

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.

ELEVENTH SUPPLEMENTARY AFFIDAVIT OF JOHN ORR

I, JOHN ORR, of the City of Saskatoon, in the Province of Saskatchewan, businessman,
MAKE OATH AND SAY THAT:

1. I am the sole director, a shareholder, and the president of 101133330 Saskatchewan Ltd. ("**33330**") and 101149825 Saskatchewan Ltd. ("**825**") (33330 and 825 are sometimes hereafter referred to collectively as the "**Companies**"), such that I have personal knowledge of the facts and matters hereinafter deposed, except where stated to be on information and belief and, where so stated, I believe the same to be true.

2. Unless otherwise defined, capitalized terms in this affidavit shall have the meanings given to them in:

- (a) my Affidavits sworn May 12, 2016, June 6, 2016, June 9, 2016, August 12, 2016, December 16, 2016, May 24, 2017, May 31, 2017, December 15, 2017, December 19, 2017, May 29, 2018, and August 27, 2018 (the "**Tenth Orr Affidavit**"); and
- (b) the Affidavits of David Calyniuk sworn August 12, 2016, December 16, 2016, May 23, 2017, December 15, 2017, and May 29, 2018.

I. OVERVIEW

3. The Initial Order was granted on May 20, 2016, since which time it has been extended by the following orders of the Honourable Justice Meschishnick:

- (a) June 13, 2016;
- (b) August 17, 2016;
- (c) December 22, 2016;
- (d) May 31, 2017;
- (e) December 20, 2017;
- (f) June 1, 2018; and
- (g) August 30, 2018 (the “**Seventh Extension Order**”).

4. Since the Seventh Extension Order, the Companies’ high level restructuring efforts have primarily involved 33330 working in good faith and with due diligence to:

- (a) complete the sales process contemplated by the Seventh Extension Order (the “**Colliers Sales Process**”); and
- (b) negotiate and conceptualize the new sales process for the Campus and Orr Centre when the Colliers Sales Process failed to yield satisfactory results.

5. This affidavit will provide this Honourable Court and stakeholders with an update on these activities, and outline the Stalking Horse Sale Process (as that term is defined below) now presented for approval on this application.

6. The particulars of the bids received in the Colliers Sales Process, and the professional advice and analysis received in the wake of the same are set out in the Confidential Supplement to this Affidavit (the “**Confidential Orr Affidavit**”).

II. THE COLLIERS SALES PROCESS

A. Phase 1 – August 31 to October 15, 2018

7. The documents comprising 33330's sales information package are attached to the Tenth Orr Affidavit as Exhibits "B" to "G" (the "**Sales Package**"). The Sales Package was uploaded to Colliers' website on Friday, August 31, 2018, which was prior to the September long-weekend. The Google Analytics report subsequently provided by Colliers reveals that 202 people reviewed the information posted, and the Sales Package was downloaded 98 times.

8. To ensure maximum exposure, Colliers waited until the morning of Tuesday, September 4, 2018 to circulate the Sales Package by email. The recipients included:

- (a) 242 business owners and developers;
- (b) every commercial real estate agent in Regina;
- (c) all of Colliers' agents in Saskatchewan;
- (d) all of Colliers' investment brokers in Canada; and
- (e) the full list of attendees at Colliers' annual Regina Real Estate Review and Forecast Luncheon.

9. On September 10, 2018, Colliers held an open house at the Orr Centre, inviting the local commercial real estate agents from other brokerages to tour the facilities and learn about the site.

10. In addition to these initiatives, Colliers directly marketed the opportunity to a number of local Regina developers Colliers believed would be most interested and capable of closing the transaction within the prescribed timeframes.

11. Colliers ultimately received executed non-disclosure agreements from 12 different

parties, who were granted access to the Data Room containing the due diligence materials, and four of those parties arranged for walkthroughs of the Orr Centre and Campus.

B. Phase 2 – October 16 – November 6, 2018

12. Three bids were received by the Deadline for Submissions at 2:00 p.m. on October 15, 2018, copies of which are attached to the Confidential Orr Affidavit as Exhibits “A” to “C.” As alluded to above, the bids were all well below 33330’s expectations, as well as those of 3333’s largest secured creditor, Affinity.

13. The disappointing results were reported to Affinity and the Monitor on October 16, 2018, and after debriefing with Colliers the following day, 33330 requested that Colliers provide a written summary of the overall marketing process and any feedback received from the participants, which was received and disclosed to both Affinity and the Monitor on October 22, 2018. This report is attached to the Confidential Orr Affidavit as Exhibit “D.”

14. In a letter dated October 25, 2018, Affinity advised through its legal counsel that it would not be advancing any further DIP funds to the Companies pursuant to the August 27, 2018 term sheet. In the days that followed, the parties held a conference call with their legal counsel, the Monitor and its counsel, and North Ridge to further review the bids received and consider alternatives to bring the matter to an acceptable resolution.

15. After further consideration, Affinity confirmed its position that none of the bids received were acceptable, and on November 6, 2018, 33330 instructed Colliers to advise the bidders accordingly.

III. THE STALKING HORSE SALE PROCESS

16. In a letter dated November 8, 2018, Affinity further advised through legal

counsel that an acceptable plan of arrangement was, in its view, no longer possible. Considering the length of the proceedings and costs incurred to date, Affinity's suggestion was that another sealed bid sales process be undertaken, but that the sale order stipulate a reserve price and that Affinity have leave to participate in the process by way of credit bid.

17. After further discussions and consultations with the Monitor, 33330 and Affinity ultimately agreed as follows:

- (a) 33330 and Affinity would conclude an asset purchase agreement for the Campus, Orr Centre, and Orr Centre lease agreements (the "**Property**"), with the purchase price to be paid by setting off a portion of 33330's indebtedness to Affinity (the "**Stalking Horse Credit Bid**"); and
- (b) a sales process would then be undertaken in the CCAA proceedings to determine whether a higher and better offer than the Stalking Horse Credit Bid could be obtained, failing which title to the Property would be transferred to Affinity by way of an order confirming sale (the "**Stalking Horse Sale Process**").

18. The Asset Purchase Agreement containing the terms and conditions of the Stalking Horse Credit Bid is expected to be in substantially the same form as that attached as **Exhibit "A."** The parties anticipate filing an executed version prior to the hearing of this application.

19. The Stalking Horse Sale Process is described in Schedule "B" to the draft Order filed as part of the Companies' application materials. As stated therein:

- (a) the Monitor will play an active role in advertising the process:
 - (i) distributing copies of the Sale Process document to potential bidders;
 - (ii) collecting the confidentiality agreements; and
 - (iii) assessing any bids ultimately received;

- (b) the solicitation of interest and advertising will begin as soon as reasonably practicable and include the participants from the Colliers Sales Process;
- (c) the bidding process will occur in two phases:
 - (i) the Phase 1 Bid Deadline for the submission of non-binding letters of intent is 5:00 p.m. on March 22, 2019; and
 - (ii) the Phase 2 Bid Deadline for the submission of binding asset purchase agreements and deposits is April 5, 2019;
- (d) in the event the Monitor determines there are no qualified responses by either deadline, 33330 will apply to this Honourable Court to implement the Stalking Horse Credit Bid; and
- (e) if one or more qualified bids are received by the Phase 2 Bid Deadline, 33330 will apply to this Honourable Court to approve and implement the highest and best offer.

20. The merits of the proposed Stalking Horse Sale Process must be considered in light of the unsatisfactory results yielded by the Colliers Sales Process, and the fact that the largest secured creditor in these proceedings, Affinity, supports this application despite the potential for it to suffer a significant loss in the event the Property is sold to a third party purchaser. The marketing strategy is designed to ensure the opportunity will come to the attention of a broad group of prospective purchasers, but will also specifically target the three parties who submitted bids previously.

21. Based on the professional advice received to date, 33330 is not aware of a better viable alternative available at this time, and 33330 therefore respectfully requests this Honourable Court's approval to implement and proceed with the Stalking Horse Sale Process.

IV. 825 UPDATE

A. Status of the Amended Willows Concept Plan

22. As previously reported in my Tenth Affidavit, the Amended Willows Concept

Plan Report was submitted to the City's Planning and Development Department (the "COS PDD") on June 8, 2018; however, the COS PDD has yet to approve the same, the reasons for which are likely attributable to matters outside of 825 and Dream's control, which were previously explained in paragraphs 5-10 of the Confidential Supplement to the Fourth Supplementary Calyniuk Affidavit dated May 29, 2018.

23. The Cost-Sharing Agreement between 825 and Dream was finalized and executed on October 2, 2018 (the "**Cost-Sharing Agreement**"), and a copy is attached as Exhibit "**B.**"

24. With 825's proportionate share of the development costs determined, North Ridge was able to complete the cost-benefit analysis outlining the:

- (a) anticipated costs associated with completing the necessary construction to service the 825 Land; and
- (b) potential range of sale values if the 825 Land were sold in a fully-serviced state versus its present condition.

25. However, this aspect of the proceedings has been rendered moot in light of the delayed approval of the Amended Willows Concept Plan and non-availability of the funds necessary to service the Firm Capital interest payments in accordance with the Forbearance Agreement as a consequence of Affinity's decision not to advance the balance of the previously approved DIP funds. Without access to further funds, 825 defaulted on its January 1, 2019 interest payment to Firm Capital, and the Forbearance Agreement between 825, Firm Capital, and Pa automatically terminated when 825 had no ability to cure the default within the 21 days provided for therein.

26. 825 continues to actively seek alternative financing for the 825 Land in an effort to avoid enforcement proceedings by Firm Capital and Pa. More time is needed to see if such an arrangement can be concluded to preserve the 825 Land.

V. ADDITIONAL TIME REQUIRED

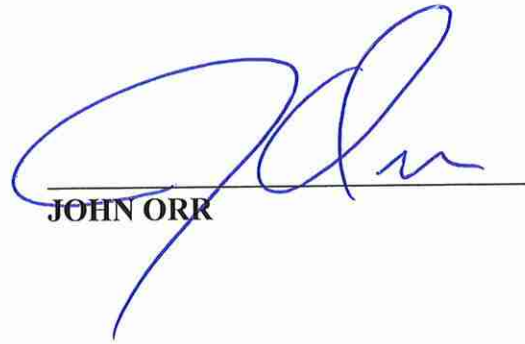
27. The stay of proceedings provided by the Seventh Extension Order is scheduled to expire at 11:59 on Monday, March 4, 2019.

28. The timeframes for the proposed Stalking Horse Sale Process contemplate the process potentially continuing into April, at which time a further application will be necessary to approve either the Stalking Horse Credit Bid or a Superior Offer (as that term is defined in the Sale Process document), as the case may be. In the circumstances, the Companies are therefore proposing an extension of the stay period to 11:59 p.m. on Monday, May 6, 2019.

VI. RELIEF REQUESTED

29. The Companies are therefore seeking an order approving the Stalking Horse Sale Process, and an extension of the stay of proceedings until May 6, 2019. I swear this affidavit in support of the application that is presently before this Honourable Court.

SWORN BEFORE ME at the City of)
Saskatoon, in the Province of Saskatchewan,)
this 19th day of February, 2019)
)
)
)
)
)
A COMMISSIONER FOR OATHS for)
Saskatchewan - Being a Solicitor.)



JOHN ORR

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

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 / Fax number:	(306) 665-5417 / (306) 652-1323

Email address:

isutherland@mcdougallgauley.com
cfrith@mcdougallgauley.com

ASSET PURCHASE AGREEMENT

BETWEEN

101133330 SASKATCHEWAN LTD.

(the "Seller")

- and -

AFFINITY CREDIT UNION 2013 or its designated Nominee

(the "Buyer")

- and -

DELOITTE RESTRUCTURING INC.

(the "Monitor")

DATED FEBRUARY __, 2019

THIS IS EXHIBIT "A" REFERRED TO IN THE ELEVENTH SUPPLEMENTARY AFFIDAVIT OF JOHN ORR MADE IN THIS ACTION AND SWORN BEFORE ME THIS 19TH DAY OF FEBRUARY, 2019.


A COMMISSIONER FOR OATHS
for the Province of Saskatchewan
My commission expires:
OR Being a Solicitor

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 INTERPRETATION.....	2
1.1 Definitions.....	2
1.2 Certain Rules of Interpretation.....	6
1.3 Schedules.....	7
ARTICLE 2 PURCHASE AND SALE.....	7
2.1 Agreement of Purchase and Sale.....	7
2.2 Assumption of Obligations.....	7
2.3 Sale Process.....	7
ARTICLE 3 PURCHASE PRICE.....	8
3.1 Purchase Price.....	8
3.2 Payment of the Purchase Price.....	8
3.3 [Left Blank Intentionally].....	8
3.4 Allocation of Purchase Price.....	8
3.5 Taxes and Tax Elections.....	9
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SELLER.....	10
4.1 Limitation on Representations and Warranties.....	10
4.2 Corporate Status.....	10
4.3 Authorization of Agreement.....	10
4.4 Residence of Seller.....	10
4.5 GST/HST Registration.....	10
4.6 Contract List.....	10
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER.....	10
5.1 Limitation on Representations and Warranties.....	10
5.2 Corporate Status.....	11
5.3 Authorization and Validity.....	11
ARTICLE 6 COVENANTS.....	11
6.1 Pre-Closing Covenants of Seller.....	11
6.2 Pre-Closing Covenants of the Buyer.....	12
6.3 Assignment or Disclaimer of Contracts.....	12
6.4 Casualty.....	13
6.5 Post-Closing Covenants of Seller.....	13
ARTICLE 7 COURT APPLICATIONS.....	14
7.1 Sale Process Order.....	14

7.2	Approval and Vesting Order	14
7.3	[Left Blank Intentionally].....	14
7.4	Procedure.....	14
ARTICLE 8 CLOSING CONDITIONS.....		15
8.1	Mutual Conditions.....	15
8.2	Conditions Precedent to Performance by Seller	15
8.3	General Conditions Precedent to the Performance by Buyer	15
8.4	[Left Blank Intentionally].....	16
8.5	Conditions Precedent to the Performance by Buyer	16
ARTICLE 9 CLOSING ARRANGEMENTS.....		16
9.1	Closing	16
9.2	Closing Deliveries.....	16
ARTICLE 10 TERMINATION		17
10.1	Conditions of Termination.....	17
10.2	Effect of Termination	19
ARTICLE 11 GENERAL.....		19
11.1	Survival	19
11.2	Successors and Assigns.....	19
11.3	Governing Law	20
11.4	Submission to Jurisdiction	20
11.5	Payment and Currency	20
11.6	Tender.....	20
11.7	Time of Essence.....	21
11.8	Notices	21
11.9	Amendments: Waivers.....	22
11.10	Entire Agreement.....	22
11.11	Seller Disclosures.....	22
11.12	Monitor	23
11.13	General Release.....	23
11.14	Further Assurances	23
11.15	No Broker	23
11.16	Severability.....	24
11.17	Counterparts and Electronic Delivery.....	24
SCHEDULE A THE CONTRACTS.....		A-1
SCHEDULE B THE LEASES.....		A-2

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated as of the Filing Date.

BETWEEN:

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

(the "**Seller**")

- and -

AFFINITY CREDIT UNION 2013., a credit union continued pursuant to the laws of the Province of Saskatchewan, 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 Seller and the Monitor have determined that it is in the best interests of the stakeholders of the Seller for the Monitor to administer the Sale Process. Accordingly, the Court has granted an Order authorizing and directing the Monitor to implement the Sales Process pursuant to the Sale Process Order; and this Agreement was approved as and will constitute a stalking horse credit bid for the purposes of the Sale Process.
- C. Pursuant to the Sale Process and the Sale Process Order, the Monitor, for and on behalf of the Seller, is directed, authorized and empowered to enter into this Agreement with the Buyer whereby, provided that a Superior Offer is not made in accordance with the Sale Process, the Seller will sell to the Buyer or its designated nominee all of the Purchased Assets, conditional upon, among other things, the granting of the Approval and Vesting Order.
- D. 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:

"Administration Charge" means the \$150,000.00 charge created by paragraph 31 of the Initial Order granted in the CCAA Proceedings.

"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.

"Alternate Transaction" means a transaction pursuant to a Superior Offer made by one or more Persons other than the Buyer that is approved by the Court and in respect of which the transactions contemplated thereby are consummated in accordance therewith.

"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 7.2.

"Assets" means the Purchased Assets.

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

"Assignment of Leases and Rents" means an Assignment of Leases and Rents granted by the Seller in favour of the Buyer and dated January 30, 2015 in order to secure repayment of the Loan.

"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.

"**Cash Portion of the Purchase Price**" is defined in Section 3.2(b).

"**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.

"**Filing Date**" means February 19, 2019.

"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.

"GSA" means a general security agreement dated January 30, 2015 whereby the Seller granted to the Buyer a security interest in all present and after-acquired property of the Seller in order to secure repayment of the Loan.

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

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

"Loan" means the loan in the original principal amount of \$11,500,000 advanced by the Buyer to the Seller in January of 2015.

"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).

"Mortgage" means a mortgage dated January 30, 2015 granted by the Seller to the Buyer of all right, title and interest of the Seller in or to the Campus in order to secure repayment of the Loan.

"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.

"Phase 1 Bid Deadline" has the meaning ascribed to it in the Sale Process.

"Priority Payables" is defined in Section 3.1.

"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.

"Qualified Bid" has the meaning ascribed to it in the Sale Process.

"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.

"Sale Process Order" is defined in Section 7.1.

"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.

"Superior Offer" has the meaning ascribed to it in the Sale Process.

"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 Sale Process

- (a) This Agreement will constitute a stalking horse credit bid for the purposes of the Sale Process Order and a Qualified Bid for the purposes of the Sale Process.
- (b) The Seller will comply with the procedures and time lines set out in the Sale Process and will not apply to the Court to materially amend, or consent to any application by any Person for a material amendment of, the Sale Process without the prior written consent of the Buyer.
- (c) In the event that the Sale Process is terminated by the Monitor, each of the Seller and the Buyer will take all actions necessary to have this Agreement and the Transaction approved pursuant to the Approval and Vesting Order and to Close

the Transaction within five (5) Business Days of the Approval and Vesting Order being made, or as otherwise agreed upon in writing by the parties to this Agreement.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets shall be \$5,800,000.00, which amount is calculated as follows:

- (a) the Seller's estimated \$86,706.85 debt to the Canadian Revenue Agency for possible priority employee source deduction arrears;
 - (b) the Seller's estimated \$15,691.24 debt to the City of Regina for property tax arrears in respect of the Campus;
 - (c) the \$150,000.00 Administration Charge;
- (collectively, the "**Priority Payables**"); and
- (d) \$5,547,602.00 of the total accrued and unpaid Senior Secured Obligations as of the Closing Date;

(collectively, the "**Purchase Price**").

3.2 Payment of the Purchase Price

The Purchase Price will be satisfied by the Buyer at Closing as follows:

- (a) by way of set off of the Purchase Price against the Senior Secured Obligations in the amount of \$5,547,602.00;
- (b) by the Buyer paying to the Seller by certified cheque or bank draft, or by effecting a wire transfer in immediately available funds, an amount equal to the aggregate amount of the Priority Payables (the "**Cash Portion of the Purchase Price**"); and
- (c) by the Buyer agreeing to pay, as and when they become due, but not to assume, all Priority Payables that are not due and payable at Closing.

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 that are 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 Sale Process Order and 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: 827190224 RT001.

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 Sale Process Order

On or before the Filing Date, the Buyer will file with the Court an application seeking an Order approving of the execution and delivery of this Agreement and the performance of those provisions applicable prior to Closing (with the intent that the performance of the provisions applicable on Closing be approved by the Approval and Vesting Order) and approving the Sale Process, 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 "**Sale Process Order**").

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 Procedure

- (a) The Seller, the Monitor and the Buyer will cooperate with filing and prosecuting the applications for the granting of all Orders contemplated by this Agreement and the Seller will deliver to the Buyer prior to filing, and as early in advance as is practicable to permit adequate and reasonable time for the Buyer and its counsel to review and comment, copies of all proposed pleadings, applications, responses to objections, notices, statements, schedules, applications, reports and other material papers to be filed by the Monitor and the Seller in connection with such applications and the relief requested therein and any challenges thereto.
- (b) If any Order is appealed by any Person (or a petition for *certiorari* or motion for rehearing, re-argument or stay is filed with respect thereto), the Buyer, the Seller and the Monitor will take all reasonable steps, and use their commercially reasonable efforts, to defend against such appeal, petition or motion and to use commercially reasonable efforts to obtain an expedited resolution of such appeal, petition or motion. Subject to the conditions set forth herein, nothing will preclude the Parties from agreeing to consummate the Transaction if the Approval and

Vesting Order has been entered and has not been stayed, modified, revised or amended.

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(b);
 - (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:
 - (i) if the Sale Process Order is not granted within fourteen days of the Filing Date, or such other date as agreed to in writing by the Buyer and the Seller;
 - (ii) if, prior to the Court granting the Sale Process Order, John Orr (or his nominee) pays an amount equal to a Superior Offer (or such other amount) to the Buyer, and the Buyer accepts the same, thereby agreeing to avoid the Sale Process and Transaction; provided, however, that the Buyer is entitled to refuse any such offer or payment for any reason within its sole discretion and without giving any reasons for the same;
 - (iii) 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;

- (iv) upon the consummation of an Alternate Transaction;
 - (v) if there are no Qualified LOIs submitted on or before the Phase 1 Bid Deadline and, prior to the Seller obtaining an Order of the Court implementing the Asset Purchase Agreement, John Orr (or his nominee) pays an amount equal to a Superior Offer (or such other amount) to the Buyer, and the Buyer accepts the same, thereby agreeing to avoid the Sale Process and Transaction; provided, however, that the Buyer is entitled to refuse any such offer or payment for any reason within its sole discretion and without giving any reasons for the same; or
 - (vi) If there are no Qualified Bids submitted on or before the Phase 2 Bid Deadline and, prior to the Seller obtaining an Order of the Court implementing the Asset Purchase Agreement, John Orr (or his nominee) pays an amount equal to a Superior Offer (or such other amount) to the Buyer, and the Buyer accepts the same, thereby agreeing to avoid the Sale Process and Transaction; provided, however, that the Buyer is entitled to refuse any such offer or payment for any reason within its sole discretion and without giving any reasons for the same;
- (c) by the Buyer:
- (i) if the Court has not issued and entered the Approval and Vesting Order by April 15, 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).

10.3 Sale Process Timelines

In the event of termination pursuant to Section 10.1(b)(ii), (v), or (vi), the Seller shall apply to the Court for an Order approving such Qualified Bid within five (5) Business Days of the termination of this Agreement and complete the transaction in accordance with the terms thereof and any order issued by the Court.

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:

Affinity Credit Union 2013
902 – 7th Avenue North
Saskatoon, SK
S7K 3P4

Attention: Gary Cooke, Credit Inspector
Tel. No.: (306) 385-4539
E-mail: gary.cooke@affinitycu.ca

with a copy to:

Olive Waller Zinkhan & Waller LLP
1000 – 2002 Victoria Avenue
Regina, SK S4P 0R7

Attention: Randall M. Sandbeck
Tel. No.: (306) 347-2105
E-mail: rsandbeck@owzw.com

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), AFFINITY CREDIT UNION 2013 (AS
BUYER) AND DELOITTE RESTRUCTURING INC. (AS MONITOR)**

101133330 SASKATCHEWAN LTD.

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

AFFINITY CREDIT UNION 2013

Per: _____
Name: Gary Cooke
Title: Credit Inspector

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

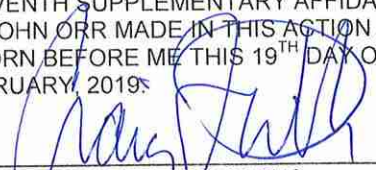
Orr Centre Daycare Lease Agreement dated August 1, 2014

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


A COMMISSIONER FOR OATHS
for the Province of Saskatchewan
My commission expires:
OR Being a Solicitor



September 24, 2018

Dear Sirs:

Re: Willows – Development and Cost Sharing

The following sets forth our agreement in respect of the development of the following lands:

Surface Parcel #136165091

Reference Land Description: Blk/Par A Plan No 101456197 Extension 76

As described on Certificate of Title 73S02684, description 76

(the "Orr Lands")

Planning, Construction and Other Costs

Shared Costs

Orr and Dream agree to share direct, third party costs based on benefiting area and/or trip generation. Costs below represent estimates and actual costs supported by invoices will be used for final cost share amounts. Cost share items will include:

- a) Planning costs for concept plan report and planning studies.
 - a. Planning costs incurred by Dream included preparation of the concept plan report which include supporting studies detailing servicing, traffic engineering and hydrogeological reviews. These costs are to be shared based on benefiting area of the Willows Concept Plan Area. Total net developable area for the Willows Concept Plan is 93.74 acres. The **Orr Parcel** represents 15.0 acres within this area resulting in a 16% share of costs. Concept Plan Report invoices to date Total **\$299,260** resulting in a share of **\$47,882** applicable to the **Orr Parcel**.

- b) the future traffic signals required for Cartwright Street / Lorne Avenue and Cartwright Street / Clarence Avenue
 - a. Traffic Signal Costs are estimated at \$150,000 per signal totaling **\$300,000**. Based on trip generation assigned to the **Orr Parcel** in the *Willows Traffic Impact Assessment*, the percentage associated with the contributing trips and cost of infrastructure is 22% resulting in a contribution of **\$66,000**.

	AM	PM	Total	Percentage
Orr Parcel	130	150	280	22%
A	50	60	110	9%
B	50	70	120	9%
C	160	190	350	28%
Clubhouse	100	170	270	21%
D	60	80	140	11%
Total	550	720	1270	100%

Willows Traffic Impact Assessment Trip Generation

- c) Cartwright Street
- a. Construction cost of half of the roadway along the benefiting frontage of the **Orr Parcel** will be reimbursed to Dream. Costs are based on actual invoices at the time of construction and total **196,419.00** including 10% engineering fees. (178,563.00 Construction, 17,856.00 Engineering)
- d) Potential Sanitary Upsize
- a. There is the potential that the City of Saskatoon will require a sanitary sewer upgrade between Cartwright Street and receiving infrastructure north of the CN rail line. In the event that this is required Dream will reserve the capacity in the existing sewer for the original Willows development. Any upsizing required beyond the existing capacity will be paid for by Orr.

Costs Solely the Responsibility of Dream or Orr

Orr shall complete the underground mains and street improvements to acquire direct services for the **Orr Parcel** and shall be solely responsible for the costs thereof. Dream shall complete the underground mains and street improvements interior to their development area and shall be solely responsible for the costs thereof.

Each party shall be responsible for their own levies payable to the City of Saskatoon for their respective lands.

For avoidance of doubt, the parties further agree that the only costs or other obligations with respect to the Willows Lands to be paid or satisfied by Orr to Dream are the costs and obligations referred to herein under the headings "Shared Costs", "Costs Solely the Responsibility of Dream or Orr" in the proportions described therein.

Consultation and Cooperation

The parties agree to cooperate and continue a mutual dialogue and consultation with respect to the development of the Willows Lands.

Dispute Resolution

In the event of a dispute between the parties as to any matter relating to the Willows Lands which dispute cannot be resolved by the parties, the same shall be referred to a single arbitrator if the parties agree upon one, otherwise to three (3) arbitrators, one to be appointed by Dream, one by Orr and the third to be appointed in writing by the first two arbitrators. The award made by the said arbitrators or a majority of them shall be final and binding upon the parties hereto, their successors and permitted assigns. If either Dream or Orr shall refuse or neglect to appoint an arbitrator within seven (7) days after the other party shall have appointed an arbitrator and shall have served written notice by prepaid registered mail upon the first-mentioned party requiring such party to go to arbitration and to make an appointment of an arbitrator, then the arbitrator first appointed shall at the request of the party appointing him proceed to hear and determine the matter in dispute, difference or question as if he were a single arbitrator appointed by both parties in reference. The costs of arbitration hereunder shall be shared equally by the parties hereto, unless the arbitrator or arbitrators otherwise order. The arbitration hearing shall take place at Saskatoon, Saskatchewan.

Yours truly,

DREAM ASSET MANAGEMENT CORPORATION

Per:

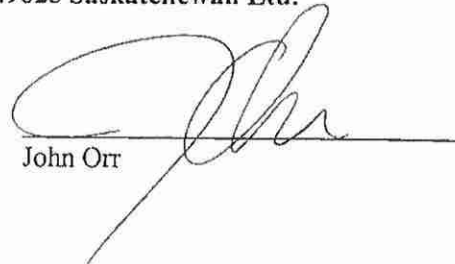


Jason Carlston
Regional Vice President, Saskatchewan Land

This letter agreement is hereby acknowledged and agreed to by 101149825 Saskatchewan Ltd. as of the 2 day of October, 2018.

101149825 Saskatchewan Ltd.

Per:



John Orr