

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.

NOTICE OF APPLICATION
(Fifth Extension and DIP Facility #5)

NOTICE TO RESPONDENTS: All parties listed on the attached Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Where: Court of Queen's Bench for Saskatchewan
 Judicial Centre of Saskatoon
 520 Spadina Crescent East

Date: December 20, 2017

Time: 9:30 a.m.

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. The Applicants seek an order pursuant to the *Companies' Creditors Agreement Act*, R.S.C. 1985 c. C-36, as amended (the "CCAA"):

- (a) deeming service of this notice of application and materials in support thereof good, valid, timely, and sufficient;
- (b) providing that the Initial Order, the stay of proceedings in favour of the Applicants contained in the Initial Order, and the period of time within which the Applicants shall be permitted to file one or more plans of compromise or arrangement with one or more classes of their creditors shall be extended to and including 11:59 p.m. (Saskatchewan Time) on June 17, 2018;
- (c) providing that the Seventh Report of the Monitor, Deloitte Restructuring Inc. (the “**Monitor**”), and the conduct and activities of the Monitor described therein shall be approved;
- (d) providing that the fees and disbursements of the Monitor for the period of May 15, 2017 to November 28, 2017 and its legal counsel, MLT Aikins LLP, for the period of May 15, 2017, to June 1, 2017, shall be approved;
- (e) authorizing and empowering the Applicants to enter into an agreement with Staheli Construction Co. Ltd. (the “**DIP Lender**”) on the terms and conditions referenced in the term sheet appended as Exhibit “A” to the Seventh Supplementary Affidavit of John Orr;
- (f) authorizing and directing the Applicants to repay their existing indebtedness to the DIP Lender as outlined in the draft Order filed herewith; and
- (g) granting such other and further relief as the circumstances may require and this Honourable Court deems appropriate.

Grounds for making this application:

2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the:

- (a) Initial Order and subsequent Orders of this Honourable Court made in these proceedings;
- (b) Affidavits of John Orr sworn on May 12, 2016, June 6, 2016, August 12, 2016, December 16, 2016, May 24, 2017, and December 15th, 2017; and
- (c) Affidavits of David Calyniuk sworn on August 12, 2016, December 16, 2016, May 23, 2017, and December 15th, 2017.

3. Each of the Applicants is a “Debtor Company” to which the CCAA applies and in respect of which the Initial Order has been granted.

4. The stay of proceedings granted by the Initial Order was most recently extended by the Order of the Honourable Mr. Justice G.A. Meschishnick dated May 31, 2017 (the “**Fourth Extension Order**”), and expires on Sunday, December 24, 2017, at 11:59 p.m. Saskatchewan time.

5. Since the granting of the Initial Order on May 20, 2016, the Applicants have continued to carry on business in the ordinary course, except insofar as affected by the Initial Order, and have continued to act diligently and in good faith in the conduct of their business, and towards the development of a plan of arrangement to restructure their business and financial affairs in a manner designed to achieve the best possible results for the Applicants and their stakeholders.

6. Since the granting of the Fourth Extension Order, the Applicants have worked diligently and in good faith with their consultant to:

- (a) complete the necessary supporting materials for (and ultimately submit) a rezoning application for the Campus;
- (b) successfully navigate the rezoning application process, which is expected to conclude in February or March of 2018; and
- (c) progress an intensive remedial plan aimed at improving the Orr Centre facilities and cash flows for the benefit of the stakeholders.

7. The Amended Willows Concept Plan, which will bring the 825 Land within the next phase of the Willows development, is expected to come before City council in the first or second quarter of 2018.

8. Consequently, allowing the Applicants to continue their present work therefore has the greatest potential to increase the value of the 825 Land, Orr Centre, and Campus

such that the stakeholders will derive a greater benefit than they would through the immediate liquidation of these assets.

9. An extension of the stay of proceedings to June 17, 2018 is necessary to enable the Applicants to continue their efforts and work towards an overall plan of compromise and arrangement, as the resolution of the parallel processes currently underway with respect to the 825 Land and Campus are expected to be the primary sources of funding the same.

Material or evidence to be relied on:

- (a) this Notice of Application;
- (b) the Affidavit of John Orr sworn December 15th, 2017;
- (c) the Affidavit of David Calyniuk sworn December 15th, 2017;
- (d) the Seventh Report of the Monitor;
- (e) a Brief of Law;
- (f) a draft Order; and
- (g) such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

10. The Applicants rely on Rules 12-1(1) and 13-7(2).

Applicable Acts and Regulations:

11. The Applicants rely on the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and, in particular, sections 11 and 11.02(2) and (3).

NOTICE

If you wish to oppose the application, you or your lawyer must prepare an affidavit in response, serve a copy at the address for service given at the end of this document, and file it in the court office, with proof of service, at least 7 days before the date set for hearing the application. You or your lawyer must also come to court for the hearing of the application on the date set.

AND FURTHER TAKE NOTICE that if you do not appear at the hearing an order may be made in your absence and enforced against you. YOU WILL NOT RECEIVE FURTHER NOTICE OF THIS APPLICATION.

Dated at the City of Saskatoon, in the Province of Saskatchewan this 15th day of December, 2017.

McDOUGALL GAULEY LLP

Per: 

Solicitors for the applicants,
101133330 Saskatchewan Ltd., and
101149825 Saskatchewan Ltd.

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 / Facsimile:	(306) 653-1212 / (306) 652-5432
Email address:	isutherland@mcdougallgauley.com cfrith@mcdougallgauley.com