 0B6 Email: mtobin@wlawgroup.com</p>

Myron Derow	<p><u>Attention: Michelle M. Tobin</u> c/o W Law Group LLP Suite 300, 110 – 21st Street East Saskatoon, Saskatchewan S7K 0B6 Email: mtobin@wlawgroup.com</p>
Brunsdon Lawrek and Associates	<p><u>Attention: Kimberly Maber</u> 301 20th Street West Saskatoon, Saskatchewan S7M 0X1 Email: kimberlymaber@brunsdonlawrek.com</p>
Able Contracting Ltd.	<p><u>Attention: George Hounjet</u> 1908 14th Street East Saskatoon, Saskatchewan S7H 0B1 Email: georgehounjet@hotmail.com</p>
Saskatchewan Employment Standards	<p><u>Attention: Robin Brockett</u> 300 – 1870 Albert Street Regina, Saskatchewan S4P FW1 Facsimile: 306-798-8001 Email: robin.brockett@gov.ca</p>
Ministry of Finance	<p><u>Attention: Kelly Beatch</u> 2350 Albert Street Regina, Saskatchewan S4P 4A6 Email: kelly.beatch@gov.sk.ca</p>
Counsel for Canada Revenue Agency	<p><u>Attention: Julie Jefkins and Jennipher Ranger</u> 301- 310 Broadway Winnipeg, Manitoba R3C 0S6 Email: julie.jefkins@justice.gc.ca Jennipher.Ranger@justice.gc.ca</p>
Racquetball Canada	<p><u>Attention: Darrell Davis</u> c/o 2102 Janzen Crescent Regina, Saskatchewan S4V 2J2 Email: darddavis@hotmail.com</p>
Stuart Olson Inc.	<p><u>Attention: Kevin Barr</u> Borden Ladner Gervais LLP 1900, 520 3rd Avenue SW Calgary, Alberta Email: kbarr@blg.com</p>
Regina Racquet and Recreation	<p><u>Attention: RA Richardson</u> c/o 23 Labauch Avenue Regina, Saskatchewan S4S 6C3 Email: reginaracquetrec@gmail.com</p>

Kandace Monastyrski	5505 4 th Avenue Regina, Saskatchewan S4T 0K1 kandace.f.1986@gmail.com
Able Contracting Ltd.	<u>Attention: George Hounjet</u> 1908 14 th Street East Saskatoon, Saskatchewan S7H 0B1 Email: georgehounjet@hotmail.com
William Weik	<u>Box 414</u> Craven, Saskatchewan S0G 0W0 Email: apexfirewill@gmail.com
Saskatchewan Employment Standards	<u>Attention: Jas McConnell</u> 1870 Albert Street, 3 rd Floor Regina, Saskatchewan S4P 4W1 Jas.Mcconnell@gov.sk.ca

SCHEDULE "B" – STALKING HORSE SALE PROCESS

Preamble

1. This Sale Process will be implemented under section 36 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") in the proceedings (the "**CCAA Proceedings**") initiated under the CCAA by 101133330 Saskatchewan Ltd. ("**3330**") and 101149825 Saskatchewan Ltd. (101149825 Saskatchewan Ltd. and 3330 are hereafter sometimes referred to collectively as the "**Applicants**") by means of the Initial Order of the Honourable Mr. Justice N.G. Gabrielson issued on May 20, 2016 pursuant to which Deloitte Restructuring Inc. was appointed as monitor (the "**Monitor**"). This Sales Process was approved by an order (the "**Approval Order**") obtained on application by the Applicants to the Court of Queen's Bench For Saskatchewan (the "**Court**") on February 22, 2019 and shall be concluded by the Applicants by no later than April 30, 2019, or such later date (if any) as may be agreed to in writing by Affinity Credit Union 2013, the Applicants and the Monitor (the "**Completion Date**").
2. The Approval Order, *inter alia*, approved this Sale Process together with the entering into of an asset purchase agreement (the "**Asset Purchase Agreement**") between 3330 (as the Seller) and Affinity Credit Union 2013 (the "**Lender**") or its nominee (as the Buyer) pursuant to which, subject to certain conditions, the Lender made an offer to purchase certain of the undertaking, property and assets of 3330 (the "**Stalking Horse Credit Bid**").
3. The Approval Order, the procedures in respect of the Sale Process as contained herein (the "**Sale Process**") and any subsequent order issued by the Court pertaining to the Sale Process shall exclusively govern the process for soliciting and selecting bids for the sale of the Purchased Assets (as that term is defined below).
4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.
5. Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in the Stalking Horse Credit Bid (as defined herein).

Stalking Horse Credit Bid

6. 3330 is the registered owner of land and buildings located at the northwest corner of 4th Avenue and Lewvan Drive in the City of Regina, Saskatchewan (such land and buildings hereinafter collectively described as the "**Campus**"). The Campus bears the following legal description:
 - (a) Surface Parcel #164659517, Blk/Par A, Plan No 75R32425 Ext 3 as shown on Plan 102009237;
 - (b) Surface Parcel #153232691, Blk/Par E, Plan No 75R32425 Ext 1 as shown on Plan 101830216;
 - (c) Surface Parcel #109733946, Lot 7 Blk/Par 28, Plan No 59R20949 Ext 0 as described on Certificate of Title 59R20949; and

- (d) Surface Parcel #161594129, Lot 9 Blk/Par 28, Plan No 101889344 Ext 0.
7. The Campus includes eight buildings totaling approximately 154,448 square feet, the largest of which is named the "**Orr Centre**". Certain premises within the Orr Centre are subject to commercial lease agreements with ten different tenants (the "**Leases**").
8. In January of 2015, the Lender advanced a loan to 3330 in the original principal amount of \$11,500,000 (the "**Loan**"). As security for the Loan, 3330 granted to the Lender:
- (a) a mortgage dated January 30, 2015 of all right, title and interest of 3330 in or to the Campus;
 - (b) an Assignment of Leases and Rents in respect of the Orr Centre granted by 3330 in favour of the Lender and dated January 30, 2015;
 - (c) a general security agreement dated January 30, 2015 whereby 3330 granted to the Lender a security interest in all present and after-acquired property of 3330; and
 - (d) a security agreement whereby 3330 granted to the Lender a security interest in all personal property of 3330 located at the Campus.
9. As at April 15, 2016, 3330 was indebted to the Lender in the amount of CAD \$11,307,653.75, plus interest, professional fees and other costs (the "**Senior Obligations**").
10. The Stalking Horse Credit Bid provides that the Lender will make a bid to purchase all of 3330's right, title, and interest in and to the Campus and the Leases, (the "**Purchased Assets**") and will pay the \$5,800,000.00 purchase price associated with such bid in accordance with the Asset Purchase Agreement dated February 19, 2019.
11. The purpose of this Sales Process is to determine whether a higher and better offer than the Stalking Horse Credit Bid may be obtained by 3330 in a formal marketing process undertaken in the CCAA Proceedings and approved by the Court. For the purposes of this Sales Process, a "**Superior Offer**" shall mean:
- (a) a credible, reasonably certain and financially viable offer made by a Qualified Bidder (as defined herein) to acquire the Purchased Assets, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Asset Purchase Agreement; and
 - (b) that provides for consideration in excess of the \$5,800,000.00 purchase price payable pursuant to the Stalking Horse Credit Bid.
12. For greater certainty, any offer made by any Person pursuant to this Sales Process shall not constitute a Superior Offer unless it provides for the indefeasible payment, in full and in cash, of an amount that is greater than \$5,800,000.00.
13. The Stalking Horse Credit Bid has been designated as a "stalking horse bid" under the Approval Order. No deposit is required in connection with the Stalking Horse Credit Bid.

14. 3330 entered into a Services Agreement dated July 27, 2018 (the "**Colliers Listing Agreement**") with CIR Commercial Realty Inc. o/a Colliers International ("**Colliers**") whereby Colliers agreed to act as listing agent for the Purchased Assets and to attempt to facilitate a sale of the Purchased Assets. The Colliers Listing Agreement was approved by the Court by means of an Order of the Court granted within the CCAA Proceedings on August 30, 2018. Pursuant to the Colliers Listing Agreement, Colliers solicited offers for the purchase of the Purchased Assets from potentially interested parties in the Summer and Fall of 2018 (the "**Colliers 2018 Sale Process**").

Conduct of Sale Process

15. The Monitor, in consultation with 3330, shall conduct the Sale Process as outlined herein. In the event that there is a disagreement or clarification required as to the interpretation or application of this Sale Process or the responsibilities of any Person hereunder, the Court will have the jurisdiction to hear such matter and to provide advice and directions upon application of 3330, the Monitor, the Lender or any other interested Person.

"As Is, Where Is"

16. Any transaction involving the Purchased Assets will be on an "**as is, where is**" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by 3330, the Monitor or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the Person who is a counterparty to such a transaction.

Free of Any and All Claims and Interests

17. All of the right, title and interest of 3330 in the Purchased Assets will, at the time of such sale or transfer, be sold or transferred free and clear of any security, charge or other restriction (collectively, the "**Claims and Interests**") pursuant to approval and vesting orders made by the Court under section 36 of the CCAA. Contemporaneously with such approval and vesting orders being made, all such Claims and Interests shall attach to the net proceeds of the Purchased Assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant agreement with the Person who is a counterparty to such a transaction and approved by the Court.

Solicitation of Interest

18. As soon as reasonably practicable after the granting of the Approval Order, the Monitor, in consultation with 3330, will prepare a list of potential bidders comprised of those Persons who submitted proposals, offers or expressions of interest in response to the Colliers 2018 Sale Process (the "**Known Potential Bidders**").
19. Without delay after the issuance of the Approval Order, the Monitor shall:
 - (a) cause a notice regarding the Sale Process and such other relevant information which the Monitor, in consultation with 3330, considers appropriate to be published in *The Regina Leader-Post* newspaper and *The Saskatoon StarPhoenix* newspaper; and

- (b) distribute to the Known Potential Bidders copies of the Sale Process, the Stalking Horse Credit Bid, the Approval Order and a confidentiality agreement in the form attached hereto as Schedule "A," which shall enure to the benefit of any Person who completes a transaction with 3330 pursuant to the Sale Process (the "**Confidentiality Agreement**").

Participation Requirements

- 20. Unless otherwise ordered by the Court, any Person who wishes to participate in the Sale Process must deliver the following items to the Monitor:
 - (a) an executed Confidentiality Agreement;
 - (b) a specific indication of the anticipated sources of capital and/or credit for such Person and satisfactory evidence of the availability of such capital and/or credit so as to demonstrate that such Person has the financial capacity to complete a transaction pursuant to a Superior Offer; and
 - (c) an executed letter acknowledging receipt of a copy of the Approval Order (including this Sale Process) and agreeing to accept and be bound by the provisions contained therein.
- 21. If, in the opinion of the Monitor, a Person has complied with each of the requirements described above in paragraph 20 of this Sale Process, then such Person shall be deemed a "**Potential Bidder**" hereunder.
- 22. Each Potential Bidder shall be provided by the Monitor with such due diligence access to materials and financial, municipal property tax and other information relating to the Purchased Assets as the Monitor deems appropriate.
- 23. At the discretion of the Monitor, due diligence access may include access to physical and online data rooms, on-site inspections of the Purchased Assets and such other information as a Potential Bidder may reasonably request.
- 24. The Monitor is not responsible for, and will have no liability with respect to, any information obtained by any Potential Bidder. Neither the Monitor, its legal counsel nor any other respective advisors to the Monitor has made, shall make or shall be deemed, construed or interpreted to have made any representations or warranties whatsoever as to the information or the materials provided to Potential Bidders or any other persons.

Phase 1 Bid Deadline

- 25. A Potential Bidder will be deemed a "**Qualified Bidder**" if, in the opinion of the Monitor, such Potential Bidder submits a non-binding letter of intent to the Monitor (a "**Qualified LOI**") on or before 5:00 pm (Saskatoon time) on Monday, March 22, 2019 (the "**Phase 1 Bid Deadline**"). Subject to section 26 of this Sale Process, a non-binding indication of interest will only qualify as a Qualified LOI in the event that it contains, meets or includes all of the following:
 - (a) it is received by the Monitor on or before the Phase 1 Bid Deadline;

- (b) it includes a summary of:
 - i) the type and amount of consideration to be paid by the Qualified Bidder;
 - ii) the structure and financing of the transaction (including, but not limited to, the sources of financing and evidence of the availability of such financing);
 - iii) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - iv) any additional due diligence required or desired to be conducted prior to the Phase 2 Bid Deadline (as defined herein); and
 - v) any other terms or conditions of the transaction which the Qualified Bidder believes are material to the transaction;
 - (c) it provides for the completion of the transactions contemplated therein on or before the Closing Date; and
 - (d) such other information reasonably requested by the Monitor.
26. For greater certainty, a non-binding letter of intent submitted by a Potential Bidder will not qualify as a Qualified LOI unless it provides for the indefeasible payment, in full and in cash, of an amount that is greater than \$5,800,000.00.
27. The Monitor (in its sole discretion) may waive non-compliance with any one or more of the requirements specified in paragraph 25 of this Sale Process and may (in its sole discretion) deem any non-compliant letter of intent to be a Qualified LOI. The Monitor is not permitted to waive any non-compliance with paragraph 26 of this Sale Process.
28. The Monitor will assess any Qualified LOI's received and will determine whether there is a reasonable prospect that one or more Superior Offer(s) is/are likely to be consummated from such Qualified LOI's. Such assessment will be made by the Monitor as promptly as practicable but no later than three (3) Business Days after the Phase 1 Bid Deadline (the "**Qualified LOI Assessment Deadline**"). In the event that the Monitor determines that one or more Qualified LOIs have been submitted in respect of which a reasonable prospect exists for such qualified LOIs to generate one or more Superior Offers, this Sale Process shall proceed to the next phase for the purpose of attempting to obtain a Superior Offer.
29. If there are no Qualified LOIs submitted on or before the Phase 1 Bid Deadline in respect of which the Monitor (in its sole discretion) determines that a reasonable prospect exists for such Qualified LOIs to generate one or more Superior Offers:
- (a) the Monitor shall forthwith terminate this Sale Process; and
 - (b) 3330 shall, within five (5) Business Days of the Qualified LOI Assessment Deadline, file an application with the Court seeking an Order of the Court, after

notice and hearings, approving the implementation of the Asset Purchase Agreement.

Phase 2 Bid Deadline

30. In order to continue to participate in this Sale Process from and after the Phase 1 Bid Deadline, a Qualified Bidder who submitted a Qualified LOI to the Monitor must deliver a binding and definitive agreement to the Monitor (a "**Qualified Bid**") by no later than 5:00 p.m. (Saskatoon time) on Monday, April 5, 2019 (the "**Phase 2 Bid Deadline**"). Subject to section 31 of this Sale Process, a binding offer will only qualify as a Qualified Bid in the event that it contains, meets or includes all of the following:
- (a) it is in the form attached as Schedule "**B**" and is received by the Monitor on or before the Phase 2 Bid Deadline;
 - (b) it includes a fully binding, definitive, duly authorized and executed purchase and sale agreement in substantially the same form as the draft attached as Schedule "**C**" (the "**Definitive Asset Purchase Agreement**");
 - (c) it is irrevocable for a minimum of twenty-one (21) days following the Phase 2 Bid Deadline;
 - (d) it provides for the completion of the transactions contemplated therein on or before the Closing Date;
 - (e) it is not conditional on (i) the outcome of unperformed due diligence and/or (ii) obtaining any credit, capital or other form of financing;
 - (f) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a certified cheque or bank draft, drawn on a Canadian Chartered Bank or Credit Union, payable to Deloitte Restructuring Inc., In Trust, in an amount equal to five percent (5%) of the cash consideration to be paid pursuant to the Qualified Bid, to be held and dealt with in accordance with this Sale Process;
 - (g) it includes written evidence of a firm and irrevocable commitment for all required funding and/or financing from a creditworthy person to consummate the proposed transaction;
 - (h) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals and the full and complete terms of any such participation; and
 - (i) such other information as may be reasonably requested by the Monitor.
31. For greater certainty, a Definitive Asset Purchase Agreement will not qualify as a Qualified Bid unless it provides for the indefeasible payment, in full and in cash, of an amount that is greater than \$5,800,000.00.
32. The Monitor (in its sole discretion) may waive non-compliance with any one or more of the requirements specified in section 30 of this Sale Process and may (in its sole

discretion) deem any non-compliant Definitive Asset Purchase Agreement to be a Qualified Bid. The Monitor is not permitted to waive any non-compliance with section 31 of this Sale Process.

33. The Monitor will assess any Definitive Asset Purchase Agreement that has qualified as a Qualified Bid and will determine whether any such Definitive Asset Purchase Agreement constitutes a Superior Offer. Such assessment will be made as promptly as practicable but no later than three (3) Business Days after the Phase 2 Bid Deadline (the "**Qualified Bid Assessment Deadline**").
34. In the event that the Monitor determines that one or more Qualified Bids constitute a Superior Offer, 3330 shall (to the extent that there is more than one Qualified Bid) select the highest and best Qualified Bid and apply to the Court for an Order approving such Qualified Bid within five (5) Business Days of the Qualified Bid Assessment Deadline. 3330 shall thereafter complete the transactions contemplated by such selected Qualified Bid in accordance with the terms thereof and any order issued by the Court.
35. If there are no Qualified Bids submitted:
 - (a) the Monitor shall forthwith terminate this Sales Process; and
 - (b) 3330 shall, within five (5) Business Days of the Qualified Bid Assessment Deadline, file an application with the Court seeking an Order granting approval of the Court, after notice and hearings, to implement the Asset Purchase Agreement.

Deposits

36. All Deposits shall be retained by the Monitor and held in a non-interest bearing trust account. If there is a Qualified Bid that constitutes a Superior Offer, the Deposit paid by the Person making such Qualified Bid shall be applied to the consideration to be paid by such Person upon closing of the transaction constituting the Qualified Bid.
37. The Deposit(s) of all Persons not making the Qualified Bid that constitutes a Superior Offer shall be returned to such Persons within five (5) Business Days of the earlier of the date that: (a) the Court approves a Qualified Bid as a Superior Offer; or (b) the Court approves the Stalking Horse Credit Bid.
38. If the Person making a Qualified Bid selected as a Superior Offer breaches or defaults on its obligation to close the transaction in respect of such Qualified Bid it shall forfeit its Deposit to the Monitor for and on behalf of 3330; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that 3330 has in respect of such breach or default.

Notice

39. The addresses used for delivering documents as prescribed by the terms and conditions of this Sale Process are set out in Schedule "D" hereto. A bid and all associated documentation shall be delivered to the Monitor by electronic mail, personal delivery or courier. Persons requesting information about this Sale Process should contact the Monitor at the contact information contained in Schedule "D".

Reservation of Rights by Monitor

40. The Monitor (in its sole discretion) may reject, at any time, any bid, offer or proposal made in respect of 3330 or its assets (other than the Stalking Horse Credit Bid).

No Amendment

41. There shall be no amendments to this Sale Process, including, for greater certainty the Sale Process set out herein, unless otherwise ordered by the Court upon application and appropriate notice to the parties on the Service List within the CCAA Proceedings.

Disclosure of Information to Lender

42. The Lender shall have full and complete access to all Qualified LOIs, Qualified Bids and related materials and the Monitor shall periodically update the Lender on the Sale Process and the prospect of a Superior Offer being completed thereunder.

Further Orders

43. Notwithstanding any other provision of this Sale Process, 3330 may, at any time prior to receiving an Order of the Court for the implementation of the Asset Purchase Agreement or approving a sale of the Purchased Assets pursuant to a Qualified Bid, make an application to terminate this Sale Process and approve a proposed plan of compromise and arrangement between the Applicants and their creditors, including the Lender; provided, however, that such an application can only be made with the consent of the Lender, which the Lender may refuse to provide for any reason within its sole discretion and without giving any reasons for the same.
44. At any time during this Sale Process, the Monitor, 3330 or the Lender may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.

SCHEDULE "A"

THIS CONFIDENTIALITY AGREEMENT made this ____ day of _____, 2019

BETWEEN:

•
(the "**Recipient**")

OF THE FIRST PART,

and

DELOITTE RESTRUCTURING INC.
in its capacity as Court Appointed Monitor (the "**Monitor**")
of 101133330 Saskatchewan Ltd. (the "**Applicant**")

OF THE SECOND PART,

RECITALS:

- A. The Monitor was appointed pursuant to the Initial CCAA Order dated May 20, 2016;
- B. The Monitor was authorized to carry out the Sales Process as provided for in the Court Order dated February 22, 2019;
- C. The Recipient is desirous of evaluating a possible transaction(s) involving the Orr Centre Campus (the "**Property**") and, as such, has obtained access to and/or will from time to time hereafter obtain access to certain Confidential Information relating to the Property (the "**Transaction**");
- D. The Confidential Information will be received and used by the Recipient for the sole purpose of conducting due diligence in relation to the Transaction and for no other purpose;

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Recipient and the Monitor (each, a "**Party**" and collectively, the "**Parties**") hereby agree as follows:

- 1. Unless the context otherwise requires, terms used in this Confidentiality Agreement, including terms used in the Recitals to this Confidentiality Agreement, shall have the meaning defined below:
 - (a) "**Affiliate**" means:
 - (i) a Person that controls the Recipient;
 - (ii) a Person that is controlled by the Recipient;
 - (iii) a Person that is under the common control of the Recipient and another Person; or
 - (iv) a Person that controls the Recipient with another Person;

- (b) “**Applicant**” has the meaning ascribed to it in the Initial CCAA Order, as may be amended, supplemented or restated from time to time;
- (c) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, RSC 1995 c. C-36, As Amended
- (d) “**CCAA Proceedings**” means Court of Queen’s Bench of Saskatchewan Action No. 643 of 2016;
- (e) “**Confidential Information**” means all information that is provided by the Monitor to the Recipient that relates to the Property or the Applicant, whether provided before or after the date of this Confidentiality Agreement, whether oral or written, regardless of the manner in which such information is provided and, without limiting the generality of the foregoing, includes but is not limited to:
 - (i) all data, records, reports, studies, projections, patents, theories, information (financial, corporate, business or otherwise), intellectual property, designs, drawings, plans, opportunities, prototypes, specifications, manuals, photographs, software, hardware, equipment, printouts, reports, market research, business plans, customer lists, supply sources, and trade secrets;
 - (ii) all analyses, compilations, forecasts, studies, interpretations or other documents prepared by the Recipient or any of the Representatives in connection with the evaluation of the Transaction;
 - (iii) all information relating to existing or potential financiers or investors of or in the Applicant or the Property; and
 - (iv) any other information, whether written or oral, and whether or not noted thereon to be confidential, pertaining to the businesses, assets, liabilities, products, customers, technology, subsidiaries, affiliates, activities or affairs of the Applicant or the Property, which have been or which may hereafter be disclosed or provided to the Recipient;

but shall not include:

- (v) any information that is, as of the date of this Confidentiality Agreement, in the public domain, other than as a result of its disclosure by the Recipient, any of the Representatives or any other Person under an obligation of confidentiality to the Monitor or the Applicant;
- (vi) any information that, after the date of this Confidentiality Agreement, becomes part of the public domain through no fault of the Recipient or any of its Representatives;
- (vii) any information that the Recipient can prove was in its possession prior to the date of this Confidentiality Agreement and was not acquired by the Recipient directly or indirectly from the Monitor or any other Person known by the Recipient to be under an obligation of confidentiality to the Monitor or the Applicant; and

- (viii) any information that the Recipient can prove was developed independently and without the use of any of the Confidential Information provided by the Monitor or any other Person known by the Recipient to be under an obligation of confidentiality to the Monitor or the Applicant;
 - (f) “**control**” means the ability to directly or indirectly (including through one or more Affiliates) direct the management or policies of a Person and, without limiting the generality of the foregoing, includes the ability to control through:
 - (i) the legal or beneficial ownership of voting securities, units or other interests in such Person;
 - (ii) the right or ability to appoint or elect officers, managers, executives, or a majority of the directors of such Person; or
 - (iii) a contract, agreement, voting trust or otherwise;and derivatives of control such as “controls” and “controlled” have meanings corresponding to the definition of control;
 - (g) “**Court**” means the Court of Queen’s Bench of Saskatchewan;
 - (h) “**Initial CCAA Order**” means the Order issued by the Court the CCAA Proceedings on May 20, 2016, which, *inter alia*, appointed the Monitor of the Applicant;
 - (i) “**Monitor**” means Deloitte Restructuring Inc., in its capacity as Monitor of the Applicant;
 - (j) “**Party**” and “**Parties**” has the meaning ascribed to it in the Recitals to this Confidentiality Agreement;
 - (k) “**Personal Information**” means information about an identifiable individual;
 - (l) “**Person**” includes, without limitation, individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental organizations;
 - (m) “**Property**” means the Orr Centre Campus located in Regina, Saskatchewan;
 - (n) “**Recipient**” means •;
 - (o) “**Representatives**” has the meaning ascribed to it in paragraph 5 of this Confidentiality Agreement; and
 - (p) “**Transaction**” has the meaning ascribed to it in the Recitals to this Confidentiality Agreement.
2. Subject to paragraph 10 of this Confidentiality Agreement, the Monitor will provide the Recipient with Confidential Information, or access thereto, pursuant to and in accordance with the terms of this Confidentiality Agreement.

3. The Recipient will keep the Confidential Information strictly confidential. Except as otherwise specified herein, the Recipient will not directly or indirectly disclose, publish, allow access to, transmit or transfer the Confidential Information or any portion thereof to any Person without the Monitor's prior written consent. The Recipient shall establish and maintain reasonable security measures to safeguard the Confidential Information from unauthorized access, use, copying, disclosure, damage or destruction and shall take reasonable steps to enforce the confidentiality obligations under this Confidentiality Agreement.
4. In the event that the Recipient obtains or is provided with access to any Personal Information as part of the Confidential Information, the Recipient shall comply with all applicable laws in respect of such Personal Information including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Personal Information Protection and Electronic Documents Act* (Saskatchewan). The obligations imposed on the Recipient pursuant to this paragraph 4 are in addition to, and not in modification of, any additional obligations the Recipient has or may have with respect to such Personal Information pursuant to this Confidentiality Agreement.
5. The Recipient may disclose the Confidential Information to the Recipient's directors, employees, accountants, auditors, legal, commercial, and financial advisors, appointed representatives and any Person who is considering providing financing for a Transaction (collectively referred to as "**Representatives**") who the Recipient determines requires the Confidential Information for the purposes of evaluating a Transaction and on a strictly need-to-know basis. Prior to disclosing the Confidential Information to any Representatives, the Recipient shall issue appropriate instructions to such Representative to satisfy the Recipient's obligations herein and obtain such Representative's agreement to receive and use the Confidential Information on a confidential basis on the same conditions as contained in this Confidentiality Agreement and to otherwise comply with the terms hereof. The Recipient shall be liable and responsible for any breach of any term of this Confidentiality Agreement by any of the Representatives.
6. If the Recipient or any of the Representatives is requested pursuant to, or required by, applicable law or legal process to disclose the Confidential Information or any portion thereof, the Recipient shall to the extent permitted under applicable law forthwith provide the Monitor with prompt notice of such request or requirement, in order to enable the Monitor to seek an appropriate protective order or other remedy or to waive compliance with the terms of this Confidentiality Agreement or both. The Recipient will not oppose any action by the Monitor to seek such a protective order or other remedy. If, failing the obtaining of a protective order or other remedy by the Monitor, such disclosure is required, the Recipient or the Representatives, as the case may be, will use reasonable efforts to ensure that the disclosure will be afforded confidential treatment.
7. The Confidential Information will not be copied, reproduced in any form or stored in a retrieval system or data base by the Recipient without the prior written consent of the Monitor.
8. The Confidential Information is and at all time shall remain the property of the Applicant.
9. This Confidentiality Agreement does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of the Confidential Information or any portion thereof and the Recipient will not be entitled to rely on the accuracy or

completeness of the Confidential Information or any portion thereof. Neither the Monitor nor any of its directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers and accountants) or agents will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.

10. The Monitor may refuse to make the Confidential Information available to the Recipient or otherwise terminate the Recipient's access to the Confidential Information at any time as determined by the Monitor at its sole and unfettered discretion. The Recipient will promptly destroy, return or cause the return to the Monitor all of the Confidential Information, and all copies thereof, upon the Monitor requesting the Recipient destroy, return or cause the return of the Confidential Information. Upon request, the Recipient shall provide the Monitor with a certificate from an officer of the Recipient certifying that such destruction or return has occurred in accordance with the terms of this Confidentiality Agreement.
11. Unless and until a binding agreement is entered into between the Recipient, the Monitor, and the Applicant with respect to the Property, neither the Recipient nor the Monitor will be under any legal or equitable obligation of any kind whatsoever with respect to or involving the Property.
12. Except with the prior written consent of the Monitor neither the Recipient, the Recipient's Affiliates nor any of the Representatives shall, during the term of this Confidentiality Agreement, directly or indirectly, alone, jointly or in concert with any other Person:
 - (a) propose, offer, negotiate or agree to:
 - (i) purchase, sell, transfer or otherwise acquire or dispose of any securities of the Applicant;
 - (ii) acquire a material portion of the assets or property of the Applicant; or
 - (iii) enter into any merger, arrangement, amalgamation or other business combination involving the Applicant;
 - (b) solicit, or participate with any person in the solicitation of any proxies in order to vote, advise or influence any person with respect to the voting of any securities of the Applicant;
 - (c) otherwise attempt to control or to influence the directors, officers or management of the Applicant;
 - (d) solicit for hire or employ, directly or indirectly, any of the Applicant's current directors, officers or employees, other than through general solicitations by newspapers or similar advertisements;
 - (e) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing, except as required by law; and
 - (f) advise, assist or encourage any other person in connection with any of the foregoing.

13. If any provision of this Confidentiality Agreement is held to be invalid or unenforceable in whole in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.
14. This Confidentiality Agreement constitutes the entire agreement between the Parties with respect to the subject matter and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Confidentiality Agreement. This Confidentiality Agreement may only be amended in writing by the mutual agreement of the Monitor and the Recipient.
15. This Confidentiality Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the Parties, provided that this Confidentiality Agreement may not be assigned by a Party without the prior written consent of the other Party.
16. This Confidentiality Agreement will expire on the earlier of (i) the date of completion of a Transaction involving the Applicant and the Recipient or any of their Affiliates; and (ii) two (2) years after the date hereof.
17. The Recipient agrees that monetary damages would not alone be sufficient to remedy any breach by the Recipient or the Representatives of any term or provision of this Confidentiality Agreement and that the Monitor will also be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available pursuant to this Confidentiality Agreement or at law or in equity.
18. In the event that any notice is to be given pursuant to this Confidentiality Agreement, it shall be given by email, facsimile, courier, registered mail, regular mail or personal delivery:
 - (a) If being given to the Recipient, to:
 -
 - Attention: •
 - Email: •
 - (b) If being given to the Monitor, to:

Deloitte Restructuring Inc.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3

Attention: John Fritz
Email: jofrtiz@deloitte.ca
Facsimile: (204)-944-3586
 - (c) Notices given pursuant to this Confidentiality Agreement by email or by facsimile shall be deemed to be received when sent. In all other instances, notices given

pursuant to this Confidentiality Agreement shall be deemed to be received when delivered to the relevant address, as identified above; and

- (d) The Parties may change the individual, email address, facsimile number or postal address designated to receive notices by giving written notice of the new person, email address, facsimile number or postal address, as the case may be, to the other Party.
- 19. This Confidentiality Agreement is governed by and will be construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.
- 20. For the purpose of all legal proceedings this Confidentiality Agreement will be deemed to have been performed in the Province of Saskatchewan and the Court will have jurisdiction to entertain any action arising under this Confidentiality Agreement. The Recipient hereby attorns to the jurisdiction of the Courts.
- 21. This Confidentiality Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of the counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have entered into this Confidentiality Agreement effective as of the date written above.

•

DELOITTE RESTRUCTURING INC.
in its capacity as Monitor of 101133330
Saskatchewan Ltd. and not in its personal or
corporate capacity

Per: _____

Per: _____

Schedule "B"

**Deloitte Restructuring Inc., in its
capacity as Monitor of
101133330 Saskatchewan Ltd.**

OFFER TO PURCHASE THE CAMPUS

**TO: DELOITTE RESTRUCTURING INC.,
In its capacity as Monitor of
101133330 Saskatchewan Ltd.
360 Main Street
Suite 2300
Winnipeg, MB R3C 3Z3**

Attention: John Fritz

1. Name of Offeror: _____
2. Address of Offeror: _____
3. Telephone and fax: _____
4. E-mail address: _____

The undersigned acknowledges having received and reviewed the Sales Process and the Approval Order (granted by the Court of Queen's Bench for Saskatchewan) dated February 22, 2019, that the Offeror has inspected and satisfied themselves as to the condition of the Campus, and that this Offer is submitted in accordance with the Sales Process, and the undersigned agrees to be bound by the provisions contained therein as if the same were set out herein as part of this Offer.

The undersigned hereby acknowledges and agrees that this Offer is not subject to any conditions precedent, and should it be the successful Offeror, the Offeror agrees to execute an asset purchase agreement in a form acceptable to the Applicants and the Monitor (attached as Schedule "C" to the Sale Process).

As per the Sale Process, in order to be a Qualified Bidder, any Offer submitted must be a Superior Offer to the Stalking Horse Credit Bid of **\$5,800,000.00**.

<i>En bloc offer for the Campus</i>	<i>Offer in Canadian dollars (excluding any applicable taxes)</i>
Offer Price	\$ _____
Deposit enclosed (5%)*	\$ _____

* All Deposits must be made by certified cheque or bank draft, drawn on a Canadian Chartered Bank or Credit Union, payable to "Deloitte Restructuring Inc., in Trust".

DATED at the City of _____ in the Province of _____ this _____
day of _____, 2019.

Signature of Offeror: _____

SCHEDULE "C"

ASSET PURCHASE AGREEMENT

BETWEEN

101133330 SASKATCHEWAN LTD.

(the "Seller")

- and -

• or its designated Nominee

(the "Buyer")

- and -

DELOITTE RESTRUCTURING INC.

(the "Monitor")

DATED _____, 2019

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated as of the ●

BETWEEN:

101133330 SASKATCHEWAN LTD., a corporation governed by the laws of the Province of Saskatchewan,

(the "**Seller**")

- and -

● or its designated nominee

(the "**Buyer**")

- and -

DELOITTE RESTRUCTURING INC., in its capacity as the Monitor (the "**Monitor**") of the Seller, and not in its personal capacity

CONTEXT:

- A. The Seller commenced the CCAA Proceedings.
- B. The Buyer has offered to purchase, and the Seller has agreed to sell, the Purchased Assets on the terms and conditions described herein.
- C. The Transaction contemplated by this Agreement is subject to the approval of the Court and will be consummated only pursuant to and in accordance with the approval of the Court pursuant to the Approval and Vesting Order and any other Orders applicable to the Transaction.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following capitalized terms have the meanings set out or referred to below:

"**Affiliate**" means an affiliate as that term is defined in the BCA.

"**Agreement**" means this agreement, including all Schedules, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties.

"**Ancillary Agreements**" means any additional conveyance documents and such other agreements, documents or instruments required to consummate the Transaction.

"Applicants" means (collectively) 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.

"Applicable Law" or **"Applicable Laws"** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant or approval, permission, authority or licence of any Governmental Authority, that apply to a Person or Persons, or its or their business, undertaking or property, and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking or property.

"Approval and Vesting Order" is defined in Section 0.

"Assets" means the Purchased Assets.

"Assignee" is defined in Section 11.2(a).

"BCA" means *The Business Corporations Act* (Saskatchewan).

"Business Day" means any day excluding a Saturday, Sunday or statutory holiday in the Province of Saskatchewan.

"Buyer" is defined in the Recital paragraphs above.

"Campus" means the land and buildings located at the northwest corner of 4th Avenue and Lewvan Drive in the City of Regina, Saskatchewan and bearing the following legal description:

- (a) Surface Parcel #164659517, Blk/Par A, Plan No 75R32425 Ext 3 as shown on Plan 102009237;
- (b) Surface Parcel #153232691, Blk/Par E, Plan No 75R32425 Ext 1 as shown on Plan 101830216;
- (c) Surface Parcel #109733946, Lot 7 Blk/Par 28, Plan No 59R20949 Ext 0 as described on Certificate of Title 59R20949; and
- (d) Surface Parcel #161594129, Lot 9 Blk/Par 28, Plan No 101889344 Ext 0.

"CCAA" means the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36.

"CCAA Proceedings" means the proceedings under the CCAA commenced by the Applicants in the Court in Queen's Bench Action Court File Number 643 of 2016, Judicial Centre of Saskatoon.

"Claim" means a claim provable in bankruptcy, as defined in the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

"Closing" and the related term **"Close"** mean the completion of the Asset Purchase pursuant to this Agreement.

"Closing Date" means the date that is at least five (5) Business Days after the Approval and Vesting Order is issued and entered by the Court, and in any event shall be a date no later than April 30, 2019 or such other date as the Buyer and Seller agree to in writing.

"Communication" means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.

"Contract" means the contracts listed in Schedule A to this Agreement.

"Court" means the Court of Queen's Bench for Saskatchewan presiding over the CCAA Proceedings or any court sitting in appeal therefrom.

"Encumbrance" means any Security Interest, lien, restriction, option, adverse claim, right of others or other encumbrance of any kind.

"ETA" means Part IX of the *Excise Tax Act* (Canada).

"Execution Date" means the date on which this Agreement is fully executed and delivered by the Parties.

"Governmental Authority" means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.

"GST/HST" means the goods and services tax and the harmonized sales tax imposed under the ETA.

"ITA" means the *Income Tax Act* (Canada).

"Leases" means the commercial lease agreements listed in Schedule B to this Agreement.

"Material Adverse Effect" or **"Material Adverse Change"** means a state of facts, event, change or effect with respect to the Assets that results in a material adverse effect on the value of the Assets, taken as a whole, but excludes any state of facts, event, change or effect caused by events, changes or developments relating to (a) economic, regulatory or political conditions generally; (b) the usual, customary or ordinary consequences of the filing by a debtor company of a proceeding under the CCAA contemplating a reorganization, compromise or liquidation of the debtor company's assets; or (c) any consequences resulting from the announcement of the Sale Process and the sale transaction contemplated by this Agreement and the procedures to obtain approval thereof, except to the extent that the foregoing clause (a) has a materially disproportionate impact on the Assets.

"Monitor" means Deloitte Restructuring Inc. in its capacity as court-appointed monitor of the Applicants within the CCAA Proceedings (and not in its personal capacity).

“Obligations” means any indebtedness, liabilities and obligations, whether present, future, direct, indirect, liquidated or contingent, and whether due or to become due.

“Order” means an order of a Court in the CCAA Proceedings.

“Parties” means, collectively, the Seller and the Buyer, and for the purposes of the definition of **“Agreement”**, Article 7 and Sections 10.1(a) and 11.12, **“Party”** means any of them.

“Permitted Encumbrances” means:

- (e) unregistered liens for municipal Taxes, assessments or similar charges incurred by the Seller in the ordinary course of business that are not yet due and payable;
- (a) inchoate mechanic's, construction and carrier's liens and other similar liens arising by operation of law or statute in the ordinary course of business for obligations which are not delinquent and will be paid or discharged in the ordinary course of the business;
- (b) unregistered Encumbrances of any nature claimed or held by Her Majesty The Queen in Right of Canada, Her Majesty The Queen in right of any province of Canada, or by any Governmental Authority under any Applicable Law, except for unregistered liens for unpaid realty Taxes, assessments and public utilities;
- (c) title defects which are of a minor nature and in the aggregate do not materially impair the value or use of the Purchased Assets;
- (d) any right of expropriation conferred upon, reserved to or vested in Her Majesty The Queen in Right of Canada, Her Majesty The Queen in right of any province of Canada in which the Owned Lands or the Leased Premises are located, or by any Governmental Authority under any Applicable Law;
- (e) zoning restrictions, easements and rights of way or other similar Encumbrances or privileges in respect of real property which in the aggregate do not materially impair the value or use of the Purchased Assets;
- (f) any Encumbrance which the Buyer has expressly agreed to assume or accept pursuant to this Agreement; and
- (g) the reservations, limitations, provisos, conditions, restrictions and exceptions in the letters patent or grant, as the case may be, from the Crown and statutory exceptions to title.

“Person” will be broadly interpreted and includes: a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and a Governmental Authority.

“**Purchase Price**” is defined in Section 3.1.

“**Purchased Assets**” means all of the Seller’s right, title, and interest in and to the Campus and Leases.

“**Related Persons**” means any Affiliate of the Buyer and any Person that is a director, officer, employee or representative of a Buyer or any Affiliate of the Buyer;

“**Sale Process**” means the sale process approved by the Court.

“**Security Interest**” means any mortgage, charge, security interest, pledge, assignment, hypothecation, title retention, finance lease or trust securing payment or performance of any Obligation.

“**Seller**” is defined in the recital paragraphs above.

“**Senior Secured Obligations**” means the Obligations of the Seller to the Buyer under the Loan, as secured by the Assignment of Rents, the GSA and the Mortgage.

“**Tax**” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority.

“**Tax Law**” means any Applicable Law including the ITA and ETA that imposes Tax or that deals with the administration or enforcement of liabilities for Tax.

“**Transaction Taxes**” is defined in Section 3.5(a).

“**Transaction**” means the transaction contemplated under this Agreement in connection with the Closing of the purchase of the Purchased Assets.

“**Trust Assets**” is defined in Section 6.5(a).

1.2 Certain Rules of Interpretation

- (a) In this Agreement, words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders. Every use of the words “including” or “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- (b) The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) References in this Agreement to an Article, Section or Schedule are to be construed as references to an Article, Section or Schedule of or to this Agreement unless otherwise specified.

- (d) Unless otherwise specified in this Agreement, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- (e) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

1.3 Schedules

The following is a list of Schedules to this Agreement:

Schedule A	The Contracts
Schedule B	The Leases

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement of Purchase and Sale

On the terms and subject to the conditions set forth in this Agreement, on Closing, if the conditions set out in Sections 8.1, 8.2, 8.3 and 8.5 have been satisfied or waived, the Buyer will purchase, acquire and accept from the Seller, and the Seller will sell, transfer, convey and deliver to the Buyer, all the right, title and interest of the Seller in, to and under the Purchased Assets, free and clear of all Encumbrances and Claims other than Permitted Encumbrances (the "**Asset Purchase**").

2.2 Assumption of Obligations

The Buyer shall not assume and shall have no liability for any Obligations of the Seller unless the Buyer expressly agrees in writing to assume and be responsible for any such Obligations.

2.3 [Left Blank Intentionally]

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets shall be \$● (the "**Purchase Price**").

3.2 Deposit and Payment of the Purchase Price

The sum of 5% of the Purchase Price (the "**Deposit**") has been paid to the Monitor. At the time of Closing, the Purchase Price will be paid as follows:

- (a) the Deposit shall be unconditionally releasable to the Seller; and
- (b) the balance of the Purchase Price shall be paid by the Buyer to the Monitor by way of a certified cheque or bank draft, or by effecting a wire transfer in immediately available funds.

3.3 [Left Blank Intentionally]

3.4 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets in the manner specified by the Buyer in a written notice to the Seller and the Monitor prior to Closing, acting reasonably. The Seller and the Buyer will cooperate in the filing of all elections under Tax Laws as required to give effect to that allocation for Tax purposes. The Seller and the Buyer will prepare and file their respective Tax returns in a manner consistent with that allocation and those elections and will take no position inconsistent with such allocations for any Tax purpose (including in any audit, judicial or administrative proceeding).

3.5 Taxes and Tax Elections

In regard to the Asset Purchase:

- (a) all sales, use, goods and services, value-added and similar transfer Taxes in connection with the transfer of the Purchased Assets, and all recording and filing fees collectively, "**Transaction Taxes**"), including but not limited to GST/HST imposed by reason of the sale, transfer, assignment and delivery of the Purchased Assets will be borne by the Buyer. The Buyer and Seller will cooperate to (a) determine the amount of Transaction Taxes payable in connection with the Transaction, (b) provide all requisite exemption certificates, and (c) prepare and file any and all required Tax Returns for or with respect to such Transaction Taxes with any and all appropriate taxing Governmental Authorities.
- (b) To the extent that the Seller has received any amount in respect of an obligation to deliver goods or services, and the Buyer has agreed to assume that obligation under this Agreement, Purchased Assets having a fair market value equal to that amount are being transferred to the Buyer under this Agreement as payment by the Seller for the Buyer's agreement to assume that obligation, and the Parties will file an election pursuant to the provisions of subsections 20(24) and 20(25) of the ITA, and any corresponding provisions of any other applicable Tax Law, within the prescribed time period.
- (c) If applicable, at the Closing, the Seller and Buyer will execute jointly an election under section 167 of the ETA to have the purchase and sale of the Purchased Assets take place on a goods and services tax-free basis under the ETA. The

Buyer will file the elections in the manner and within the time prescribed by the relevant Tax Laws.

- (d) If applicable, at the Closing, the Seller and Buyer will execute and file, within the prescribed time limits, a joint election with respect to the Accounts Receivable under section 22 of the ITA and any corresponding provisions of any other applicable Tax Law.

Without limiting the forgoing, in relation to GST/HST payable in respect of the sale of the Campus, the Buyer represents and warrants that it is a registrant within the meaning of the *Excise Tax Act* (Canada), and agrees to self-assess for GST/HST and, if applicable, pay to Canada Revenue Agency any and all applicable GST/HST pursuant to subsection 221(2) and subsection 228(4) of the *Excise Tax Act* (Canada) and to indemnify and save harmless the Seller in respect of same.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SELLER

4.1 Limitation on Representations and Warranties

The Seller represents and warrants to the Buyer as follows, and acknowledges that the Buyer is relying upon these representations and warranties in connection with the purchase of the Purchased Assets, despite any investigation made by or on behalf of the Buyer. Except as expressly set forth in this Agreement, the Seller makes no representation or warranty, express or implied, at law or in equity, in respect of the Purchased Assets, or its operations, including, with respect to merchantability or fitness for any particular purpose, or non-infringement, and any such other representations or warranties are hereby expressly disclaimed and none will be implied at law or in equity. The Buyer hereby acknowledges and agrees that the Buyer is purchasing the Purchased Assets on an "as is", "where is" basis after giving effect to the terms contained herein.

4.2 Corporate Status

The Seller is a corporation duly organized, validly existing and in good standing under the laws of the Province of Saskatchewan and has all requisite power and authority to own its properties and assets and to conduct its business as now conducted.

4.3 Authorization of Agreement

Subject to issue and entry of the Approval and Vesting Order, the Seller has or will have the necessary authority to execute and deliver this Agreement and the Ancillary Agreements and has, or at the time of execution will have, all necessary corporate power and authority to perform its obligations under this Agreement and each of the Ancillary Agreements.

4.4 Residence of Seller

The Seller is not a non-resident of Canada for purposes of the ITA.

4.5 GST/HST Registration

The Seller is registered for purposes of the GST/HST levied under the ETA and its registration number is: _____

4.6 Contract List

The Contract List in Schedule A identifies all of the Contracts pertaining to the Purchased Assets that are to be assigned to the Buyer pursuant to this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

5.1 Limitation on Representations and Warranties

The Buyer represents and warrants to the Seller as follows, and acknowledge that the Seller is relying upon these representations and warranties in connection with the sale of the Purchased Assets, despite any investigation made by or on behalf of the Seller. Except as expressly set forth in this Agreement, the Buyer makes no other express or implied representation or warranty and any such other representations and warranties that may have been made by the Buyer be and is hereby expressly disclaimed and none will be implied at law or in equity.

5.2 Corporate Status

The Buyer is a credit union duly organized, validly existing and in good standing under the laws of the Province of Saskatchewan, or its nominee will be a duly incorporated business corporation, both with all requisite power and authority to own its properties and assets and to conduct its business as now conducted.

5.3 Authorization and Validity

The Buyer has or will have the necessary authority to execute and deliver this Agreement and the Ancillary Agreements and has, or at the time of execution will have, all necessary corporate power and authority to perform its obligations under this Agreement and each of the Ancillary Agreements.

ARTICLE 6 COVENANTS

6.1 Pre-Closing Covenants of Seller

The Seller covenants to the Buyer that, during the period from and including the Execution Date through to and including the Closing Date or the earlier termination of this Agreement:

- (a) **Cooperation.** The Seller will take, or cause to be taken, all commercially reasonable actions and will do, or cause to be done, all things necessary or proper, consistent with Applicable Law, to consummate and make effective as soon as possible the Transaction, provided that the foregoing shall not be construed as a requirement that the Seller waive any closing condition set out in Article 8. The Seller will consult and cooperate with the Buyer in connection with proceedings under or relating to any filings, submissions, responses to

information requests or the like made hereunder to a Governmental Authority in connection with the Transaction.

- (b) **Conduct of Business.** The Seller will carry on its business, in the ordinary course, substantially as presently conducted and substantially consistent with past practice and taking into account ordinary practices in the industries in which the Seller operates its business.
- (c) **Maintenance of Assets.** The Seller will use all reasonable commercial efforts to preserve intact its business and to preserve and maintain the Purchased Assets. The Seller will not sell, transfer, lease, sublease, surrender or forfeit or otherwise dispose of any Purchased Assets other than in the ordinary course of business consistent with past practice.
- (d) **Contracts.** The Seller will not enter into any Contract that did not exist as of the Execution Date (other than in the ordinary course of business provided that no such Contract shall be for an aggregate value in excess of \$25,000 unless otherwise approved by the Buyer in writing) or amend or terminate any Contract in existence as of the Execution Date, other than as expressly permitted under this Agreement.
- (e) **Access to Records and Properties.**
 - (i) The Seller will answer reasonable questions from the Buyer concerning operational matters relating to the business of the Seller and the Purchased Assets.
 - (ii) The Seller authorizes all Governmental Authorities having jurisdiction to release all information in their possession respecting the Purchased Assets upon the request of the Buyer. The Seller will execute any specific authorization pursuant to this Section 6.1(e)(ii) within three (3) Business Days after being requested to do so by the Buyer.
 - (iii) Subject to any Orders, the Seller will comply in all material respects with Applicable Laws.
- (f) **Notice of Material Adverse Effect.** The Seller will promptly notify the Buyer in writing of the occurrence of any event or circumstances that would be reasonably likely to constitute a Material Adverse Effect.

6.2 Pre-Closing Covenants of the Buyer

The Buyer covenants to the Seller that, during the period from the Execution Date through and including the Closing Date or the earlier termination of this Agreement:

- (a) **Cooperation.** The Buyer will take, or cause to be taken, all commercially reasonable actions and to do, or cause to be done, all things necessary or proper, consistent with Applicable Law, to consummate and make effective as soon as possible the Transaction, provided that the foregoing shall not be construed as a requirement that the Buyer waive any closing condition set out in Article 8.

- (b) **Orders.** The Buyer will take such actions as may be reasonably requested by the Seller to assist Seller in obtaining the Court's entry of the Sale Process Order and any other Order reasonably necessary to consummate the Transaction.
- (c) **GST/HST Registration.** At Closing, the Buyer will either (i) provide written confirmation to the Seller of its GST/HST number; or (ii) provide written confirmation to the Seller that it does not have a GST/HST number and that it will pay the GST/HST associated with the Transaction.

6.3 Assignment or Disclaimer of Contracts

- (a) The Seller shall not disclaim, repudiate or assign any Contract that it is party to unless instructed to do so by the Buyer.
- (b) Upon the written direction of the Buyer, the Seller shall:
 - (i) disclaim or resiliate any Contract that the Buyer requests that the Seller disclaim or resiliate pursuant to section 32 of the CCAA; and
 - (ii) in the event that the Monitor does not approve the proposed disclaimer or resiliation, apply for an Order disclaiming and resiliating any Contract that the Buyer requests that the Seller disclaim or resiliate pursuant to section 32(3) of the CCAA; and
 - (iii) assign any Contract to the Buyer that is capable of being assigned and that the Buyer requests be assigned by the Seller in accordance with the terms of such Contract, provided that the Buyer shall identify the Contracts (if any) that the Buyer wishes to have assigned to it on the date that is one (1) Business Day before the day that the Seller is intending to serve application materials for the Approval and Vesting Order;

In the event that the counterparty to a Contract applies to the Court for an Order that the Contract is not disclaimed or resiliated pursuant to section 32(2) of the CCAA or otherwise opposes an application of the Seller made pursuant to section 32 of the CCAA for an Order disclaiming and resiliating a Contract, the Seller shall take all steps as directed by the Buyer, acting reasonably and in good faith and in co-operation with the Seller, to obtain an Order that authorizes, permits, or confirms, as the case may be, the disclaimer, resiliation or assignment of the Contract.

6.4 Casualty

If, between the date of this Agreement and the Closing, any of the Purchased Assets are destroyed, damaged or rendered inoperable in whole or in part by fire, earthquake, flood, other casualty or any other cause (a "**Casualty**") and such Casualty constitutes a Material Adverse Effect, then the Buyer will have the right to terminate this Agreement pursuant to Section 10.1(c)(v). For greater certainty, in the event that, following a Casualty, the Buyer acquires the Purchased Assets by way of the Transaction, all insurance proceeds payable to the Seller in respect of the Casualty will form part of the Purchased Assets and will be assigned by the Seller to the Buyer at Closing.

6.5 Post-Closing Covenants of Seller

- (a) If, following Closing, any of the Purchased Assets are not transferred to the Buyer, the Seller shall be deemed to hold such Purchased Assets in trust for the Buyer (the "**Trust Assets**"). The Seller will have no equitable or beneficial interest in the Trust Assets and the equitable and beneficial interest in the Trust Assets will be vested solely and exclusively in the Buyer. The Seller will, promptly upon the direction of the Buyer, deal with the Trust Assets and do all acts and things in respect of the Trust Assets at the expense of and as directed by the Buyer from time to time, including executing such documents as Buyer may require in order to transfer legal title to the Trust Assets to or as directed by the Buyer. The Seller will not deal with the Trust Assets in any way or execute any instrument, document or encumbrance in respect of the Trust Assets without the prior written consent or direction of the Buyer.
- (b) Following Closing, the Seller will execute and deliver any Ancillary Agreements required by the Buyer, acting reasonably, to carry out the intention of the Transaction.

ARTICLE 7 COURT APPLICATIONS

7.1 [Left Blank Intentionally]

7.2 Approval and Vesting Order

Within five (5) Business Days of the termination of the Sale Process, the Buyer may direct the Seller to file with the Court an application, served on such Persons as agreed to by the Seller, the Monitor and the Buyer, each acting reasonably, to be heard as soon as practicable thereafter, seeking an Order approving the Transaction and the performance of those provisions of this Agreement applicable to Closing, and conveying and assigning to and vesting in the Buyer all of the right, title and interest of the Seller in and to the Purchased Assets, free and clear of any Encumbrances or Claims other than Permitted Encumbrances, which Order will be substantially in the form agreed to by the Buyer, the Seller and the Monitor, each acting reasonably (such Order as approved being the "**Approval and Vesting Order**").

7.3 [Left Blank Intentionally]

7.4 [Left Blank Intentionally]

ARTICLE 8 CLOSING CONDITIONS

8.1 Mutual Conditions

The obligations of the Buyer and the Seller to complete and consummate the Transaction are subject to the fulfillment, at or before the Closing, of the following conditions, any one or more of which may be waived by the Buyer and the Seller:

- (a) the CCAA Proceedings will not have been terminated;
- (b) the Sale Process Order and the Approval and Vesting Order will have been issued and entered by the Court, and will not have been stayed, varied or vacated; and
- (c) no order of any court or Governmental Authority will have been issued, and no action or proceedings will be pending, to restrain or prohibit the completion and consummation of the Transaction.

8.2 Conditions Precedent to Performance by Seller

The obligation of the Seller to consummate the Transaction is subject to the fulfillment, at or before the Closing, of the following conditions, any one or more of which may be waived by the Seller in its sole discretion:

- (a) the representations and warranties of the Buyer made in this Agreement will be true and correct in all material respects; and
- (b) the Buyer will have performed in all material respects all obligations required under this Agreement or any Ancillary Agreements to which it is party that are to be performed by it on or before the Closing Date (except with respect to the obligation to pay the Cash Portion of the Purchase Price in accordance with the terms of this Agreement).

8.3 General Conditions Precedent to the Performance by Buyer

The obligation of the Buyer to consummate the Transaction is subject to the fulfillment, at or before the Closing, of the following conditions, any one or more of which may be waived by the Buyer in its sole discretion:

- (a) the representations and warranties of the Seller made in this Agreement will be true and correct in all material respects;
- (b) the Seller will have performed in all material respects all obligations required under this Agreement that are to be performed by it on or before the Closing

Date (except with respect to any obligations qualified by materiality, which obligations will be performed in all respects as required under this Agreement); and

- (c) there shall not have occurred a Material Adverse Effect or Material Adverse Change.

8.4 [Left Blank Intentionally]

8.5 Conditions Precedent to the Performance by Buyer

The obligation of the Buyer to consummate the Transaction is subject to the fulfillment, at or before the Closing, of the following conditions, any one or more of which may be waived by the Buyer in its sole discretion:

- (a) the Seller will have assigned to the Buyer in accordance with Section 6.3 of this Agreement any Contracts that the Buyer has directed the Seller to assign to it and, to the extent that such assignment is objected to by any counterparty to any such Contract, an Order of the Court has been obtained that the rights and obligations in respect of such Contract have been assigned to the Buyer and no counterparty shall have sought to stay, vary or vacate such Order; and
- (b) the Approval and Vesting Order will have been made by the Court and will not have been stayed, varied or vacated.

ARTICLE 9 CLOSING ARRANGEMENTS

9.1 Closing

The Closing will be held on the Closing Date at 10:00 a.m., local time, in the offices of counsel to the Seller, or at such other place and time as may be mutually agreed to in writing by the Parties. All proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing will be deemed to have been taken and executed simultaneously and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

9.2 Closing Deliveries

- (a) At the Closing, the Seller will deliver to the Buyer the following:
 - (i) a copy of the issued and entered Approval and Vesting Order, pursuant to which the sale, transfer, assignment, conveyance and delivery by the Seller of the Purchased Assets to the Buyer will be effected;
 - (ii) to the extent reasonably required by the Buyer, any Ancillary Agreements fully executed and delivered by the Seller or by the Monitor for and on behalf of the Seller;
 - (iii) a duly executed receipt for the Purchase Price paid or delivered at Closing;

- (iv) the elections referred to in Section 3.5, duly executed and delivered by the Seller or Monitor for and on behalf of the Seller;
 - (v) possession of the Purchased Assets on an "as is", "where is" basis, provided that delivery will occur *in situ* wherever such Purchased Assets are located on the Closing Date; and
 - (vi) all such other documents and instruments as are customary for an asset purchase transaction occurring pursuant to the CCAA.
- (b) At the Closing, the Buyer will deliver to the Seller the following:
- (i) the payments referred to in Section 3.2;
 - (ii) the Ancillary Agreements to which the Buyer is a party, duly executed and delivered by the Buyer;
 - (iii) the elections referred to in Section 3.5, duly executed and delivered by the Buyer; and
 - (iv) all such other documents and instruments as are customary for an asset purchase transaction occurring pursuant to the CCAA.

ARTICLE 10 TERMINATION

10.1 Conditions of Termination

This Agreement may be terminated only in accordance with this Section 10.1 as follows:

- (a) by mutual written consent of the Seller and the Buyer;
- (b) automatically and without any action or notice by either the Seller to the Buyer, or the Buyer to Seller, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the transfer of the Purchased Assets contemplated hereby; or
- (c) by the Buyer:
 - (i) if the Court has not issued and entered the Approval and Vesting Order by April 30, 2019 or such later date as agreed to in writing by the Buyer;
 - (ii) if there has been a material violation or breach by the Seller of any obligation of the Seller under this Agreement, which (1) has rendered the satisfaction of any condition to the obligations of Buyer impossible or is not curable or, if curable, has not been cured one (1) day prior to the Closing Date, and (2) has not been waived by Buyer;

- (iii) if, prior to the Closing Date, a receiver, receiver and manager, interim receiver, custodian, trustee in bankruptcy or similar official will be appointed with respect to the Seller or its assets;
 - (iv) if there occurs a Material Adverse Change between the Execution Date and the Closing Date that is not subsequently waived by the Buyer;
 - (v) if there occurs a Casualty as provided in Section 6.4; or
 - (vi) if the Closing does not occur on the Closing Date and such failure to Close is not caused by or the result of the Buyer's breach of this Agreement.
- (d) by the Seller, with the consent of the Monitor:
- (i) if there has been a material violation or breach by the Buyer of any agreement, or any representation or warranty of the Buyer in this Agreement is materially inaccurate, and the Seller has given written notice to the Buyer promptly upon becoming aware of such violation, breach or inaccuracy, which has rendered the satisfaction of any condition to the obligations of the Seller impossible or is not curable or, if curable, has not been cured on or one (1) day prior to the Closing Date following receipt by Buyer of written notice of such breach from the Seller, and (y) has not been waived by the Seller; or
 - (ii) if the Closing does not occur on the Closing Date and such failure to Close is not caused by or the result of the Seller's breach of this Agreement.

10.2 Effect of Termination

In the event of termination pursuant to Section 10.1, this Agreement will become null and void and have no effect and neither Party will have any liability to the other (other than those provisions that expressly survive termination or by their nature are intended to survive termination).

ARTICLE 11 GENERAL

11.1 Survival

No representations, warranties, covenants and agreements of the Seller and the Buyer made in this Agreement will survive the Closing Date except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing.

11.2 Successors and Assigns

- (a) The Buyer will have the right to assign to an Affiliate, or the Buyer will have the right to assign to a Person in whom the Buyer holds all of the issued and outstanding securities, any of its rights or obligations in whole or in part (including

the right to acquire any of the Purchased Assets) (such assignee being an "Assignee"). In the event of any assignment pursuant to this Section 11.2(a), (a) the Assignee will thereafter perform all of the obligations of the Buyer under this Agreement, including the obligation to execute and deliver all agreements, instruments and other documents contemplated by Section 9.2(b) and will have all of the rights, benefits and remedies of the Buyer under this Agreement, provided that the Buyer will remain liable for any breach by the Assignee of any such obligations, and (b) the Assignee will assume the obligations of the Buyer under this Agreement pursuant to a written assumption agreement with the Seller and the Monitor and, upon the execution and delivery of such assumption agreement, will become a Party to this Agreement.

- (b) The Seller will not assign this Agreement or any of its rights or obligations hereunder and any such assignment will be void and of no effect.
- (c) This Agreement will enure to the benefit of and will be binding upon the successors and permitted assigns of the Parties, including any trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian or similar official appointed with respect to the Seller or the Buyer or their respective properties.

11.3 Governing Law

This Agreement will be construed, performed and enforced in accordance with, and governed by, the Laws of the Province of Saskatchewan and the federal laws of Canada applicable therein, without giving effect to the principles of conflicts of laws thereof.

11.4 Submission to Jurisdiction

Each of the Parties irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the Court to determine all issues, whether at law or in equity arising from this Agreement. To the extent permitted by Applicable Law, each of the Parties:

- (a) irrevocably waives any objection, including any Claim of inconvenient forum, that it may now or in the future may have to the venue of any legal proceeding arising out of or relating to this Agreement in the Court, or that the subject matter of this Agreement may not be enforced in the Court;
- (b) irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the Court, of the substantive merits of any suit, action or proceeding; and
- (c) to the extent a Party has or may acquire any immunity from the jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

11.5 Payment and Currency

Any money to be advanced, paid or tendered by one Party to another under this Agreement must be advanced, paid or tendered by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word "dollar" and the "\$" sign refer to Canadian currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in Canadian currency.

11.6 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel.

11.7 Time of Essence

Time is of the essence in all respects of this Agreement.

11.8 Notices

Any Communication must be in writing and either delivered personally or by courier, or transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any Communication must be sent to the intended recipient at its address as follows:

(a) to the Seller at:

101133330 Saskatchewan Ltd.
c/o McDougall Gauley LLP
500 – 616 Main Street
Saskatoon, SK S7H 0J6

Attention: Ian Sutherland
Tel. No.: (306) 665-5417
E-mail: isutherland@mcdougallgauley.com

(b) to the Monitor at:

Deloitte Restructuring Inc.
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3

Attention: Brent Warga
Tel. No.: (204) 944-3611
E-mail: bwarga@deloitte.ca

with a copy to:

MLT Aikins LLP
1500 – 410 22nd Street East
Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee
Tel. No.: (306) 975-7136
E-mail: jmlee@mltaikins.com

(c) to the Buyer at:

•
Attention: •
Tel. No.: •
E-mail: •

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 11.8. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 pm (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

11.9 Amendments: Waivers

This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by Buyer and Seller, or in the case of a waiver, by the Party waiving compliance. Any waiver by any Party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, will not be deemed to be or construed as a furthering or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

11.10 Entire Agreement

This Agreement and the Ancillary Agreements contain the entire understanding between the Parties with respect to the Transaction and replace all prior and contemporaneous agreements and understandings, oral or written, with regard to the Transaction. All Schedules and any documents and instruments delivered pursuant to any provision of this Agreement are expressly made a part of this Agreement as fully as though completely set forth herein.

11.11 Seller Disclosures

After notice to and consultation with Buyer, Seller will be entitled to disclose, if required by Applicable Law or by Order of the Court, this Agreement and all information provided by Buyer in connection herewith to the Court, the Monitor, parties in interest in the CCAA Proceedings and other Persons bidding on assets of Seller. Other than statements made in the Court (or in pleadings filed therein), Seller will not issue (prior to, on or after the Closing) any press release or make any public statement or public communication with respect to the Agreement or transactions contemplated thereby without the prior written consent of Buyer, which will not be unreasonably withheld or delayed; provided, however, that Seller, without the prior consent of Buyer, may issue such press release or make such public statement as may, upon the advice of counsel, be required by Applicable Law, any Governmental Authority with competent jurisdiction or any listing agreement with any national securities exchange, provided further that the Seller will act reasonably in permitting the Buyer to comment on such release or public statement, and in considering any such comments.

11.12 Monitor

Deloitte Restructuring Inc. has executed and delivered this Agreement in its capacity as Monitor and not in its personal capacity, and none of the terms, provisions, covenants or conditions of this Agreement (other than in Article 7) will be enforceable against the Monitor. With respect to Article 7, the Monitor has executed this Agreement as a Party to this Agreement, in its capacity as Monitor and not in its personal capacity, but is not a party to this Agreement in any other respect.

11.13 General Release

Effective upon the Closing, the Seller, on behalf of itself and its estate, acknowledges that it has no claim, counterclaim, setoff, recoupment, action or cause of action of any kind or nature whatsoever against Buyer and any of its Related Persons, that directly or indirectly arise out of, are based upon, or in any manner are connected with the Assets or the prior relationship and dealings as between the Seller and the Buyer and its Related Persons (the "**Released Claims**"). Should any Released Claims nonetheless exist, the Seller hereby (i) releases and discharges the Buyer and its Related Persons from any liability whatsoever on such Released Claims and (ii) releases, waives and discharges all such Released Claims against any of the Buyer and its Related Persons.

11.14 Further Assurances

Each Party will, at the requesting Party's cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting Party to give effect to this Agreement and, without limiting the generality of this Section 11.14, will do or cause to be done all acts and

things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by all Governmental Authorities.

11.15 No Broker

Each Party represents and warrants to the other Party that, with the exception of the Sales Agent, all negotiations relating to this Agreement and the Transaction have been carried on between them directly, without the intervention of any other Person on behalf of any Party in such manner as to give rise to any valid Claim against the Buyer or the Seller for a brokerage commission, finder's fee or other similar payment.

11.16 Severability

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part, or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

11.17 Counterparts and Electronic Delivery

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

Each of the Parties has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

**SIGNATURE PAGE TO THE ASSET PURCHASE AGREEMENT MADE BETWEEN
101133330 SASKATCHEWAN LTD. (AS SELLER), • (AS BUYER) AND DELOITTE
RESTRUCTURING INC. (AS MONITOR)**

101133330 SASKATCHEWAN LTD.

Per: _____
Name: John Orr
Title: President and CEO

•

Per: _____
Name:
Title:

**DELOITTE RESTRUCTURING INC., in its capacity
as Monitor and not in its personal capacity**

Per: _____
Name: Brent Warga
Title: Senior Vice-President

**SCHEDULE A
THE CONTRACTS**

Management Agreement between 101133330 Saskatchewan Ltd. and CIR Commercial Realty Inc., o/a Colliers International (undated)

Commercial Sales Agreement between 101133330 Saskatchewan Ltd. and Tyco Integrated Fire & Security dated May 19, 2017 – Orr Centre North Entry Panel

Commercial Sales Agreement between 101133330 Saskatchewan Ltd. and Tyco Integrated Fire & Security dated May 19, 2017 – Orr Centre South Entry Panel

**SCHEDULE B
THE LEASES**

University of Saskatchewan Lease Agreement dated June 14, 2012

Saskatchewan Telecommunications Lease Agreement dated December 19, 2011

Prometric Testing Centre Lease Agreement (undated)

United Food Commercial Workers Local 1400 Lease Agreement dated March 11, 2011

Orr Centre Daycare Lease Agreement dated August 1, 2014

INtouch Career College Lease Agreement dated June 3, 2016

Trent Wotherspoon Lease Agreement dated January 14, 2013

Reiki Day Spa Lease Agreement dated August 1, 2012

Fred Taylor Lease Agreement dated January 31, 2014

Schedule "D"

Address for Notices and Deliveries

To 10113330 Saskatchewan Ltd.:

101133330 Saskatchewan Ltd.
c/o McDougall Gauley LLP
500 – 616 Main Street
Saskatoon, SK S7H 0J6

Attention: Ian Sutherland / Craig Frith
Email: isutherland@mcdougallgauley.com / cfrith@mcdougallgauley.com
Phone : 306-665-5417 / 306-665-5432

To the Monitor:

Deloitte Restructuring Inc.
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3

Attention: Brent Warga/John Fritz
Email: bwarga@deloitte.ca / jofritz@deloitte.ca
Phone: 204-944-3611 / 204-944-3586