

**COURT FILE NUMBER**

1603 20319

**COURT**

COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE**

EDMONTON

**DOCUMENT**

NINTH REPORT OF THE MONITOR

IN THE MATTER OF THE COMPANIES CREDITORS

ARRANGEMENT ACT, R.S.C. 1985 c. C-36 AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR

ARRANGEMENT OF

PARKLAND AIRPORT DEVELOPMENT CORPORATION

DATED SEPTEMBER 28<sup>TH</sup>, 2018

**ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT**

Counsel

Ogilvie LLP  
1400 Canadian Western Bank Place  
10303 Jasper Avenue  
Edmonton, Alberta T5J 3N6

Attention: Kentigern Rowan, Q.C.

Telephone: 780-429-6236

Facsimile: 780-429-4453

Email: krowan@ogilvielaw.com

Monitor

Deloitte Restructuring Inc.  
1500 Manulife Place  
10180 101 Street  
Edmonton, Alberta T5J 4K1

Attention: Darren M. Crocker

Telephone: 780-421-3687

Facsimile: 780-421-3782

Email: dcrocker@deloitte.ca



# Table of Contents

Introduction	1
Notice to Reader	3
Purpose of this report	3
Monitor's Activities	4
Update on Restructuring Efforts and Sale Process	4
Extension of stay of proceedings and tolling agreement	5
Conclusions and Recommendations	6

# Introduction

1. On November 29, 2016 (the "**Filing Date**"), Parkland Airport Development Corporation (the "**Company**") made application to the Court of Queen's Bench of Alberta (the "**Court**") for an Initial Order (the "**Initial Order**") under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Deloitte Restructuring Inc. ("**Deloitte**") was appointed as Monitor (the "**Monitor**") in the CCAA proceedings.
2. The Initial Order provided for an initial stay of proceedings until December 28, 2016 (the "**Initial Stay**").
3. On December 15, 2016, the Company made an application, *inter alia*, to the Court for an Order extending the stay granted in the Initial Order, until February 28, 2017. The Court granted an Order (the "**First Extension Order**") extending the stay until February 28, 2017 (the "**Stay**").
4. On February 27, 2017, the Company made an application, *inter alia*, to the Court for an Order extending the Stay until September 15, 2017. The Court granted an Order (the "**Second Extension Order**") extending the Stay until September 15, 2017.
5. The Second Extension Order also directed that, within 30 days of the date of the Second Extension Order, the Chief Restructuring Officer ("**CRO**") call a meeting of creditors and other affected parties to address the selection of a creditors' committee, to consider the alternatives described in the report of the CRO filed with this Honourable Court on February 16, 2017, and any other matters the CRO saw fit.
6. On May 2, 2017 (the "**May 2<sup>nd</sup> Order**"), the Court directed, *inter alia*, that the Company distribute to the market, a tender package for completion of the Phase I work as outlined previously in the Chief Restructuring Officer's Reports. The Court empowered the Company to proceed with a simultaneous process for the sale of the remaining lots in Phase I and the entire airport, including all lands owned by the Company. In addition, the limitation periods for pursuing potentially preferential or under value transactions were suspended and tolled until November 1, 2017.

7. The sale process closed on September 1, 2017, and no acceptable offers were received by the Company. On September 13, 2017, the Company applied to this Court for an extension of the Stay to November 3, 2017 (the "**Third Extension Order**"), which was granted.
8. On November 1, 2017, the Company made an application to the Court and was granted an Order (the "**Fourth Extension Order**") extending the Stay to February 28, 2018. The Fourth Extension Order further authorized an increase in interim financing to the Company of \$400,000, for total authorized interim financing of \$1,000,000. The Company was also directed to execute a consent order authorizing a secured creditor to market the Parkland Lands for sale through a foreclosure process with such consent order not to be used until the earlier of the passage of one year, the Monitor issuing a notice of a material adverse change, or until determined by the Court. The CRO was directed to call an informal meeting of creditors on or before January 20, 2018.
9. On November 1, 2017, the Court granted an Order (the "**Suspension and Tolling Order**") suspending and tolling the limitation periods applicable to the Monitor and creditors of the Company with respect to potentially challenging the Questioned Transactions until February 28, 2018.
10. On February 26, 2018, the Court granted three Orders:
  - 10.1. an extension Order (the "**Fifth Extension Order**") extending the Stay to the close of business, October 19, 2018. Notwithstanding the extension, the Stay was lifted by the Court to allow the First Mortgagee, to proceed with its foreclosure proceedings. The CRO was also discharged by the Fifth Extension Order.
  - 10.2. a tolling Order (the "**Second Suspension and Tolling Order**") extending the suspension and tolling of the limitation periods applicable to the Monitor and creditors of the Company with respect to potentially challenging the Questioned Transactions until October 28, 2018.
  - 10.3. a redemption Order (the "**Consent Redemption Order**") confirming the mortgage indebtedness to the First Mortgagee and permitting the judicial listing of the mortgaged lands of the Company.
11. Capitalized terms not otherwise defined herein have the meanings given to them in reports previously filed with the Court by the Monitor and CRO and by previous Court Orders in these proceedings.

12. Information on the CCAA proceedings can be accessed on Deloitte's website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the link "Parkland Airport Development Corporation" (the "**Monitor's Website**").

### *Notice to reader*

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

### *Purpose of this report*

17. The purpose of this ninth report of the Monitor (the "**Ninth Report**") is to provide the Court with:
- 17.1. an update on the Monitor's activities;
  - 17.2. an update on the Company's restructuring efforts and sale process;

- 17.3. the Monitor's position with respect to the Company's request for a further extension of the stay of proceedings; and;
- 17.4. the Monitor's position with respect to extending the tolling period in the event the stay of proceedings is extended.

## Monitor's Activities

18. The Monitor continues to post information with respect to these proceedings to the Monitor's Website, including all materials circulated by the Company in these proceedings. The Monitor will continue to make regular updates to the Monitor's Website to ensure that creditors and interested parties have access to all available information in these proceedings.
19. The Monitor continues to attend various meetings and discussions with Management, the Company's legal counsel and the former CRO to discuss the progress of the Company's sale process, which is now under a judicial listing.
20. The Monitor continues to monitor the Company's cash flow projections and the Company's business and financial affairs during these CCAA proceedings.

## Update on Restructuring Efforts and Sale Process

21. Pursuant to the Consent Redemption Order, the Company's lands have been judicially listed for sale with a realtor. To date, the Company has received some interest from its judicial listing; however, no offers have been presented.
22. On September 21, 2018, the Monitor was advised that the First Mortgagee is formulating a proposal to bring the foreclosure proceedings to a conclusion, which is also anticipated to bring these proceedings to a conclusion.

# Extension of stay of proceedings

23. The Monitor understands that the Company is seeking an extension of the stay to December 31, 2018, in order to allow the first mortgagee to take the necessary steps to proceed in accordance with the foregoing.
24. While the Monitor notes that the Company has minimal funds on hand, and that professional fees continue to accumulate, the First Mortgagee has agreed to advance \$30,000 to the Company for protective disbursements comprising payments to the airport manager and for insurance. The advanced funds will be added to the mortgage balance to maintain critical operations of the Company for the duration of the requested extension.
25. The Monitor agrees that a short extension of the stay is appropriate for the following reasons:
- 25.1 the First Mortgagee has agreed to fund protective disbursements for the duration of the extension;
  - 25.2 there appears to be a reasonable likelihood that the first mortgagee's foreclosure proceedings and these proceedings can be concluded if a short extension is granted;
  - 25.3 the Company has acted, and is acting, in good faith; and with due diligence; and
  - 25.4 no creditor would be materially prejudiced if the requested extension is granted.

# Conclusions and Recommendations

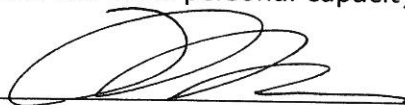
26. Accordingly, the Monitor respectfully recommends that this Honourable Court approve:

- 26.1 an extension of the stay of proceedings to December 31, 2018 to provide the First Mortgagee with a reasonable period of time to proceed with its proposal; and
- 26.2 an extension of the suspension and tolling of the limitation periods applicable to the Monitor and creditors of the Company with respect to potentially challenging the Questioned Transactions to December 31, 2018.

All of which is respectfully submitted this 28<sup>th</sup> day of September, 2018.

**DELOITTE RESTRUCTURING INC.,**

In its capacity as Court-appointed Monitor in  
Re: the plan of compromise or arrangement of  
Parkland Airport Development Corp.  
And not in its personal capacity



---

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