

COURT FILE NUMBER Q.B. No. 1693 of 2017

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE SASKATOON

APPLICANTS COPPER SANDS LANDS CORP., WILLOW RUSH DEVELOPMENT CORP., MIDTDAL DEVELOPMENTS & INVESTMENTS CORP., PRAIRIE COUNTRY HOMES LTD., JLL DEVELOPMENTS & INVESTMENTS CORP. and MDI UTILITY CORP.

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  
COPPER SANDS LANDS CORP., WILLOW RUSH DEVELOPMENT CORP., MIDTDAL  
DEVELOPMENTS & INVESTMENTS CORP., PRAIRIE COUNTRY HOMES LTD., JLL  
DEVELOPMENTS & INVESTMENTS CORP. and MDI UTILITY CORP.

**NOTICE OF APPLICATION**

(Amended and Restated Initial Order)

**NOTICE TO: Those Parties Identified 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 House  
520 Spadina Crescent East  
Saskatoon, Saskatchewan, Canada

Date: Thursday, July 5, 2018

Time: 10:00 a.m. Saskatchewan time

**Remedy claimed or sought:**

1. An Order amending and restating the Initial Order granted on December 20, 2017 in these proceedings by the Honourable Mr. Justice N.G. Gabrielson (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") respecting Copper Sands Lands Corp. ("**Copper Sands**"), Willow Rush Development Corp. ("**Willow Rush**"), Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JLL Developments & Investments Corp. and MDI Utility Corp. (collectively, the "**Applicants**"), and extending the stay of proceedings to and including September 5, 2018.

2. Such further and other relief as counsel may request and this Honourable Court may permit.

**Grounds for making this application:**

Procedural History

3. The Applicants applied for an Initial Order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"). This application was initially heard on November 15, 2017 before the Honourable Mr. Justice N.G. Gabrielson. Justice Gabrielson granted the Initial Order on December 20, 2017.
4. On December 21, 2017, the Applicants' three most significant creditors (Affinity Credit Union 2013 ("**Affinity**"), Industrial Properties Regina Limited ("**IPRL**"), and 101297277 Saskatchewan Ltd. ("**7277**")) indicated their intention to seek leave to appeal the Initial Order and requested that the Applicants refrain from drawing down the interim financing provided for in the Initial Order pending the hearing of their application for leave to appeal. The Applicants co-operated with this request.
5. On January 15, 2018, the Honourable Mr. Justice M.J. Herauf granted the applications for leave to appeal in part, and set the appeals down for a hearing on March 5, 2018. The Applicants' ability to obtain interim financing remained stayed.
6. The Initial Order was subsequently extended from January 19 to 24, 2018 in order to facilitate a hearing on January 24 before Justice Gabrielson in relation to the issue of whether the stay of proceedings pursuant to the CCAA would be permitted to continue pending the appeals. The hearing was adjourned from January 24 to January 31. The Initial Order was extended again to facilitate this hearing date, and further extended to February 2, 2018 while Justice Gabrielson's decision was on reserve.
7. On February 2, 2018, Justice Gabrielson issued a decision holding that paragraphs 1 through 22 of the Initial Order would remain in force until 30 days after the appeals were heard and determined.
8. The appeals were heard on March 5, 2018, and decided on March 9, 2018. The Court of Appeal allowed the appeals in part, upholding the Initial Order but setting aside the grant of interim financing pursuant to paragraphs 33 through 38A of the Initial Order. The Court of Appeal expressly held that, apart from that part of the Initial Order relating to interim financing, "[t]he remaining components of the initial order remain intact".

### Background To This Application

9. The Initial Order was extended by Consent Order until April 17, 2018, and again by consent to May 25, 2018, June 7, 2018, June 15, 2018, and finally July 5, 2018, in order to facilitate ongoing dialogue between the Applicants and their secured creditors.
10. The Applicants propose that the stay of proceedings be extended for a further period of approximately 60 days (to and including September 5, 2018) in order to permit the Applicants to pursue two refinancing transactions in order to retire their obligations to IPR Capital Ltd. ("**IPR Capital**", assignee of Affinity's debt and security), IPRL, and 7277. Additionally, in light of the significant professional fees owing to the Applicants' counsel, the Monitor, Deloitte Restructuring Inc., and the Monitor's counsel, the Applicants are seeking to increase the Administration Charge in the Initial Order from \$150,000.00 to \$250,000.00, and to establish a Subordinate Administration Charge (to rank subordinate to the secured claims of IPR Capital, IPRL, and 7277) in the amount of \$500,000.00.
11. The Applicants are in dialogue with IPR Capital, IPRL, and 7277 regarding the resolution of the outstanding issues between them, as well as the positions that each of these parties will be taking before Justice Gabrielson on July 5.
12. The Applicants anticipate that they will be able to come to an agreement with IPR Capital, IPRL, and 7277 prior to July 5. However, if such an agreement is not reached, the Applicants will be seeking an Amended and Restated CCAA Order, restating the Initial Order and extending the stay of proceedings until September 5, 2018 (in substantially the form currently under discussion with IPR Capital, IPRL, and 7277).
13. The Applicants have acted, and continue to act, in good faith and with due diligence throughout these proceedings and the appeal proceedings.

### **Material or evidence to be relied on:**

14. The Applicant relies upon:
  - (a) this Notice of Application;
  - (b) a proposed form of draft Amended and Restated CCAA Order;
  - (c) a proposed form of draft Order (Claims Process);

- (d) the Fourth Supplementary Affidavit of Jaimey Midtdal sworn June 29, 2018;
- (e) the Second Report of the Monitor;
- (f) a Brief of Law; and
- (g) such further and other material as this Honourable Court may allow.

**Applicable Acts and regulations:**

15. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36.

DATED at Saskatoon, Saskatchewan, this 29<sup>th</sup> day of June, 2018.

**MLT AIKINS LLP**



Per: \_\_\_\_\_

Jeffrey M. Lee, Q.C. and Paul Olfert,  
Counsel for Copper Sands Lands Corp.,  
Willow Rush Development Corp.,  
Midtdal Developments & Investments  
Corp., Prairie Country Homes Ltd., JJI  
Developments & Investments Corp. and  
MDI Utility Corp.

**NOTICE**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

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