

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
JUDICIAL CENTRE OF SASKATOON**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 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.,**

**APPLICANTS**

**FIRST REPORT OF THE MONITOR  
DELOITTE RESTRUCTURING INC.**

**JUNE 8, 2016**

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## EXHIBITS

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## INTRODUCTION

1. On May 20, 2016, 101133330 Saskatchewan Ltd. (“**33330**”) and 101149825 Saskatchewan Ltd. (“**825**”) (collectively the “**Applicants**” or the “**Companies**”) filed for and obtained protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Pursuant to the Order of the Court of Queen’s Bench for Saskatchewan (the “**Court**”) dated May 20, 2016 (the “**Initial Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the Monitor of the Applicants (the “**Monitor**”) in the CCAA proceedings. A copy of the Initial Order is attached hereto as Exhibit “**A**”.
2. The Initial Order provides, *inter alia*, for the following:
  - i. No proceeding (the “**Proceeding**”) or enforcement process (the “**Enforcement**”) in any court or tribunal shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the business or property of the Applicants, except with the written consent of the Applicants and the Monitor, or with leave of the Court, and any and all Enforcement or Proceedings currently underway against or in respect of the Applicants or affecting the business or the property of the Applicants are hereby stayed and suspended pending further Order of the Court until and including June 19, 2016 (the “**Stay Period**”).
  - ii. All persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Applicants, are hereby restrained until further order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by the Applicants in

accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by the Court.

- iii. No person shall discontinue, fail to honor, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favor of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or with leave of the Court.
3. Deloitte, in its capacity as Proposed Monitor, provided this Court with a report dated May 12, 2016 (the “**Pre-Filing Report**”) in connection with the Applicants’ application for protection under the CCAA. A copy of the Pre-Filing Report (without exhibits) is attached as Exhibit “**B**” to this first report of the Monitor (the “**First Report**”).
4. Pursuant to the Initial Order, the Monitor has made the Initial Order and other information related to the CCAA proceedings available on its website at [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd) (the “Monitor’s Website”).

## **PURPOSE**

5. The purpose of this First Report is to provide information pertaining to the initial activities of the Companies and the Monitor since the granting of the Initial Order. More specifically, this First Report contains information in respect of the following:
  - i. A summary of the Monitor’s activities since the granting of the Initial Order;
  - ii. The status of the Companies’ operations and key stakeholder relationships (both prior to and subsequent to the Initial Order);
  - iii. The Companies’ debtor in possession financing;
  - iv. An update on the Companies’ cash flow forecast and comments on variances between actual results compared to forecast for the period ended June 5, 2016;

- v. The activities of the Companies since the Initial Order with respect to restructuring the operations of the Applicants; and
- vi. The Applicants' request for an extension of the Stay Period.

## **TERMS OF REFERENCE**

6. In preparing this First Report, the Monitor has relied upon unaudited interim financial information, the Applicants' books and records, the affidavits of John Orr sworn on May 12, May 19, and June 6, 2016, and discussions with management ("**Management**") and its and legal advisors.
7. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that the First Report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor's procedures were intended to disclose defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Monitor's attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of the First Report.
8. The financial projections attached to the First Report were prepared by Management (except where noted). Although the Monitor has reviewed the assumptions underlying the projections for reasonableness, financial projections, by their nature, are dependent upon future events, which are not susceptible to verification. Actual results will vary from the information presented and the variations may be material. The Monitor has not prepared a compilation as contemplated by Section 4250 of the Chartered Professional Accountants of Canada Handbook.

9. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of the First Report. Any use which any party makes of the First Report, or any reliance or decision to be made based on the First Report, is the sole responsibility of such party.
10. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars and are rounded to the nearest thousand dollars.
11. Capitalized terms used in this First Report but not defined are as defined in the Pre-Filing Report.

#### **MONITOR'S ACTIVITIES SINCE THE GRANTING OF THE INITIAL ORDER**

12. Since the date of the Initial Order, the Monitor's activities have included the following:
  - a) Established the Monitor's Website and made available the Initial Order, application materials, service list, and a list of creditors with claims against the Applicants;
  - b) Prepared and issued notices required under the Initial Order, including the following creditor correspondence and notices:
    - i. Published the notice to creditors in the Saskatoon Star Phoenix and the Regina Leader Post on May 26, 2016 and June 2, 2016, copies of which are attached hereto as Exhibit "C".
    - ii. Mailed the notice to creditors to approximately 49 of the Companies' creditors on May 24, 2016 with respect to the CCAA proceedings. A copy of the notice is attached hereto as Exhibit "D".
    - iii. Issued the notice to the Office of the Superintendent of Bankruptcy in the prescribed form as required under section 23(1)(f) of the CCAA;
  - c) Held ongoing discussions with Management and the Companies' legal counsel regarding the Companies' business and financial affairs, including the Cash Flow

Statement for the period ending August 7, 2016 filed with the Court in connection with the Companies' initial application (the "**Initial Cash Flow**"), restructuring activities, employee and creditor matters, and other matters relating to the CCAA proceedings generally;

- d) Attended to continued inquiries from creditors, customers, and suppliers of the Companies; and
  - e) Continued monitoring of the business and financial affairs of the Companies in accordance with the Initial Order.
13. The Monitor is monitoring the receipts and disbursements of the Companies on a weekly basis with the full co-operation of Management. Consequently, cash flow forecasts will be updated regularly following the weekly variance analysis of the cash utilization.

#### **STAKEHOLDER UPDATE**

14. On May 19, 2016, the day prior to the hearing of the application by the Companies for the Initial Order, solicitors ("**Miller Thomson**") representing Firm Capital Mortgage Fund Inc. ("**Firm Capital**") and Frank Pa ("**Pa**") (the secured creditors who hold first and second ranking mortgages on the 825 Land, respectively) delivered a letter to the Court (the "**May 19 Miller Thomson Letter**"). The May 19 Miller Thomson Letter advised that Miller Thomson had been in discussions with the solicitors for the Applicants, the Proposed Monitor, solicitors for the Proposed Monitor, and solicitors for Affinity Credit Union ("**Affinity**"), who hold a first ranking security interest in respect of 33330, (collectively the "**Parties**"), in an attempt to arrive at a draft order that would be acceptable to all Parties. The May 19 Miller Thomson Letter is attached as Exhibit A to the Affidavit of John Orr dated June 6, 2016.
15. Firm Capital and Pa were seeking an order that would segregate the assets of 33330 from the assets of 825 (the "**Ring-Fencing Approach**"). Under the Ring-Fencing Approach proposed by Firm Capital and Pa, any Administrative Charge and DIP Facility Charge granted by the Court was to be subordinate to both the Firm Capital mortgage and the Pa mortgage registered against the 825 Land. Further, Firm Capital proposed that it be

permitted to continue taking interest payments against its loan from the Firm Capital Reserve Deposit (as defined in the Affidavit of John Orr dated May 12, 2016) during the CCAA proceedings, and that any costs associated with the restructuring activities of 33330 and 825 were to be borne solely by each respective Company. In this fashion, the priority position of the Firm Capital mortgage and the Pa mortgage against the 825 Land would be preserved, no priming of the Firm Capital mortgage and the Pa mortgage would occur, and restructuring costs associated with one of the Companies would not be borne by the other one of the Companies.

16. Various e-mail communications were exchanged amongst Miller Thomson and the Parties during the period preceding the May 20, 2016 Court hearing, wherein the following items were discussed, amongst others:
  - a) Firm Capital expressed an interest in providing a DIP Facility to the Companies and provided the Companies with an initial letter of interest to provide interim financing to 33330 on May 18, 2016; and
  - b) Firm Capital and Pa indicated that, provided that the Ring-Fencing Approach was adopted, they would likely support 825's efforts to move forward with land development work in order to unlock the value of the 825 Land for both the 825 creditors and the creditors of 33330.
17. Attached to the May 19 Miller Thomson Letter was a draft order that all Parties, including Miller Thomson, had agreed upon. The draft order was approved by Mr. Justice Gabrielson (who referred to it in open Court at the May 20, 2016 hearing as the "Miller Thomson Order") on May 20, 2016 and became the Initial Order in these proceedings.
18. On the morning of May 20, 2016, prior to the Court hearing, Firm Capital provided the Applicants with an amended DIP Facility letter of interest in support of the Applicants' restructuring efforts for 33330. However, despite this letter of interest from Firm Capital, the Applicants had been in discussions with Pillar Capital Corp. ("**Pillar**") and had decided to proceed with Pillar's interim financing offering, subject to Court approval. The proposed DIP Facility with Pillar was approved by the Court on May 20, 2016 (the "**DIP Order**").



19. On May 24, 2016, the next business day after the initial hearing in these proceedings, Miller Thomson sent written correspondence to the solicitor for the Applicants and the solicitor for the Monitor (attached as Exhibit D to the Affidavit of John Orr dated June 6, 2016) advising of the following:
  - a) That Firm Capital and Pa were not prepared to be stayed on the 825 Land and that the appropriate remedy for Firm Capital and Pa, as secured mortgage holders, was to proceed with a judicial sale process;
  - b) That Firm Capital and Pa now took the position that 825 had no place in these CCAA proceedings as 825 had no employees and its only asset was undeveloped vacant land. Firm Capital and Pa also suggested that 825's secured creditors should not be forced to forgo their conventional enforcement remedies; and
  - c) Firm Capital and Pa suggested that, based on certain estimated land values disclosed in the Affidavit of John Orr dated May 12, 2016, that the 825 Land had depreciated in value by approximately 20% since February 2015, to a point where there was negative equity in the 825 Land, such that Firm Capital and Pa were not prepared to wait any longer before commencing enforcement proceedings as the 825 Land value could drop further
20. The Monitor notes that a very significant expenditure of professional time and resources was incurred in order to ensure that all Parties, including Firm Capital and Pa, were in agreement with the form of the Initial Order. Agreement on a consent order was achieved on Thursday May 19, 2016, and the Initial Order (described by Mr. Justice Gabrielson as the "Miller Thomson Order") was approved by the Court the following day and was issued on Friday May 20, 2016. Thereafter, on Tuesday May 24, 2016, Firm Capital and Pa reversed their position and asserted their right to be removed from the stay on the 825 Land and to proceed with a judicial sale of the 825 Land.
21. The Monitor notes that, if the stay is lifted as against 825, and if Firm Capital and Pa are permitted to proceed with a judicial sale of the 825 Land, such an outcome will have a material impact on creditors of 33330 such as Affinity. The stated objective of "unlocking"

the potential equity in the 825 Land through rezoning, subdivision, and development work on the 825 Land had previously been identified as a benefit to be derived from these CCAA proceedings for creditors of 33330 such as Affinity.

22. All Parties, including Firm Capital and Pa, had agreed to the form of Initial Order on May 20, 2016. There have been no material adverse changes in the Companies' operations since the granting of the Initial Order. Accordingly, the Monitor is concerned that the lifting of the stay as against 825 will jeopardize these CCAA proceedings for all stakeholders. If the 825 Land is to be sold in its present state without further development, the potential to realize the additional equity in the 825 Land for the benefit of all of the Companies' stakeholders, as originally contemplated by the Companies in making their CCAA application, will be lost.
23. The Companies' other stakeholders continue to generally support the ongoing operations of the Companies during these CCAA proceedings:

- a) Suppliers

The Monitor has been advised by Management that the suppliers have been generally supportive of the Companies post-filing and continue to supply goods and services on commercially reasonable terms.

- b) Tenants

Management has advised that certain of the existing tenants at the Orr Centre have commended the Companies for the recent changes in management at the event centre. Attached as Exhibit K and L to the Affidavit of John Orr dated June 6, 2016 is correspondence received by the Companies from two tenants.

- c) Employees

Management has advised that the existing employees of the Companies remain committed to the Companies during the restructuring efforts. Management further advised that Canada Revenue Agency (“**CRA**”) payroll source deductions

are being remitted on a timely basis going forward, but that the payroll source deduction arrears of \$68,000 owing as at May 20, 2016 have not yet been paid.

## DEBTOR IN POSSESSION FINANCING

24. Subsequent to the granting of the Initial Order, the Applicants finalized a DIP Facility with Pillar (the “**DIP Lender**”) in accordance with the DIP Order. The DIP Facility is expected to provide sufficient funding to allow the Applicants to begin to reorganize their affairs in these proceedings, including certain rezoning and subdivision activities for the 825 Land. The Applicants and their advisors believe that the DIP Facility was the only realistic source of funding available, given the urgency of the proposed filing, and the minimal level of existing cash on hand.
25. The final DIP Facility agreement (the “**DIP Facility Agreement**”) is attached as Exhibit N to the Affidavit of John Orr dated June 6, 2016 and is summarized in the table below. Terms capitalized in the table have the meaning ascribed to them in the DIP Facility Agreement.

<b>Summary of DIP Facility Agreement Terms</b>	
Financing	<ul style="list-style-type: none"> <li>• Senior secured super-priority facility in an amount of up to CDN \$500,000 by way of a single advance.</li> </ul>
Borrowers	<ul style="list-style-type: none"> <li>• 101133330 Saskatchewan Ltd., 101149825 Saskatchewan Ltd., and John Orr as Guarantor.</li> </ul>
Purpose of Financing	<ul style="list-style-type: none"> <li>• To finance the Borrowers’ working capital requirements and for other general corporate purposes and capital expenditures.</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>• The earliest of (i) the Lender making demand for repayment of such obligations; (ii) the occurrence of an Event of Default; and (iii) the date which is twelve (12) months following the date of Advance of any amounts under the DIP Facility.</li> </ul>
Payment	<ul style="list-style-type: none"> <li>• Commencing June 30, 2016, the Borrowers shall make payments to the Lender on the last day of each month of all interest outstanding on the DIP Facility for such month with principal due at maturity.</li> </ul>
Significant Terms	<ul style="list-style-type: none"> <li>• The Borrowers/Guarantor shall pay when due all statutory liens, trusts and other Crown claims, including but not limited to property taxes which have accrued subsequent to the date of the Initial Order.</li> <li>• Satisfactory completion of the Lender’s due diligence.</li> <li>• Other covenants which appear customary under the circumstances.</li> </ul>
Fees and Interest	<ul style="list-style-type: none"> <li>• 1.25% per month (15% per annum) on the daily balance outstanding.</li> <li>• \$15,000 facility fee being 3% of the approved DIP Facility.</li> <li>• \$500 monthly monitoring fee due on the last business day of each month.</li> <li>• \$2,500 due diligence fee.</li> </ul>
Security	<ul style="list-style-type: none"> <li>• All of the existing and after-acquired real and personal, tangible and</li> </ul>

	<p>intangible, assets, property and undertaking of the Borrowers.</p> <ul style="list-style-type: none"> <li>• The Borrowers shall also provide to the Lender a Promissory Note, Assignment of Insurance, and Direction to Pay.</li> </ul>
DIP Charge	<ul style="list-style-type: none"> <li>• DIP Charge to rank subordinate only to the Administration Charge. DIP Charge in the amount of CDN \$500,000 to ensure fees, costs and expenses are covered.</li> </ul>

26. Management of the Applicants has advised the Monitor that it believes the Applicants can abide by all of the terms of the DIP Facility Agreement.
27. The Monitor notes that the costs of the DIP Facility fall within a range of costs that the Monitor has reviewed in other recent comparable DIP loans in other insolvency proceedings.
28. The Monitor notes that funding under the DIP Facility was required on an urgent basis. The quantum of the DIP Facility reflects the cash needs of the Applicants, taking into consideration the Applicants' immediate planned course of action.
29. The Monitor also notes that there are a number of terms and conditions of the DIP Facility that provide the DIP Lender with discretion and flexibility over the financing of the Applicants in these proceedings. It is expected that the DIP Facility will be administered in a manner that furthers the goals of these proceedings. The DIP Facility was advanced to the Applicants by the DIP Lender in a single advance of \$500,000 on June 2, 2016.

## **CASH FLOW STATEMENT AND LIQUIDITY**

30. The Companies' cash receipts and disbursements for the period May 9, 2016 to June 5, 2016 are attached as Exhibit "E" with a comparison to the Initial Cash Flow.
31. The Monitor has conducted weekly reviews of the Companies' actual cash flow compared to the Initial Cash Flow. As detailed in the DIP Facility Agreement that was finalized on May 27, 2016, a weekly variance analysis will also be provided to Pillar. The Monitor's comments on the actual cash flow to June 5, 2016 are as follows:
  - a) Compared with the Initial Cash Flow, the Companies experienced an overall favorable variance of approximately \$587,000.
  - b) This variance is primarily attributable to the following:

- i. \$502,000 favorable cash receipts variance compared to forecast due primarily to the full advance of the DIP Facility and timing of rental income collections.
  - ii. \$82,000 favorable development cost variance as Stantec was not formally engaged until after the granting of the Initial Order. The unspent forecast development costs are still expected to be incurred and have been included in the Revised Cash Flow (as defined below).
  - iii. \$37,000 favorable operating cost variance due to the timing of certain expenditures and the reduction in utility costs with warmer outside temperatures.
  - iv. \$34,000 unfavorable restructuring cost variance due primarily to increased professional costs incurred as a result of issues encountered negotiating a draft order in these CCAA proceedings (as previously discussed in this First Report).
32. As of the date of this First Report, all expenses incurred have been or will be paid, in accordance with the Initial Order, from ongoing operations or from the authorized DIP Facility. As the Companies are forecasting to have adequate availability in the existing DIP facility, the Companies do not appear to require additional financing, as is evident from the Revised Cash Flow Statement for the period ending September 4, 2016 attached hereto as Exhibit “F” (the “**Revised Cash Flow**”).
33. The Revised Cash Flow includes the assumptions as set out in the Notes and Summary of Assumptions (“**Notes and Assumptions**”).
34. The Monitor’s comments on the Revised Cash Flow are as follows:
  - a) For the period from June 6, 2016 to September 4, 2016, the Companies are projected to have gross receipts of approximately \$284,000 and disbursements of approximately \$756,000, representing a net operating cash outflow of \$472,000.

- b) The \$500,000 DIP Facility granted in the Initial Order is projected to be sufficient to allow the Applicants to continue operations and engage in the 825 Land development activities to September 4, 2016.
- c) The Monitor's review of the Revised Cash Flow consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by certain of the Management and employees of the Companies. Since the Notes and Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow. The Monitor has also reviewed the support provided by Management for the Notes and Assumptions, and the preparation and presentation of the Revised Cash Flow.
- d) Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
  - i. The Notes and Assumptions are not consistent with the purpose of the Revised Cash Flow;
  - ii. As at the date of the First Report, the Notes and Assumptions developed by Management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the Revised Cash Flow, given the Notes and Assumptions; or
  - iii. The Revised Cash Flow does not reflect the Notes and Assumptions.

35. Since the Revised Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, even if the Notes and Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the First Report, or relied upon by the Monitor in preparing the First Report.

## RESTRUCTURING EFFORTS

36. Subsequent to the granting of the Initial Order, 825's immediate efforts have focused on researching and retaining the appropriate professional consultants to assist 825 in moving forward with development of the 825 Land.
37. On May 23, 2016, 825 provided a deposit to Stantec and retained the engineering consultants to begin the scope of work outlined in the proposal (the "**Stantec Proposal**") attached as Exhibit E to the Affidavit of John Orr dated June 6, 2016. The scope of work detailed in the Stantec Proposal relates to the creation of a concept plan and serviceability study for the 825 Land that are required by the City of Saskatoon (the "**City**") prior to the 825 Land being rezoned to accommodate medium to high density residential developments (the "**825 Concept Plan**"). The Applicants have advised that Stantec has already held initial meetings with the City's Planning and Development Department for potential rezoning options, compiled a record of utility designs for the existing infrastructure, and has started working on the necessary environmental assessments (a complete progress report of Stantec's activities to-date is attached as Exhibit I to the Affidavit of John Orr dated June 6, 2016).
38. The estimated timeframe for substantive completion of the 825 Concept Plan is August 31, 2016, at which time 825 will be in a position to estimate when the 825 Concept Plan will be submitted to the City for consideration along with 825's application to have the 825 Land rezoned to accommodate the desired residential development.
39. In order to have the 825 Land best situated for development, once the City approves the 825 Concept Plan, 825 will need to formulate and submit a number of additional plans and agreements for the City's consideration. In order to move this process forward, the Applicants determined that it would be necessary to access the experience and expertise of a professional land developer to act as the owner's consultant (the "**Owner's Representative**"), to aid in the development, administration, and general oversight and control of the 825 Land development plan. According to the Applicants, the Owner's Representative would need to have particular knowledge of development, planning, design,

and implementation of land development in the Saskatoon region and must have the necessary skills to deal with civic administration, consultants, and other stakeholders.

40. In order to gauge the interest in the professional development community, during the period May 28, 2016 to May 30, 2016, the Applicants sent e-mail correspondence to eight (8) prospective companies whom they believed represented the pre-eminent local land development companies with the requisite experience and resources to fulfill the Owner's Representative role.
41. Each company replied within two business days of the initial e-mail inquiry either requesting additional information about the 825 Land, or expressing outright interest in being the Owner's Representative.
42. On June 1, 2016 and June 2, 2016, the Applicants sent further correspondence to the eight (8) companies with a description of the anticipated scope of work, and requested that they submit proposals for the Applicants' consideration by close of business on June 3, 2016. It was further requested that any proposal submitted provide details supporting a monthly work fee (if any), time and materials rate (if applicable), and any success based fee (based upon the results achieved by the Owner's Representative), if any.
43. The Applicants advised that two (2) proposals were received by the June 3, 2016 deadline, and that other companies indicated that they wanted to be apprised in the event the 825 Land was to be sold. The Applicants have not yet had the opportunity to evaluate the competing offers and negotiate a form of agreement as at the date of this First Report.
44. With respect to 33330 and the Orr Centre, the Applicants have advised that, since the granting of the Initial Order, they have been focused on continuing to reduce operating costs, filling the vacant residential and commercial space, and maximizing the potential to increase the use of the Orr Centre as an event centre.
45. The Applicants advised that total staff has been reduced to four (4) full-time employees, one of whose day-to-day responsibilities have been increased to accommodate the termination of the Orr Centre's previous manager.



46. The Applicants advised that 33330 has negotiated a new lease with INtouch Career College and has engaged in preliminary discussions with two other potential commercial tenants. Additionally, the Applicants advised that they are in discussions with existing tenants in an attempt to increase the usage of the existing dormitory space, as well as with certain seniors housing providers who have expressed interest in entering into a long-term lease arrangement for one of the shuttered dormitory buildings in the event that the building could be renovated to meet their requirements. At the time of this First Report, the Applicants were further assessing the necessary renovations and remediation work that is necessary to improve the Orr Centre.
47. The Applicants also advised that they have made initial inquiries with a full service, diversified entertainment company, with the intention of developing a referral relationship and engaging a third party, on-site manager, to assist with increasing the overall usage of the theatre at the Orr Centre. The Applicants advised that the entertainment company is currently working on a proposal outlining the terms of a possible engagement, but nothing has been finalized as at the date of the First Report.
48. Additionally, the Applicants have advised that there has been some interest expressed in purchasing the Orr Centre, and the possibility of subdividing the property so as to be able to develop a portion of the bare land. However, more time is necessary to assess the scope of work that would be required and the estimated timeframe for completion.
49. Finally, the Applicants have advised that they have entered into discussions with a realtor to have the Prince Albert Condominiums listed for sale so that the equity therein can be utilized in these CCAA proceedings.

## **REQUEST FOR EXTENSION OF THESE PROCEEDINGS AND RECOMMENDATIONS**

50. The current stay of proceedings under the Initial Order expires on June 19, 2016. In order to facilitate restructuring efforts, the Companies are requesting an extension of the stay of proceedings to August 31, 2016. Management and its counsel have advised that this extension period will provide Stantec with the time required to complete approximately 80%

of its work related to the 825 Concept Plan, and the Applicants will be able to evaluate and engage an Owner's Representative to further assist with the 825 Land development and rezoning process. Additionally, the extension will provide the Applicants with the time required to perform certain necessary remediation work and repairs at the Orr Centre, and to begin to increase tenancies and rental revenues. The extension will also allow the Applicants time to further consider development of a plan of arrangement, which may potentially result in a Court approved sales process for certain of the assets of 33330 and 825.

51. The Monitor is aware of its duty under section 23(1)(h) of the CCAA. That section states that, if the Monitor is of the opinion that it would be more beneficial to the company's creditors if proceedings in respect of the company were taken under the *Bankruptcy and Insolvency Act* ("BIA"), it shall so advise the Court without delay after coming to that opinion. As at the date of this First Report, the Monitor has not formed such an opinion.
52. The Monitor is of the view that continuing the Companies' restructuring under the CCAA proceedings will preserve the business as a going concern, will continue to maximize and preserve value for stakeholders of the Companies, and will allow time for the Companies to develop a restructuring plan which offers the only opportunity for many of the stakeholders to achieve a recovery.
53. The Applicants are working diligently to manage their financial and operational restructuring. In accordance with the Revised Cash Flow, the Companies are forecasting to be able to operate within the Court ordered DIP Facility during the requested extension period.
54. The Monitor is of the view that the Companies have acted, and are acting, in good faith and with due diligence.
55. Mr. Orr has stated that reasonable prospects exist for the Companies to file a Plan of Arrangement under the CCAA and that it is the intention of the Companies to do so. Based upon information presently available to it, the Monitor has no reason to take issue with these statements by Mr. Orr.

56. Accordingly, the Monitor respectfully recommends that this Court approve an extension of the stay of proceedings to August 31, 2016.

57. The Monitor also respectfully requests that the Court approve this First Report and the conduct and activities of the Monitor described herein.

All of which is respectfully submitted at Saskatoon, Saskatchewan, this 8<sup>th</sup> day of June, 2016.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Monitor of  
101133330 Saskatchewan Ltd. and  
101149825 Saskatchewan Ltd.,  
and not in its personal capacity.



Per: Brent Warga, CA, CIRP  
Senior Vice-President

**Exhibit A – Initial Order**

FORM 10-3  
(Rule 10-3)

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.

**INITIAL ORDER**

BEFORE THE HONOURABLE            )        FRIDAY, THE 20<sup>th</sup> DAY  
MR. JUSTICE N.G. GABRIELSON       )        OF MAY, 2016  
IN CHAMBERS                            )

UPON THE APPLICATION of counsel on behalf of the Applicants, 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd., and upon hearing read the Notice of Application, dated the 12<sup>th</sup> day of May, 2016, the Affidavit of John Orr sworn the 12<sup>th</sup> day of May, 2016, the draft Order, the Consent of the Monitor to Act, the Pre-Filing Report of the Proposed Monitor and the Brief of Law on behalf of the Applicants, all filed; and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice; and upon hearing from counsel to the Applicants, counsel for Firm Capital Corp., counsel for Affinity Credit Union and counsel for all other interested parties present:

IT IS HEREBY ORDERED, ADJUDGED, AND DECLARED THAT:

### VALIDATION OF SERVICE

1. Service of the Notice of Application and all other materials filed in support of this application (collectively, the "**Application Materials**") upon all parties listed on the Service List established in these proceedings and maintained by the Monitor (a current copy of which is attached as Schedule "C" hereto) shall be and is hereby deemed to be good, valid, timely and sufficient.

### TERM OF ORDER

2. The hearing of the application on this proceeding shall be held at the Court House situated at 520 Spadina Crescent East, Saskatoon, Saskatchewan at 10:00 o'clock a.m. on the 20<sup>th</sup> day of May, 2016. All of the relief provided for in the subsequent paragraphs of this Order is granted to the Applicants on an interim basis only, and the relief made in the subsequent paragraphs will expire at 11:59 p.m. (local Saskatchewan time) on the 19<sup>th</sup> day of June, 2016, unless extended by this Court.

### APPLICATION

3. The Applicants are both Companies to which the CCAA applies. The Applicants are affiliated companies as defined in section 3(2) of the CCAA.

### CONVERSION OF BIA PROCEEDINGS TO CCAA PROCEEDINGS

4. The proceedings commenced by the Applicants under Part III of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3 (the "**BIA**") by the filing by each of the Applicants of a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the BIA shall be and are hereby taken up and continued under the CCAA pursuant to section 11.6(a) of the CCAA.

### PLAN OF ARRANGEMENT

5. Each of the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the "**Plan**").

## DEFINITIONS

5A. For the purposes of this Order:

- a. “**Saskatoon Property**” shall mean all current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 101149825 Saskatchewan Ltd.

## POSSESSION OF PROPERTY AND OPERATIONS

6. Each of the Applicants shall:

- a. remain in possession and control of its current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
- b. subject to further Order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property;
- c. be authorized and empowered to continue to retain, employ, and pay the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain, employ, and pay such further Assistants as it deems reasonably necessary or desirable, all in the ordinary course of business or for the carrying out of the terms of this Order;
- d. be entitled to continue to utilize the central cash management system currently in place, or replace it with another substantially similar central cash management system (the "**Cash Management System**"); provided that, until further Order of this Court, the Cash Management Systems of the Applicant companies shall be kept separate, shall not be commingled, and no funds that are the property of one Applicant company shall be paid or transferred to the other Applicant company. Any present or future bank providing the Cash Management System:

- i. shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System;
  - ii. shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System; and
  - iii. shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
7. The Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:
  - a. all outstanding and future wages, salaries, employee and pension benefits, contributions to pension plans, vacation pay, bonuses, and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - b. the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.
8. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:



- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - b. payment for goods or services actually supplied to the Applicants.
9. The Applicants shall, in accordance with legal requirements, remit or pay:
  - a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
  - b. all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after April 20, 2016, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after April 20, 2016; and
  - c. any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.
10. Until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to a landlord under a lease) or as otherwise may be negotiated by the Applicants from time to time ("**Rent**"), for the period commencing

from and including April 20, 2016, bi-weekly, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including April 20, 2016, shall also be paid.

11. Except as specifically permitted herein, the Applicants are hereby precluded and enjoined, until further Order of this Court, from:

- a. making any payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as April 20, 2016;
- b. granting any security interests, trusts, mortgages (or other real property interests), liens, charges, or encumbrances upon or in respect of any of its Property; and
- c. granting credit or incurring liabilities except in the ordinary course of the Business; and
- d. assigning or transferring any Property from or any debt from one Applicant company to the other, or causing either Applicant company to pay or satisfy any obligations of the other.

11A. Notwithstanding paragraph 11, Firm Capital Mortgage Fund Inc. shall, with the consent of the Monitor, be permitted to utilize funds held by it pursuant to a Cash Pledge Agreement granted to it by the Applicant, 101149825 Saskatchewan Ltd., to cause regular payments of interest due after the date of this Order to be made to it in accordance with the Mortgage Loan Commitment dated June 23, 2015 among Firm Capital Corporation, John Orr and 101149825 Saskatchewan Ltd., as amended by an Amendment to the Mortgage Loan Commitment dated August 4, 2015.

## **RESTRUCTURING**

12. Each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Lender Documents, if any, (as hereinafter defined), have the right to:

- a. permanently or temporarily cease, downsize or shut down any of its Business or operations;
- b. sell its assets in the ordinary course of its Business;
- c. dispose of (by sale or otherwise) redundant or non-material assets not exceeding \$100,000.00 in any one transaction or \$250,000.00 in the aggregate under a series of connected transactions;
- d. dispose of (by sale or otherwise) redundant or non-material assets not authorized by paragraph 12(c) of this Order only with the approval of the Court;
- e. terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- f. pursue all avenues of refinancing of its Business or Property, subject to prior approval of this Court being obtained before any material refinancing is undertaken;

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

13. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and

the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. If a notice of disclaimer or repudiation is delivered pursuant to section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer<sup>2</sup>, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.
  
15. Subject to the other provisions of this Order (including the payment of Rent as herein provided) and any further Order of this Court, the Applicants shall be permitted to dispose of any or all of the Property located (or formerly located) at such leased premises without any interference of any kind from landlords (notwithstanding the terms of any leases) and, for greater certainty, the Applicants shall have the right to realize upon the Property and other assets in such manner and at such locations, including leased premises, as it deems suitable or desirable for the purpose of maximizing the proceeds and recovery therefrom.

**NO PROCEEDING AGAINST THE APPLICANTS OR THE PROPERTY**

16. Until and including Sunday, June 19, 2016, or such later date as this Court may order (the “**Stay Period**”), no proceeding (the “**Proceeding**”) or enforcement process (the “**Enforcement**”) in any court or tribunal shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court and any and all Enforcements or Proceedings currently underway against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on; (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; (c) prevent the filing of any registration to preserve or perfect a mortgage, floating charge, or security interest; or (d) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect a lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further steps shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Applicants.

**NO INTERFERENCE WITH RIGHTS**

18. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

19. During the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after April 20, 2016, are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

20. Notwithstanding anything else contained in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after April 20, 2016, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend credit to the Applicants.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, or by further order of this Court, no Proceeding or Enforcement may be commenced or continued against any one or more of the former, current or future directors or officers of

the Applicants (the “**Past and Present Directors**”) with respect to any claim against any one or more of the Past and Present Directors which arose before April 20, 2016, in regard to or in respect of:

- a. claims involving acts or omissions of those individuals in their capacity as directors or officers or in any way related to matters arising from their role or status as directors or officers;
  - b. claims in any way related to any matters arising from the appointment of any one or more of the Past and Present Directors by or on behalf of the Applicants to any corporation, partnership or venture, including their appointment or election by or on behalf of the Applicants to any other board of directors or other governing body or committee;
  - c. derivative rights of the Applicants against any one or more of the Past and Present Directors; or
  - d. claims by former, current or future shareholders of the Applicants or former, current or future directors or officers of the Applicants involving acts or omissions of any one or more of the Past and Present Directors which are alleged to be oppressive, or unfairly prejudicial to, or which are alleged to unfairly disregard the interests of, former, current or future shareholders of the Applicants or former, current or future directors or officers of the Applicants,
- until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

#### **DIRECTORS’ AND OFFICERS’ INDEMNIFICATION**

22. The Applicants shall indemnify each of its current directors (its “**Current Directors**” or “**Current Director**”, as the context may require) and officers (its “**Current Officers**” or “**Current Officer**”, as the context may require) on a joint and several basis from and against:

- a. all costs (including, without limitation, defence costs), claims, charges, expenses, liabilities and obligations of any nature whatsoever actually incurred by any one or more of its Current Directors and Current Officers that may arise as a result of:

- i. his or her position or involvement with the Applicants from and after April 20, 2016 (including without limitation any amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding, or an action by or on behalf of the Applicants to procure a judgment in favour of the Applicants, to which such Current Director and Current Officer may be made a party by reason of being or having been a Current Director or Current Officer or person that manages the business of the Applicants);
- ii. any sale of all or part of the Property; or
- iii. the Plan or Plans,

provided that such Current Director and Current Officer:

- (aa) acted honestly and in good faith with a view to the best interests of the Applicants; and
- (bb) in the case of a criminal or administrative action, had reasonable grounds for believing that his or her conduct was lawful;

except to the extent that such Current Director and Current Officer has participated in the breach of any fiduciary duty; has engaged in willful misconduct; or has been grossly negligent;

- b. all costs, claims, charges, expenses, liabilities and obligations that any one or more of the Current Directors or Current Officers sustain or incur from and after April 20, 2016 (including, without limitation, legal costs on a solicitor and client basis) relating to the failure of the Applicants to make any payments in respect of which such Current Directors or Current Officers may be liable under any law in his or her capacity as such Current Director or Current Officer, including without limitation, payments in respect of wages and other amounts owing to employees, except to the extent that such Current Director or Current Officer has participated in the breach of any fiduciary duty; has engaged in willful misconduct, or has been grossly negligent,

but this paragraph shall not constitute a contract of insurance and shall not constitute “other valid and collectible insurance” as this term may be used in any existing policy of



insurance issued in favour of the Applicants or any one or more of the Current Directors and Current Officers. For greater certainty, the indemnity granted by the Applicants to the Current Directors and Current Officers pursuant to this paragraph 22 shall only apply and extend to any claims, obligations or liabilities incurred from and after April 20, 2016.

### **APPOINTMENT OF MONITOR**

23. Deloitte Restructuring Inc. of Winnipeg, Manitoba (the “**Monitor**”) is hereby appointed pursuant to the CCAA, as an officer of this Court, to monitor the business and financial affairs of the Applicants, with the powers and obligations set out in the CCAA or set forth herein and the Applicants and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations, including providing the Monitor with access to such books, records, assets and premises of the Applicants as the Monitor requires, and otherwise provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions. For greater certainty, any and all activities underway as at the date of this Order which Deloitte Restructuring Inc. is engaged in pursuant to its role as Proposal Trustee under the NOI shall be (if the Monitor deems necessary in its sole discretion) taken up and continued by the Monitor under these CCAA proceedings, and Deloitte Restructuring Inc. shall be and is hereby discharged from its role as Proposal Trustee under the NOI. All rights and protections afforded to the Monitor pursuant to the CCAA or any applicable legislation shall apply (with the necessary modification) to its appointment and carrying out of its previous mandate as Proposal Trustee under the NOI.

24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- a. monitor the Applicants’ receipts and disbursements;

- b. report to this Court at such times and intervals as the Monitor may deem appropriate or as this Court may direct with respect to matters relating to the Property, the Business, and such other matters as may be relevant to these proceedings;
  - c. assist the Applicants, to the extent required by the Applicants, in its dissemination, to the DIP Lender (as hereinafter defined) and its counsel, on a bi-weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender.
  - d. advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed by the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than monthly, or as otherwise agreed to by the DIP Lender;
  - e. advise the Applicants in its development of the Plan and any amendments to the Plan;
  - f. advise the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' and shareholders' meetings for voting on the Plan;
  - g. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
  - h. be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
  - i. perform such other duties as are required by this Order and by this Court from time to time.
25. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. Nothing herein contained shall require the Monitor to occupy or take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.
27. The Monitor shall provide any creditor of the Applicants and the DIP Lender, if any, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
28. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of the Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
29. The Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements by the Applicants as part of the costs of these

proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis.

30. The Monitor, counsel for the Monitor and counsel for the Applicants may render accounts on a periodic basis and the Applicants shall pay such accounts when rendered, subject to any final assessments and taxations ordered by this Court.
31. The Monitor, counsel for the Monitor, and the Applicants' counsel shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000.00, as security for their reasonable professional fees and disbursements, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 35 and 38 hereof.
32. The appointment of the Monitor by this Order shall not constitute the Monitor an employer or a successor employer or payor for any purpose, including (without limitation) pensions or benefits or any legislation governing employment or labour standards or pension benefits or health and safety or any other statute, regulation, rule of law or rule of equity.

### **DIP FINANCING**

33. In the event that the Applicants determine that they require debtor-in-possession financing to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, the Applicants are hereby authorized to enter into negotiations to obtain and borrow such financing from a proposed debtor-in-possession lender (the "**DIP Lender**") under a credit facility and to execute and deliver such commitment letters, credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively the "**DIP Lender Documents**"), and are hereby granted leave to make application to the Court (on five days' notice to holders of registered secured interests on the Property) for an Order authorizing the granting of such arrangements for debtor-in-possession financing to the

Applicants on terms and conditions of the DIP Lender Documents or as determined on such application (the "**DIP Financing Application**").

34. Subject to further approval of this Court as may be directed in the order resulting from the hearing of the DIP Financing Application, the DIP Lender shall be entitled to the benefits of a charge (the "**DIP Lender's Charge**") on the Property, which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the DIP Lender Documents which charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the respective priorities set out in paragraphs 35 and 38 hereof.

**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

35. The priorities of the Administration Charge and the DIP Lender's Charge (collectively the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$150,000.00); and

Second – DIP Lender's Charge.

36. If the Persons sharing in the benefit of one of the Charges (the "**Chargees**") have claims that, in the aggregate, exceed the maximum authorized amount of that Charge, such Chargees shall share in the benefit of that Charge (as between themselves) on a *pro rata* basis to the maximum aggregate authorized amount of such Charge.
37. The filing, registration or perfection of each of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
38. Each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, real property interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person; provided that in respect of the Saskatoon

Property, the Charges shall rank behind the Mortgage in favour of Firm Capital Mortgage Fund Inc. registered as Interest Register No. 121088167 and the Mortgage in favour of Frank Pa registered as Interest Register No. 121113155.

39. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that purports to rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.
40. The Charges and the DIP Lender Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees entitled to the benefit of the Charges and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:
- a. neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Lender Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
  - b. none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the entering into, execution, delivery or performance of the DIP Lender Documents; and

- c. the payments made by the Applicants pursuant to this Order, the DIP Lender Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

### **SERVICE AND NOTICE**

41. The Monitor shall:

- a. without delay, publish in the Saskatoon *Star Phoenix* and the Regina *Leader Post*, a notice containing the information prescribed under the CCAA;
- b. within five (5) days after the date of this Order,
  - i. make this Order publically available in the manner prescribed under the CCAA;
  - ii. send, in the prescribed manner, a notice in the form attached as Schedule "A" to this Order (the "**Notice**") to every known creditor who has a claim against the Applicants of more than \$1,000.00; and
  - iii. prepare a list (the "**Creditor's List**") showing the name, address, telephone, fax and email contact information, if available, of those creditors and the estimated amounts of those claims and make it publically available in the prescribed manner;

all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

42. Every creditor on the Creditor's List and any other interested Person who requires notice in respect of any or all further proceedings in this matter shall provide to counsel for each of the Monitor and the Applicants, by electronic mail or facsimile, a demand for notice of such proceedings, which demand for notice shall be in the form provided in the attached Schedule "B" to this Order (the "**Demand for Notice**") and shall contain an

electronic mail address or a facsimile number to which such Person has elected that further notice of these proceedings may be served on such Person. The failure of any Person to forward a Demand for Notice by electronic mail or facsimile to counsel for each of the Monitor and the Applicants hereby releases the Monitor and the Applicants or any other interested Person serving court materials in this matter from any requirement to provide further notice in respect of these proceedings to any such Person until such time as a properly completed Demand for Notice is received by each of the counsel for the Monitor and the Applicants from such Person.

43. The Applicants and the Monitor shall be at liberty to serve the Notice on any other interested Person by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to such Persons at their respective addresses as last shown on the records of the Applicants.
44. The Notice shall be deemed to have been received by a creditor on the Creditor's List or served on an interested Person (as the case may be) if sent by personal delivery, on the date of delivery; if sent by courier, facsimile or other electronic transmission, on the next business day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the third business day after mailing.
45. From the Demands For Notice received pursuant to paragraph 42 of this Order, the Monitor shall prepare and keep current a Service List (the "**Service List**") containing the name, address, telephone and fax or email contact information of the Applicants, the Monitor and each creditor or interested Person filing a Demand for Notice. The Service List shall indicate the manner that those on the Service List have elected to be served.
46. The Service List shall be posted by the Monitor on the following website: [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd). The Creditor List and the Service List shall be updated by the Monitor from time to time, and each list shall contain a statement as to when it was last updated.
47. Other than the sending or service of the Notice as contemplated by paragraphs 41, 43 and 44 of this Order, the Applicants, the Monitor or any interested Person may serve any



notice of motion, affidavit, order, report, other court material, or correspondence in these proceedings in the manner indicated on the Service List, in which case the document shall be deemed to be received the next business day following the date of forwarding.

48. Where by the nature of the matter before the Court it is appropriate to serve Persons that are not on the Service List, the Applicants, the Monitor or any interested Person may serve any notice of motion, affidavit, order, report, other court material, or correspondence as follows:

- a. if the Person is listed on the Creditor List, by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to such Person at their respective addresses as last shown on the records of the Applicants, in which case service shall be deemed to have been effected if sent by personal delivery, on the date of delivery; if sent by courier, facsimile or other electronic transmission, on the next business day following the date of forwarding thereof; or if sent by prepaid ordinary mail, on the third business day after mailing;
- b. if the Person is not listed on the Creditor List, by service effected in accordance with the Rules of the Court of Queen's Bench for Saskatchewan.

49. Other than the Notice and notices of motion, and notwithstanding paragraphs 47 and 48 of this Order, service of any affidavit, order, report, other court material or correspondence shall be deemed to have been effected if such affidavit, order, report, other court material or correspondence are posted on the following website: [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd) and written notice (the "**Posting Notice**") is given to those being served that the affidavit, order, report, other court material or correspondence may be obtained from that website. Service of the documents described in the Posting Notice shall be effective on the day that service of the Posting Notice is effected. Service of the Posting Notice may be made and shall be effected as provided in paragraphs 47 and 48 of this Order.

50. Any party filing material with the Court in these proceedings may request of the Monitor and the Monitor shall (so long as it is received in an unalterable electronic

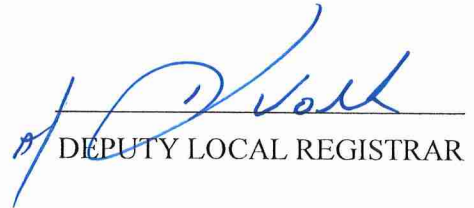
postable format) post such material to the website listed in paragraph 49 of this Order within 2 business days of receipt.

**GENERAL**

51. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
52. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.
53. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested:
  - a. to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order;
  - b. to grant representative status to the Monitor in any foreign proceeding; and
  - c. to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
54. Each of the Applicants and the Monitor shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

55. Any interested Person (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
56. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.
57. This Order and all of its provisions are effective as of 12:01 a.m. Central Standard Time on the date of the issuance of this Order.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 20<sup>th</sup> day of May, 2016.

  
DEPUTY LOCAL REGISTRAR

This Order was delivered by:

Name of firm: McDougall Gauley LLP

Name of lawyer in charge of file: Ian A. Sutherland/ Craig Frith

Address of legal firm: 500-616 Main Street, Saskatoon, SK S7H 0J6

Telephone / Facsimile: (306) 653-1212 / (306) 652-5432

Email address: [isutherland@mcdougallgauley.com](mailto:isutherland@mcdougallgauley.com)  
[cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com)

TO: THE SERVICE LIST ESTABLISHED IN THESE PROCEEDINGS

SCHEDULE "A"

NOTICE

[Date]

**TO:**

[NAME AND ADDRESS OF CREDITOR OR INTERESTED PARTY]

**RE:** IN THE MATTER OF AN ORDER UNDER **THE COMPANIES' CREDITORS ARRANGEMENT ACT** OBTAINED BY 101133330 SASKATCHEWAN LTD. and 101149825 SASKATCHEWAN LTD.

101133330 SASKATCHEWAN LTD. and 101149825 SASKATCHEWAN LTD have obtained an Order of the Court of Queen's Bench for Saskatchewan under the *Companies' Creditors Arrangement Act* (the "Order"). A photocopy of the Order is posted on the following website: [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd).

You are being given notice of the Order as you are a creditor of 101133330 SASKATCHEWAN LTD. or 101149825 SASKATCHEWAN LTD or the Order may affect your rights.

If you would like to receive notice of all further proceedings in relation to this matter, please complete the Demand for Notice attached to this Notice and send the Demand for Notice by electronic mail (email) or facsimile to each of the following persons:

1. 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.  
c/o McDougall Gauley LLP  
Attention: Ian Sutherland / Craig Frith  
Email: [isutherland@mcdougallgauley.com](mailto:isutherland@mcdougallgauley.com) / [cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com)  
Fax: (306) 652-1323
2. Deloitte Restructuring Inc.  
c/o MacPherson Leslie & Tyerman LLP  
Attention: Paul Olfert  
Email: [polfert@mlt.com](mailto:polfert@mlt.com)  
Fax: (306) 975-7145

**If you fail to properly complete the Demand for Notice and forward the Demand for Notice by email or facsimile to each of the above-referenced persons indicating that you request further notice of the proceedings, then you will not receive, nor will you be entitled to receive, any further notice of the proceedings.**

Yours truly,

**SCHEDULE "B"**

Q.B. No. 643 of 2016

CANADA  
PROVINCE OF SASKATCHEWAN

IN THE COURT OF QUEEN'S BENCH  
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENTS ACT*, R.S.C.  
1985, c. C-36, AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE  
CREDITORS OF 101133330 SASKATCHEWAN LTD. and 101149825  
SASKATCHEWAN LTD

(the "Applicant")

**DEMAND FOR NOTICE**

**TO:**

- |   |  |
|---|--|
| <p>1. 101133330 Saskatchewan Ltd. and 101149825<br/>Saskatchewan Ltd.<br/>c/o McDougall Gauley LLP<br/>Attention: Ian Sutherland<br/>Email: <a href="mailto:isutherland@mcdougallgauley.com">isutherland@mcdougallgauley.com</a><br/><a href="mailto:cfrith@mcdougallgauley.com">cfrith@mcdougallgauley.com</a><br/>Fax: (306) 652-1323</p> | <p>2. Deloitte Restructuring Inc.<br/>c/o MacPherson Leslie &amp; Tyerman LLP<br/>Attention: Paul Olfert<br/>Email: <a href="mailto:polfert@mlt.com">polfert@mlt.com</a><br/>Fax: (306) 975-7145</p> |
|---|--|

**I hereby request** that notice of all further proceedings on this matter be served on me and hereby elect that service may be effected on me in the following manner: **[Please select either (a) or (b), but not both.]**

(a) by email, at the following email address:  
\_\_\_\_\_ , or

(b) by facsimile, at the following facsimile number:  
\_\_\_\_\_.

Signature: \_\_\_\_\_  
Name of Creditor: \_\_\_\_\_  
Address of Creditor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone Number: \_\_\_\_\_

**Exhibit B – Pre-Filing Report of the Proposed Monitor**

**IN THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
JUDICIAL CENTRE OF SASKATOON**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF  
101133330 SASKATCHEWN LTD. AND 101149825 SASKATCHEWAN LTD.,**

**APPLICANTS**

**PRE-FILING REPORT OF THE PROPOSED MONITOR  
DELOITTE RESTRUCTURING INC.**

**May 12, 2016**

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## INTRODUCTION

1. Deloitte Restructuring Inc. (“**Deloitte**”) has been advised that 101133330 Saskatchewan Ltd. (“**33330**”) and 101149825 Saskatchewan Ltd. (“**825**”) (collectively the “**Companies**” or the “**Applicants**”) intend to file an application to the Court of Queen’s Bench For Saskatchewan (the “**Court**”) seeking certain relief under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Deloitte has been requested to act as the Monitor for the purposes of the CCAA proceedings by the Companies and has consented to being appointed as such (the “**Proposed Monitor**”).
2. This report (“**Report**”) has been prepared by the Proposed Monitor to assist the Court in considering the requests for relief that are to be made by the Applicants and to provide the Court with information concerning the following:
  - a. The Proposed Monitor’s prior relationship with the Applicants;
  - b. Deloitte’s qualifications to act as Monitor;
  - c. Business, financial affairs, and financial results of the Applicants;
  - d. History of actions taken and alternatives considered by the Applicants to resolve their financial challenges;
  - e. Cash management system;
  - f. Applicants’ 13-week cash flow forecast;
  - g. Debtor in possession financing;
  - h. Authorizations and charges in the draft Initial Order; and
  - i. The Proposed Monitor’s conclusions.
3. In this Report, reference is made to the Affidavit of John Orr sworn May 12<sup>th</sup>, 2016, in support of the application filed by the Applicants in these proceedings (the “**Orr Affidavit**”). Capitalized terms not otherwise defined in this Report are as defined in the Orr Affidavit or in the application filed by the Applicants.



4. In preparing this Report, the Proposed Monitor has relied upon unaudited interim and annual financial information, the Applicants' books and records, the Orr Affidavit, and discussions with management ("**Management**") and their financial and legal advisors. The Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance on the information contained in this Report. The Proposed Monitor may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Report.
5. An examination of the financial forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information referred to or relied upon in this Report is based on Management's assumptions regarding future events and conditions that are not ascertainable. Accordingly, actual results achieved will vary from this information, and the variations may be material. The future orientated financial information has been prepared solely for the purpose of reflecting Management's best estimate of the cash flow of the Applicants in their CCAA proceedings, and readers are cautioned that such information may not be appropriate for other purposes.
6. The Proposed Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Report. Any use that any party makes of this Report, or any reliance on or decisions to be made based on it is the responsibility of such party.
7. Unless otherwise stated, all monetary amounts contained in this Report are expressed in Canadian dollars.

**A. PROPOSED MONITOR'S PRIOR RELATIONSHIP WITH THE APPLICANTS**

8. The Proposed Monitor's affiliated accounting firm, Deloitte LLP, is not the auditor of the Applicants.
9. On April 20, 2016, 33330 and 825 each filed a Notice of Intention to Make a Proposal ("**NOI**") in accordance with section 50.4(1) of the *Bankruptcy and Insolvency Act*

(Canada) (“**BIA**”). Deloitte consented to act as proposal trustee (the “**Trustee**”) for each of the NOI filings by the Applicants.

10. On April 26, 2016 the Trustee sent a copy of the NOI to all of the respective creditors of 33330 and 825 by regular mail.
11. On April 26, 2016 the forecast cash flow statements for the period April 21, 2016 to May 24, 2016 were finalized by 33330 and 825 (the “**NOI Cash Flows**”). The NOI Cash Flows were submitted to the Official Receiver on April 27, 2016 together with the statutory reports prepared by 33330 and 825, and the Trustee’s report, pursuant to subsection 50.4(2) of the BIA (the “**NOI Reports**”). Attached hereto as Exhibit “**A**” are the NOI Reports.
12. Attached hereto as Exhibit “**B**” are the NOI Cash Flows for both 33330 and 825. In accordance with section 50.4(7) of the BIA, the Trustee has continued to monitor the Applicants’ business and financial affairs since the NOI filing and has not identified any material adverse change as at the date of this Report, other than the timing of certain receipts and disbursements. Since the filing of the NOIs, the Applicants have acted, and are continuing to act, in good faith and with due diligence.
13. During the initial 30-day stay period under the NOI process, Management of the Companies determined that the ability of the Companies to successfully restructure their operations would require the flexibility afforded by a CCAA proceeding. Deloitte has been monitoring the business and financial affairs of the Applicants during the NOI process and has been reviewing the available financial information to gain further knowledge of the business and financial affairs of the Applicants. In addition to our monitoring responsibilities as Trustee, in our capacity as the Proposed Monitor, we have also been preparing for the anticipated CCAA application by the Applicants.

## **B. DELOITTE’S QUALIFICATIONS TO ACT AS MONITOR**

14. Deloitte is a Licensed Insolvency Trustee within the meaning of subsection 2(1) of the BIA. Neither Deloitte nor any of its representatives or affiliates have been at any time in the two preceding years the auditor, a director, officer or employee of the Applicants or

otherwise related to the Applicants or to any director or officer of the Applicants or a trustee (or related to any such trustee) under a trust indenture issued by the Applicants or any person related to the Applicants.

15. Deloitte is related to Deloitte LLP. Deloitte LLP is an independent international professional services firm providing among other things, bankruptcy, insolvency, and restructuring services. The senior Deloitte professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees (Canada), each of whom have acted in matters of a similar nature and scale in Canada.
16. Deloitte has consented to act as Monitor should this Court grant the Applicants' request for an Initial Order in the CCAA proceedings.

### **C. BUSINESS, FINANCIAL AFFAIRS, AND FINANCIAL RESULTS OF THE APPLICANTS**

17. The Proposed Monitor has been advised by the Applicants that each of 33330 and 825 is a private corporation with operations located exclusively in the Province of Saskatchewan.

#### **Background to 825**

18. 825 was incorporated in 2009 as a holding company pursuant to the laws of Saskatchewan, with its registered office located in Regina, Saskatchewan. 825 was acquired by principals of the Applicants in October 2015 as part of a share purchase transaction totaling approximately \$7.5 million. At the time of purchase, the only asset held by 825 was approximately 15.84 acres of land, legally described as Surface Parcel #136165091, Block A, Plan 101456197, Extension 76 (the "**825 Land**"). The 825 Land is located on the south side of the City of Saskatoon, immediately north of The Willows Golf and Country Club and immediately south of Cartwright Street.
19. The Applicants acquired the shares of 825 with the intention of rezoning and subdividing the 825 Land and then constructing a series of seniors' residences and other medium

density multi-family residential and urban institutional developments (the “**825 Development Plan**”). The 825 Land was annexed into the City of Saskatoon on September 1, 2015.

20. The 825 Land is encumbered by two mortgages. The first mortgage position is held by Firm Capital Corporation (“**Firm Capital**”) in the amount of approximately \$3.5 million (the “**Firm Capital Loan**”), and the second mortgage position is held by Frank Pa (“**Pa**”) in the amount of approximately \$2.1 million (the “**Pa Loan**”) (excluding accrued fees and interest). 825 has additional obligations to certain unsecured creditors (the “**Lenders**”) in the approximate amount of \$2.0 million. This unsecured debt arose from the issuance of convertible debentures which were necessary to complete the financing of the 825 share acquisition (the “**Loan Agreement**”).
21. 825 does not carry on any business activities to generate revenue, and has no active employees. Management of 825 advised that the current assessed value of the 825 Land for tax purposes is approximately \$535,700, and believes that a forced sale, prior to further rezoning and subdivision, would result in insufficient proceeds to satisfy all of 825’s obligations in full. However, based on a 2015 land appraisal obtained by the Applicants and attached to the Orr Affidavit, once the 825 Land is rezoned and further subdivided, the 825 Land is expected to appreciate in value, thereby enabling 825 to satisfy its obligations in full and to generate significant value for the Applicants’ other interested stakeholders. Once the 825 Land is rezoned and subdivided the Applicants are prepared to liquidate the 825 Land under the Court’s supervision (the “**825 Land Plan**”).
22. Attached hereto as Exhibit “**C**” is a schedule summarizing the financial statements of 825 for the year ended December 31, 2015 and for the four months ended April 30, 2016 (unaudited).
23. The table below sets out selected consolidated financial information for 825 for the periods indicated:

101149825 SASKATCHEWAN LTD. FINANCIAL STATEMENTS		
	2015 (unaudited)	4 Months Ended April 30, 2016 2016 (unaudited)
<b>BALANCE SHEET</b>		
<b>Land (book value)</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
Firm Capital Corporation	3,500,000	3,500,000
Frank Pa	2,100,000	2,100,000
Myron Derow and Dale Anderson (Lenders)	1,926,940	1,926,940
<b>Total Debt</b>	<b>\$ 7,526,940</b>	<b>\$ 7,526,940</b>

Source: Internally prepared financial statements.

24. Additionally, Management has advised that the Firm Capital Loan matures on June 23, 2016, and that the Pa Loan matures on September 15, 2016. 825 will be unable to pay these obligations upon maturity, and Firm Capital has indicated that it will not renew its mortgage facility. Furthermore, pursuant to the terms of the Loan Agreement with the Lenders, the approximate \$2.0 million owing to the Lenders is due on June 8, 2016 and can be demanded thereafter. 825 will be unable to satisfy this obligation within the 15-day period that follows any such demand.

### **Background to 33330**

25. 33330 was incorporated in November 2008 as a holding company pursuant to the laws of Saskatchewan, with its head office located in Regina, Saskatchewan. The purpose of 33330's incorporation was to carry on business as an engineering and consulting firm specializing in land development.
26. The primary asset held by 33330 is real property located at 4400 4<sup>th</sup> Avenue in Regina, operating as the Orr Centre (the "**Orr Centre**"). The Orr Centre is comprised of an approximate 165,600 square foot facility on 10.39 acres of land zoned for institutional use. The legal description of the land is described as follows:
- a. Surface Parcel #164659517 Block A, Plan 75R32425 Extension 3;
  - b. Surface Parcel #153232691 Block E, Plan 75R32425 Extension 1;
  - c. Surface Parcel #109733946 Lot 7 Block 28, Plan 59R20949 Extension 0; and
  - d. Surface Parcel #161594129 Lot 9 Block 28, Pan No 101889344 Extension 0.

27. 33330 also owns two rental condominiums located in Prince Albert, Saskatchewan (the “**Condo Properties**”). The legal description of the Condo Properties is as follows:
  - a. Unit 2 Condo Plan #102042212 Extension 0 Parcel #165090281; and
  - b. Unit 4 Condo Plan #102042212 Extension 0 Parcel #165090281.
28. The Applicants acquired the Orr Centre in 2012 from Western Christian College (the “**College**”) with the intention of attracting a diverse group of long-term tenants to operate the facility as revenue generating business enterprise, as opposed to simply a bible college. The Applicants’ long-term plan for the Orr Centre was to repair and upgrade the dormitory buildings, and ultimately construct a senior’s home on a portion of the property.
29. Upon purchasing the Orr Centre for approximately \$4.0 million in 2012, 33330 continued to lease space to the College for a nominal fee, but in late 2013, the College ceased operations due to its distressed financial situation.
30. After acquiring the Orr Centre in 2012, 33330 spent a significant amount of capital on facility improvements, upgrades, and other maintenance activities as the College had previously done little to maintain the facility given its distressed financial situation.
31. Since acquiring the Orr Centre, 33330 was able to generate annual revenues of approximately \$1.7 million in 2013 and 2014.
32. In late 2014, the Government of Saskatchewan reduced grants available to non-governmental organizations. These funding cuts impacted a number of the Orr Centre’s tenants, and several tenants had to exit their leases as a result. The Applicants estimate that the net impact of these lost tenancies approximates \$0.2 million in rental revenues in 2014 (the “**Revenue Loss**”).
33. After the Revenue Loss, 33330 attempted to attract new tenants to the Orr Centre, but had limited success. The Applicants were optimistic that with the development of the 825 Land, new capital would become available to the Orr Centre via an intercompany loan facility. However, the rezoning and subdivision of the 825 Land was delayed with the

City of Saskatoon and all planned development has since stalled due to a lack of available capital.

34. The Orr Centre currently operates as a multi-use facility with various non-profit, commercial, and institutional tenants. The Orr Centre contains office and retail space, a library, a light industrial shop, classrooms, a gymnasium, a restaurant, a 1,000 seat theatre, and a 200-room dormitory. The leasable area in the facility (expressed in square feet) is as follows:

a. Office and retail space	57,600
b. Restaurant	13,200
c. Gymnasium and fitness centre	21,400
d. Dormitories	38,400
e. Theatre	23,000
<b>Total</b>	<b>153,600</b>

35. The Orr Centre currently has 16 tenants occupying approximately 18,000 square feet of the office and retail space, and approximately 9,000 square feet of the gymnasium and fitness centre. Vacancies currently exist in the restaurant, gymnasium, dormitories and the theatre which are used on an ad hoc rental basis. Some of the more significant tenants, from both a revenue perspective and stakeholder perspective, include the University of Saskatchewan (which uses the Orr Centre for its nursing program), Queen City College (which occupies space for certain of its programs and student housing), and a 60-place daycare operation.

36. In May 2015, the Orr Centre employed approximately 13 full-time employees and eight part-time employees. Staffing levels have since been reduced to six full-time and two part-time employees in an effort to reduce costs. Management has advised the Proposed Monitor that all employee-related obligations are current, but that their statutory remittances to Canada Revenue Agency (“**CRA**”) are approximately \$70,000 in arrears. The quantum of the arrears to CRA is still being investigated by Management. Management has advised that certain actions of the former operations manager of the Orr Centre, who was terminated on May 6, 2016 as his services were deemed not to be in the

best interest of 33330 or its stakeholders, still need to be reviewed. Management has also advised the Proposed Monitor that all of the employees are non-unionized and that there are no registered or unregistered pension plans.

37. Attached hereto as Exhibit “D” is a schedule summarizing the financial statements of 33330 for the years ended December 31, 2013, December 31, 2014, and December 31, 2015 and for the four months ended April 30, 2016 (unaudited).
38. The table below sets out selected consolidated financial information for 33330 for the periods indicated:

<b>101133330 SASKATCHEWAN LTD.</b>				
<b>FINANCIAL STATEMENTS</b>				
<b>INCOME STATEMENT</b>	<b>Financial Year Ended December 31</b>			<b>4 Months Ended</b>
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>April 30, 2016</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>2016</b>
				<b>(unaudited)</b>
<b>Revenue</b>				
Rental Income	\$ 1,449,818	\$ 1,270,619	\$ 1,119,918	\$ 325,652
Meals and Catering	126,005	190,092	129,714	40,691
Janitorial Income	41,729	83,855	93,127	34,508
Other	39,884	196,815	59,694	3,430
<b>Total Revenue</b>	<b>1,657,436</b>	<b>1,741,381</b>	<b>1,402,453</b>	<b>404,281</b>
<b>Operating Expenses</b>	<b>1,700,258</b>	<b>2,166,440</b>	<b>2,356,257</b>	<b>333,965</b>
<b>EBITDA</b>	<b>372,315</b>	<b>185,866</b>	<b>(129,839)</b>	<b>141,794</b>
<b>Net Income</b>	<b>(42,822)</b>	<b>(425,059)</b>	<b>(953,804)</b>	<b>70,316</b>
<b>BALANCE SHEET</b>				
Canadian Western Trust - Loan 1	148,487	145,373	143,900	139,286
Canadian Western Trust - Loan 2	154,943	151,892	-	-
Canadian Western Bank Loan	5,749,602	5,599,799	-	-
Cobra Mortgage Services Ltd.	3,644,374	4,684,374	325,442	325,443
Firm Capital Corporation	-	-	3,500,000	3,500,000
Frank Pa	-	-	2,100,000	2,100,000
Affinity Credit Union	-	-	11,358,325	11,227,142
<b>Total Secured Debt</b>	<b>9,697,406</b>	<b>10,581,438</b>	<b>17,427,667</b>	<b>17,291,871</b>
<b>LIQUIDITY POSITION</b>				
Cash and Cash Equivalents	88,850	(10,968)	62,324	36,521
Credit Availability	-	-	-	-
<b>Total</b>	<b>\$ 88,850</b>	<b>\$ (10,968)</b>	<b>\$ 62,324</b>	<b>\$ 36,521</b>

Source: Notice to Reader financial statements and 4-month internally prepared financial statements.



39. As indicated in the table above, 33330's financial results have been volatile over the past three years. Revenues have been declining as vacancies have increased, and costs have been escalating as 33330's interest, borrowing costs, and payroll expenses have increased.
40. In 2013, 101238105 Saskatchewan Ltd., a related company to the Applicants (also controlled by John Orr), entered into a mortgage agreement with Cobra Mortgage Services Ltd. ("**Cobra**") for approximately \$5.2 million (the "**Cobra Mortgage**"). The Cobra Mortgage was used to facilitate the purchase of the Third Avenue Christian Centre located at 304 3<sup>rd</sup> Avenue in the City of Saskatoon. At the same time, 33330 provided a guarantee, a collateral mortgage, and a general security interest to Cobra as additional security for the Cobra Mortgage.
41. In 2015, 33330 refinanced and consolidated its debt facilities with Affinity Credit Union and obtained an \$11.5 million mortgage secured by the Orr Centre (the "**Affinity Mortgage**"). The Affinity Mortgage replaced a Canadian Western Bank Loan of \$4.7 million and approximately \$4.3 million of the Cobra Mortgage. With revenues declining in 2015, 33330 was not able to continue to satisfy the borrowing costs associated with the Affinity Mortgage. The Affinity Mortgage matured on February 5, 2016, and Affinity Credit Union demanded payment of its debt and served notice under section 244 of the BIA on April 15, 2016.
42. As at April 20, 2016, 33330 owed an aggregate amount of approximately \$11.5 million, not including accrued fees and interest, to its first and second secured lenders holding registered mortgages over the Orr Centre as follows:
- |    |                       |                       |
|----|-----------------------|-----------------------|
| a. | Affinity Credit Union | \$11.2 million        |
| b. | Cobra                 | \$0.3 million         |
|    | <b>Total</b>          | <b>\$11.5 million</b> |
43. In addition to the Affinity Credit Union and Cobra Mortgage indebtedness, the Firm Capital Loan previously discussed, for which 825 provided a mortgage interest in the 825 Land, is also a joint obligation of John Orr and 33330. As further security for the Firm Capital Loan, 33330 provided Firm Capital with a third mortgage position on the Orr

Centre (the “**33330 Firm Capital Mortgage**”). The 33330 Firm Capital Mortgage matures on June 23, 2016 and Firm Capital has indicated that it will not renew the mortgage.

44. As previously discussed, the Pa Loan, for which 825 provided a mortgage interest in the 825 Land, is a joint obligation of 825 and 33330. As further security for the Pa Loan, 33330 provided Pa with a fourth mortgage on the Orr Centre (the “**33330 Pa Mortgage**”). The 33330 Pa Mortgage matures on September 15, 2016.

45. 33330 is also in arrears to the City of Regina for municipal taxes of approximately \$95,500, and may also be in arrears with CRA for approximately \$130,000 related to unremitted payroll source deductions and goods and services tax (“**GST**”), although this CRA debt is still being investigated by Management.

46. 33330 does not currently have any operating credit facility with any financial institution.

47. As at April 20, 2016, 33330 owed an aggregate amount of approximately \$0.2 million, not including accrued fees and interest, to its secured lenders holding registered mortgages and builders’ liens over the Condo Properties as follows:

a.	Able Contracting Ltd. and Sweeny Electric	\$0.1 million
b.	Canadian Western Trust Company	\$0.1 million
	<b>Total</b>	<b>\$0.2 million</b>

48. In addition to the above, 33330 is in arrears to the City of Prince Albert for municipal taxes of approximately \$5,600 for the Condo Properties.

49. The unsecured liabilities of 33330 total approximately \$2.2 million, excluding shareholder loans of approximately \$0.4 million.

50. As a result of 33330’s inability to attract new tenants and new capital, the Orr Centre has become unable to satisfy its current obligations in the ordinary course of business. 33330’s liquidity position has deteriorated to the point where the Applicants can no longer generate enough cash flow to service the debt obligations. With the threat of

having the Orr Centre's power disconnected on April 21, 2016 by certain utility providers, 33330 filed an NOI on April 20, 2016.

**D. HISTORY OF ACTIONS TAKEN AND ALTERNATIVES CONSIDERED BY THE APPLICANTS TO RESOLVE THEIR FINANCIAL CHALLENGES**

51. Since the vacancy rate at the Orr Centre began to increase in late 2014, Management has been attempting to attract new tenants, but with limited success. 33330 has been able to attract a daycare operation, procure four racquetball courts from the Pan Am Games, and attract a racquetball court club, but additional tenancies have not materialized as initially hoped. Additionally, 33330 converted its parking lot into a paid parking facility which is generating some additional revenue.
52. Management has also consulted local realtors on an informal basis in order to get a sense of the marketability of the Orr Centre at present. The feedback received indicated that the estimated sales value of the Orr Centre in its present state would be insufficient to satisfy the approximate \$17.1 million in outstanding secured debt. According to the City of Regina, the 2016 assessed value of 33330's land and buildings for municipal tax purposes is approximately \$8.1 million (\$3.6 million for its multi-residential portion; \$4.5 million for its commercial portion).
53. The Applicants have identified certain conceptual ideas that they hope will be successful in generating increased activity and tenancy at the Orr Centre. By securing additional revenue sources, Management is hopeful that the Orr Centre will become more attractive to any prospective purchaser.
54. Since acquiring the shares of 825 in October 2015, 825 has encountered delays with the City of Saskatoon in moving forward with its rezoning and subdivision efforts. At present, 825 does not have the capital available to continue with the rezoning process.
55. 33330 has advised that during the period May 2015 to present, and in particular since the filing of the NOIs on April 20, 2016, Management has attempted to control the operating costs associated with the Orr Centre and has undertaken the following operational measures:

- a. Full-time and part-time staffing levels have been reduced by approximately 60%;
  - b. General and administrative costs have been reduced by approximately 30%;
  - c. Part-time employee hours have been reduced on an as needed basis;
  - d. The operations manager of the Orr Centre was terminated;
  - e. Stringent cash and spending controls have been implemented; and
  - f. Improved cash and liquor controls for events have been developed.
56. The Applicants have not engaged in any formal sales process leading up to these proceedings with respect to the assets of 33330 or 825.

#### **E. CASH MANAGEMENT SYSTEM**

57. 33330 maintains a centralized cash management system (the “**Cash Management System**”), which is used to manage cash for the Applicants. The Cash Management System is managed centrally from a regional office located in Saskatoon, Saskatchewan.
58. The Proposed Monitor has been advised by the Applicants that three bank accounts are presently used by 33330:
- a. Canadian Imperial Bank of Commerce (“**CIBC**”) operating account used for all cash receipts and disbursements for 33330 (the “**CIBC 33330 Account**”), with the exception of rental payments received from the University of Saskatchewan;
  - b. Affinity Credit Union (“**Affinity**”) deposit account used for all cash receipts collected under the rental agreements with the University of Saskatchewan; and
  - c. CIBC operating account used for all cash receipts and disbursements for the non-profit organization operating the daycare facility at the Orr Centre (the “**CIBC Daycare Account**”). 33330 has a fifty percent membership interest in the non-profit organization, and John Orr is the holder of the residual fifty percent membership interest. 33330 acts in the capacity as a third party manager for the non-profit organization.
59. The Applicants have advised that they have closed the CIBC 33330 Account and set up a new operating account at CIBC to ensure that no further pre-authorized automatic

disbursements are processed. The Applicants further advised that they intend to close the Affinity account so that all deposits will be received into the new CIBC account. The Applicants plan to continue to operate as third party manager for the daycare and continue to use the CIBC Daycare Account during these proceedings.

60. As 825 does not generate any cash from operations, 825 does not currently have a bank account.
61. The Applicants intend to continue using the existing Cash Management System, and are seeking the approval of the Court to do so. The Proposed Monitor has no objection to continued use of the Cash Management System.

#### **F. APPLICANTS' 13-WEEK CASH FLOW FORECAST**

62. The Applicants' management has prepared a 13-week cash flow forecast (the "**Cash Flow Statement**") that estimates the financing requirements of the Applicants during the 13-week period, using assumptions as detailed in the notes and summary of assumptions (the "**Notes and Assumptions**") appended to the Cash Flow Statement. A copy of the Cash Flow Statement is attached hereto as Exhibit "**E**".
63. The Cash Flow Statement is for the 13-week period from May 9, 2016 to August 7, 2016.
64. The Cash Flow Statement shows the receipt of funds from ongoing monthly lease payments expected to be received from both existing and forecast tenants at the Orr Centre. These receipts will be used to fund the Applicants' working capital requirements during the CCAA proceedings.
65. The Cash Flow Statement estimates that for the period of May 9, 2016 to August 7, 2016, the Applicants will have total receipts of approximately \$282,000 from lease payments and other collections, and total disbursements of approximately \$728,000 for a net cash outflow of \$446,000. Management indicates that this shortfall will be covered by a proposed DIP Facility discussed later in this Report.
66. As at May 9, 2016, the Applicants were forecasting available liquidity of approximately \$155,000 based on cash held on deposit.

67. Management's Representation Letter on the Cash Flow Statement is attached hereto as Exhibit "F".
68. The Proposed Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to us by certain of the Management of the Applicants. Since the Notes and Assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. We have also reviewed the support provided by Management for the Applicants for the Notes and Assumptions, and the preparation and presentation of the Cash Flow Statement.
69. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:
- i. The Notes and Assumptions are not consistent with the purposes of the Cash Flow Statement;
  - ii. As at the date of this report, the Notes and Assumptions developed by Management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Statement, given the Notes and Assumptions; or
  - iii. The Cash Flow Statement does not reflect the Notes and Assumptions.

#### **G. DEBTOR IN POSSESSION FINANCING**

70. Based on the Cash Flow Statement, in order for the Applicants to continue to pursue a plan of arrangement, it will be necessary for the Applicants to obtain an interim financing facility within the CCAA proceeding (the "**DIP Facility**").
71. As at the date of this Report, the Applicants have not yet secured a commitment from a lender (the "**DIP Lender**") to advance the DIP Facility on terms which the Applicants are able to accept. Management has advised that several parties have expressed an interest in being the DIP Lender, and that they intend to be in a position to present a commitment from a DIP Lender at the May 20, 2016 hearing.

72. Any DIP Facility is expected to provide sufficient funding to allow the Applicants to begin to reorganize their affairs in these proceedings, including the commencement of certain rezoning and subdivision activities for the 825 Land Plan. The Applicants and their advisors believe that a DIP Facility is the only realistic source of funding available, given the urgency of the proposed filing, and the minimal level of existing cash on hand. In the event that the Court approves a DIP Facility at the hearing scheduled for May 20, 2016, the first DIP Facility drawdown of \$81,000 is forecast to occur during the week of May 23, 2016.
73. The Proposed Monitor notes that funding under any DIP Facility is required by the Applicants on an urgent basis. The quantum of any DIP Facility will need to reflect the cash needs of the Applicants, taking into consideration the Applicants' immediate planned course of action. It is expected that any DIP Facility will be administered in a manner that furthers the goals of these CCAA proceedings.

#### **H. AUTHORIZATIONS AND CHARGES IN THE DRAFT INITIAL ORDER**

74. The Proposed Monitor has reviewed the proposed initial CCAA order in these proceedings (the "**Initial Order**") and provides comments on certain provisions below.

##### ***Cash Management System***

75. As previously indicated, it is proposed that the Applicants shall be entitled to continue to utilize the existing Cash Management System, or replace it with another substantially similar central cash management system.
76. In the Proposed Monitor's view, the maintenance of the existing Cash Management System is important to ensure cash receipts continue to be received and that payments are made in accordance with the established terms to all stakeholder groups who are entitled to receive payments in the CCAA proceedings.

##### ***Directors' and Officers' Indemnification***

77. It is proposed that the Applicants indemnify their directors and officers against obligations and liabilities that they may incur after the commencement of these

proceedings, except to the extent that the obligation or liability was incurred as a result of the directors' or officers' gross negligence or willful misconduct.

78. The Proposed Monitor has been advised that the directors' and officers' indemnification (the "**Indemnification**") is necessary for the continued service of the directors and officers of the Applicants during the restructuring. Given that the Applicants will require the committed involvement of the directors and officers to successfully restructure, the Proposed Monitor believes the Indemnification is required and reasonable in these circumstances.

### ***Proposed Court Ordered Charges over the Assets of the Applicants***

#### **Administration Charge**

79. The Applicants' proposed form of Initial Order provides for an administration charge (the "**Administration Charge**") in an amount of \$150,000 in favour of the Monitor, the Monitor's counsel, and counsel for the Applicants as security for professional fees and disbursements incurred before and after the making of the Initial Order in respect of these proceedings. The Administration Charge has been established based on the respective professionals' previous history and experience with similar restructurings. The Proposed Monitor believes that the Administration Charge is required and reasonable in the circumstances.
80. In addition, the Proposed Monitor is advised that the Applicants have given notice of the application for the Initial Order (and therefore the Administration Charge to be created thereunder), to all of the secured creditors who are likely to be affected by the Administration Charge, as required by section 11.52(1) of the CCAA.

#### **DIP Lender's Charge**

81. It is proposed that the Applicants be authorized to enter into negotiations to obtain a DIP Facility to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures. As security for the debtor in possession financing, it is proposed that the DIP Lender be granted a charge (the "**DIP Lender's**



**Charge**”) on the assets of one or both of the Applicants. The DIP Lender’s Charge is not intended to secure an obligation that existed before the Initial Order.

### **Priority of Charges Created by the Initial Order**

82. The proposed priorities of the charges to be created under the Initial Order are as follows:
- i. First – Administration Charge (to the maximum amount of \$150,000); and
  - ii. Second – DIP Lender’s Charge (to the maximum amount of \$500,000).
83. The Proposed Monitor has reviewed the calculations and initial documentation that support the Administration Charge and the DIP Lender’s Charge, and believes the amounts are reasonable in the circumstances.

### **I. PROPOSED MONITOR’S CONCLUSIONS**

84. The Proposed Monitor concurs with the Applicants’ view that they are insolvent and are facing near term liquidity issues which have created the need to undertake the restructuring as contemplated by these CCAA proceedings.
85. The Applicants remain in default of certain obligations under their debt facilities and they have ceased paying their current obligations in the ordinary course of business as they generally become due. These proceedings will afford the Applicants an opportunity to complete a restructuring in a manner that (i) maximizes value for the Applicants’ various stakeholders and (ii) best protects the interests of the various stakeholders while the Applicants work to complete a restructuring, which may include a Court approved sale process and certain sale transactions.
86. The Proposed Monitor has concluded that a DIP Facility is required in order for the Applicants to continue to operate on an uninterrupted basis through the projected restructuring period.
87. The DIP Facility represents the necessary financing which will afford the Applicants the ability to operate as a going concern while pursuing the restructuring. The Proposed

Monitor believes that, apart from the DIP Facility, there exists no reasonable prospect of obtaining similar interim financing in the circumstances.

88. Further to the Proposed Monitor's review of the proposed form of Initial Order, the Proposed Monitor also supports the Administration Charge and the DIP Lender's Charge being requested in the Applicants' draft Initial Order as being reasonable and required in the circumstances.
89. The Applicants are also seeking, and the Proposed Monitor supports their request, to continue to operate the Cash Management System in substantially the same manner as existed prior to the commencement of the CCAA proceedings, should an Initial Order be granted.
90. The Proposed Monitor also supports:
- a. The amounts and rankings of the Court ordered charges and the financial thresholds proposed in the draft Initial Order, namely:
    - i. First – Administration Charge (to the maximum of \$150,000); and
    - ii. Second – DIP Lender's Charge (to the maximum of \$500,000).

All of which is respectfully submitted at Saskatoon, Saskatchewan, this 12<sup>th</sup> day of May, 2016.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Proposed Monitor of  
101133330 Saskatchewan Ltd. and  
101149825 Saskatchewan Ltd.  
and not in its personal capacity.



Per: Brent Warga, CA, CIRP  
Senior Vice-President

**Exhibit C – May 26, 2016 and June 2, 2016 Newspaper Publications**

CLASSIFIED

PLACE YOUR SASKATOON STAR PHOENIX CLASSIFIED AD

Online: thestarphoenix.com/placeanad

Email: classifieds@thestarphoenix.com

By phone: 1-800-667-6979 By fax: 1-888-744-3725

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CHILD CARE: Briarwood, Saskatoon Full time Child Caregiver Wanted... DENTAL, HEALTH & MEDICAL: RECEPTIONIST Duties include greeting clients... GENERAL HELP: Be Matched To Care For A Few Seniors

FOR SALE

ANTIQUES & ART: WANTED old furniture, teak, oak, etc., end tables, old book cases... AUCTIONS: BODNARUS AUCTIONEERING Estate Auction Sale of Ben & Tena's... FIREWOOD: Blocked, Split, Birch (Seasoned) - Delivered to Saskatoon \$400/cord...

MERCHANDISE FOR SALE

Mower and MT bike, life jackets, 20ft aluminium ext. ladder, Desk, lantern, file cab. 5 gal metal boat gas tank...

Your Daily Horoscope Holiday Mathis

THURSDAY, MAY 26, 2016 To be human is to be relatively vulnerable in nearly all natural environments, essentially dependent, totally helpless if not for the support and nurturing of others...

PERSONALS

MEDIUMS & PSYCHICS: Psychic Paulina Full Life Readings Phone 306-384-7042

CLASSIFIEDS Must sell! Like new, sideside, stainless steel. We've got everything - right here. 1-800-667-6979

FP MARKETPLACE

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BUSINESS OPPORTUNITIES MUST SEE Business For Sale 35 years of profitable history in SK. \$291K. Pat: 306-221-7285

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PAINTERS: DAVID & HANNAH'S PAINTING Residential, Commer., Condo. Quality at reasonable rates... RENOVATIONS: Renovations and Repairs Big or small, we do it all... YARD CARE: All kinds of big & small tree cutting/pruning...

RENTALS: RENT NOW! Apartments, houses and townhouses available throughout Saskatoon... HOUSES: For ads that sell, you've got our number. Saskatoon StarPhoenix 1-800-667-6979

RENTALS

APARTMENTS: 1 Bdrm Westside \$825 - \$850. Large & bright, balcony, near bus, convenient to store... 2 Bdrm Bsmnt Suite in College Park, 261 Carlton Drive... COLLEGE PK 2BR - \$1165

RENTALS: NEED MORE/LESS ROOM? For All Your Real Estate Needs: allsaskatoonlistings.com 306-651-6155... APARTMENTS: Amenities you deserve at rates you'll love! Move in early for FREE... APARTMENTS FURNISHED: FURNISHED 1 bdrm Suites Downtown!

CONDOS: WILDWOOD Deluxe 2 bedroom, in-suite laundry, 5 appliances, air conditioning... DUPLEXES, DOUBLES & TRIPLEXES: 1 Bdrm Duplex, Holliston Area... EXECUTIVE & LUXURY: WEST SIDE - 1BR suite. Reduced again. Single occupancy incl. Call 306-651-7073

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LEGAL & TENDERS NOTICES

THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN DISTRICT OF SASKATOON FILE: 643 of 2016 IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED ("CCAA")

ATTENTION! Suites for Rent Visit our Website www.eliteproperty.ca or call 956-0044... SUITES FOR RENT Call 664-4457 or Visit Our Web Site www.colliersrentals.com

ADULT CONDO 2 bdrm, 2 bath, 6 appl, granite kitch, blinds, 4 flr., 2 elevators, A/C, 2 U/G Parking, Fitness room, Rec room, N/P, N/S, \$1400/wk. 306-477-0049... LAKEVIEW 102 Kingsmere Place, 2 Bdrm, 2 Bath, 1,000 sq.ft., 6 APPLIANCES AND 2 PARKING SLOTS, \$1,400. 306-380-8496

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AUTOMOTIVE

MINIVANS & VANS: 1982 DODGE VAN, low mileage, good condition, \$3,500. Call Bob: 306-320-2207... MINIVANS & VANS: 2015 38FT. RE CEDAR CREEK w/ 3 slides, A/C, D/W, W/D, arctic package, rear entertainment, fireplace. Avail Locally paid \$83,000 now \$68,000 for quick sale. 905-691-1035

AUTOMOTIVE

CAMPERS, TRAILERS & 5TH WHEELS: 2015 38FT. RE CEDAR CREEK w/ 3 slides, A/C, D/W, W/D, arctic package, rear entertainment, fireplace. Avail Locally paid \$83,000 now \$68,000 for quick sale. 905-691-1035... SPRINTER 30 FOOT TOW-BEHIND 1999 Immaculate. Sleeps 6, slide-out, fully loaded. \$11,900. OBO. Call Text: 306-227-1468

JANRIC CLASSIC SUDOKU

JANRIC CLASSIC SUDOKU Fill in the blank cells using numbers 1 to 9. Each number can appear only once in each row, column and 3x3 block. Use logic and process elimination to solve the puzzle. The difficulty level ranges from Bronze (easiest) to Silver to Gold (hardest). Rating: BRONZE Solution to 5/25/16



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**1 and All Antiques Wanted**  
306-543-9046  
Old signs, toys, clocks, Service station items, etc

**1-A BUYING ANTIQUES**  
306-545-6884  
Full Estates or Single Items  
Toys, Furniture, Signs, Military, Railway, Gold & Silver. Top prices paid.

**Gold & Silver Buying all Coins, Jewelry, or Scrap.**  
Call Gary  
1-306-545-6884

**APPLIANCES**  
White GE fridge and stove, \$225. Deep freeze 57"x28", \$125. Self defrost white fridge \$125. Small dryer, \$80. Washer, \$100. Dryer, \$100. White stove, \$125. Fire pit drum \$20.  
306-522-5413

**AUCTIONS**  
**2S AUCTIONEERS LTD. WILL BE CONDUCTING CANDIAC EQUIPMENT CONSIGNMENT AUCTION**  
Saturday June 4, 10:00 AM Candiad, SK. We are accepting all types of equipment. To Consign to this Auction contact Brad: 306-551-9411 or Darren: 306-660-8070  
[www.2sauctioneers.ca](http://www.2sauctioneers.ca)  
PL#333133

**ANTIQUE & SHOP TOOLS AUCTION FOR ADOLPH (BING) JASTER**  
10 am, Sunday, June 12, 201 Rye St., Yellow Grass, SK. Large Selection of Shop, Hand Tools & Equipment, Lawn & Yard Tools, Many Antiques & Collectibles & Furniture. **Brad: 306-551-9411, PL# 333133**  
[www.2sauctioneers.ca](http://www.2sauctioneers.ca)

**AUCTION FOR MARLENE BENKO & THE ESTATE OF GEORGE BENKO** Sat. June 11, 9:30 am, Regina, SK. 4 miles west of #11 highway at Condi RD & 1.5 miles north at the tower. On offer: JD 4240 w/ FEL, 30th; IHC TD 6 Crawler; Ford 5000 c/w FEL; 30th Equipment; 2004 GMC 2500 Duramax; Yamaha Grizzly; Norbert 18 ft GN stock trailer; JD 336 & 510 balers; JD 44 Manure Spreader; Anvil; Bob-Sleighs; Cutters; Democrat; Huge amount of Show & Work Harness; Various Saddles & Horse related items; Livestock equipment & lots of antiques. This is a huge sale with something for everybody. For More Information call Mike 306-530-0103 or Jason 306-540-2311. PL#333133  
[www.2sauctioneers.ca](http://www.2sauctioneers.ca)

**AUCTIONS**

**FARM EQUIPMENT AUCTION FOR RADCLIFFE FARMS**  
10 am, Tuesday, June 21, Indian Head, SK. Les 306-695-8124, Brian 306-695-7710 Loc.: From Indian Head, SK, 1 mile N of Jct. #1 & 56 Hwy, then 8.5 miles E, 2 miles N, from Sinterluta, SK, 3.5 miles N, 1.5 miles W, 3 miles N, MF6465 Tractor MFDW 7w MF 1080 FEL, Joystick control/grapple; Versatile 950 4wd Tractor, Atom Jet Hyd. Sys.; 1980 Versatile 875 4wd Tractor; JD 3130 Tractor, FEL/Grapple; 2006 Dodge 3500 Heavy Duty 4x4 1 ton, Dually, Quad Cab; 2000 Int. Eagle Semi, Cat, 13 spd; 1979 GMC 7000, Grain Truck, S/A, 17ft Steel B&H; 1988 Ford F700, 466 Diesel, Auto., S/A, 15ft Steel B&H; 2000 Norbert Stock Trailer, 6x26ft, steel floor, 2, 10,000lb. axels; 1997 Castleton Industries Ltd. T/ Grain Trailer; Fruhauf 48ft Hiboy Trailer, T/A; Morris 39ft Air drill; Morris Maxim 7240 Seed tank; Subject to Prior Sale; JD 1610 35ft DT Cult. w/Harrows; 2000 Apache 790 Diesel 90ft Sprayer, 200hp Cummins, 360 Outback Navigation, Mapping, Auto-Steer; 1997 NH TX66 SP Combine; 2002 MF 220XL SP Swather, 5000 Series Header JUI Pickup Real, Diesel; 1993 MacDon 960 30ft Draper Header, w/Transport; Grain Augers; 919 Labtronics Grain Moisture meter; Conveyair Grain Vac Ultima 6; Var. Hopper Bottom Bins; Vermeer Highline 605M Round Baler, 1000 PTO, NetWrap 4; Kicker: NH Hayliner 278 Square Baler; Model TL5500 Automatic Tube-Line; NH 1033 Bale Wagon; NH 791Manure Spreader; Various Saddles & Tack; Roping Chute & Stripping Chute; Panels; Shop Tools & Shop Equipment. "Inter-net" bidding with [www.bidspotter.com](http://www.bidspotter.com) starts 12 noon Local Time.  
**www.2sauctioneers.ca, PL#333133**

**FARM EQUIPMENT AUCTION FOR FRANK & PEARL FAHLMAN** 10 am, Thursday, June 16, Fillmore, SK. Location: 10 miles N of Fillmore, SK or 14 miles S of Montmartre, SK on #606 Grid. On offer: 1985 JD 4650, 1963 JD 4020, JD AR, JD H Tractors; 1979 Chev. C 70 Scottsdale & 1966 Dodge 300 Grain Trucks; 1992 Ford Ranger Reg. Cab 2wd Truck; 1980 Versatile 580 80ft Sprayer; 32ft White Cultivator, w/Valmar; 1984 JD 6601 Combine; 1987 JD 540 25ft PTO Swather; Grain Augers; 1975 Degelman R5705 Rock Picker; Flexi-coil 95 & 50ft Hyd. Harrow Packer Bars; 1992 Brandt Tailgate Drill Fill 15x6 & Electric Drill Fill; 1983 IM 1620 Valmar; Swath Roller; Water & Fertilizer Tanks; 1983 Hesston 1091 Mower Conditioner; 1979 NH 851 Round Baler; JD 350A Side Delivery Rake; Wilcar Bale Wagon; MacLeod's Wagon-Auto-steer; 1970 NH 352 Mixmill; Cattle Squeeze; Panels; Feeders; Tipping Table; Misc. livestock equipment; 2 - Misc. Hoppers; 2 - Behlen Bins - Concrete; 3 - Aeration Fans. Consigned: Bob Gaetz; Mid 1990's Flexicoil Sprayer, system 65, 90ft, 800 gal. Header JUI Pickup Real, Diesel; 1993 MacDon 960 30ft Draper Header, w/Transport; Grain Augers; 919 Labtronics Grain Moisture meter; Conveyair Grain Vac Ultima 6; Var. Hopper Bottom Bins; Vermeer Highline 605M Round Baler, 1000 PTO, NetWrap 4; Kicker: NH Hayliner 278 Square Baler; Model TL5500 Automatic Tube-Line; NH 1033 Bale Wagon; NH 791Manure Spreader; Various Saddles & Tack; Roping Chute & Stripping Chute; Panels; Shop Tools & Shop Equipment. "Inter-net" bidding with [www.bidspotter.com](http://www.bidspotter.com) starts 12 noon Local Time.  
**www.2sauctioneers.ca, PL#333133**

**MOVING AUCTION FOR WARREN & NORMA KING** 10 am, Sunday, June 26, Belle Plaine, SK. For info call Warren 403-504-4837. Loc. 0.5 miles East & 0.5 South of Belle Plaine, SK. 2008 Ford F350 Harley Davidson Diesel Power Stroke, 4x4, Fully Loaded, Leather, Sun Roof, Chip, 5th wheel Hitch, PushBar, shows 135,945 kms, Prev. Reg. in AB; 2016 XLR T/Trailer, 43ft RV Trailer, (Both Truck & Trailer "Sold Subject to Approval of High Bid"); 2009 Clay 16ft T/A Cargo Trailer, V-Nose, Ramp Doors; 2002 Arctic Cat 900cc Mountain Cat 159" Tack, shows 631 miles; Utility Trailer; JD 2320 Diesel 4wd Tractor, FEL, 3 pth, ROPS, PTO; JD "D" (-parts); JD 16ft DT Cultivator; Graham Holm 20ft DT Cultivator; Craftsman 15hp Riding Lawn Mower; AGRIC 50", 3 pth Rototiller; Farm King 72", 3 pth Finishing Mower; Estate Sprayer; 150 gal Truck slip tank w/GPI Pump; Var. Truck & Trailer parts; Lg. Qty. Shop & Hand tools & Equipment; Var. Antiques & Antique Furniture; Collectible Farm Toys; Lg. Qty. of Household items. Many Other Items!  
**www.2sauctioneers.ca PL#333133**

**FOOD & MARKETS**  
Canada Number 1 White Honey  
Locally produced. 500 Grams: \$5. 1KG: \$8. Evenings: 306-584-5329

**GRAIN FED Roasters & Friers**  
Chickens & parts \$2.85/lb Hormone and Drug-Free. Free Delivery. 306-335-2700

**ORGANIC HEIRLOOM TOMATO PLANTS**  
Many varieties (30) including Brandywine, Cherokee, Black Krim, Italian Heirloom Roma and lots of cherries. \$5/each or 5/\$20 Call: 306-541-3130

**FURNITURE**  
Swivel rocker for sale, \$100. Dark blue. 306-543-8129

**GARAGE SALES**  
**DIEMPE GARAGE SALE**  
1426 Clayton May 26-29 9a-6p. New & gently used plus size clothing, nurses uniforms, misc household items and more!

**EAST REGINA 1202 Brown St.**  
Furniture, home/garden decor, vintage items, collectibles, clothing, misc. **May 26 & May 27, 9:00am to 6:00pm.**

**RETIREMENT AUCTION FOR MARY MAIER** 10 am, Monday, June 6, Fort Qu'Appelle, SK. For more info call Mary evenings after 8pm, 306-331-5995. From Fort Qu'Appelle, SK, off of #10 highway turn S onto Bay Ave S, then S on Cemetery Hill Road for 3/4 mile, W 1/2 mile. Farm is on South Side of Road. On offer: Kubota M125X w/Loader; 1973 Case 1270 Tractor; 2006 Dodge Ram 2500 Quad Cab, 4x4, Diesel; 2003 Ford F250 Super Duty Crew Cab, 4x4, Diesel; 2011 Southland Trailer, Tri-axel, 7x24; 2009 Trail-tech Flat-deck Trailer; 2010 18ft MacDon Mower Conditioner; Vermeer 605m Round Baler w/Kicker; Real Industries Cattle Squeeze, holding pen, round tub; 2W Maternity Pens; 1978 Boat w/Trolling motor, open bow; 2000 Tahoe 5th wheel camper. And many other items!  
**Brad 306-551-9411 or Darren 306-660-8070 PL#333133**  
[www.2sauctioneers.ca](http://www.2sauctioneers.ca)

**MOUNT ROYAL 113 Krauss St.**  
Friday and Saturday starting at 9AM. Deck and household furniture, ceramic bowls and paint, crafts and tools, movies and records, household items and jewellery.

**Mt. Royal - May 26, 27 & 28**  
38 Mollard Cres., Thurs 12-7, Fri 10-7, Sat 10-5, toys, tools & rider items.

**MULTI-FAMILY Garage Sale**  
Some furniture, Fri & Sat, 9am-6pm, 51 Kowalchuk Cres., Uplands, Reg.

**REGINA - LAKERIDGE**  
1331 Hahn Crescent, huge garage sale, lots of great finds, everything MUST go, **Saturday May 28, 8-4 & Sunday May 29, 8-1.**

**REGINA, MOUNT ROYAL**  
978 McCarthy Blvd, Bedroom set Queen, Many new items and also collectibles plus misc., **May 27 & May 28, Fri 9-8 Sat 9-Noon.**

**GARAGE SALES**

**WALSHPACRES 2** Kyle St., GIGANTIC 8 Family Yard Sale. **May 25 12-6pm; May 26, 27, 28 9am-6pm.**

**West Regina 26** Newstead Ave Wide variety! Kids, adults, hobbies, etc. Fri, May 27 2:30-6:30 & Sat, May 28 5-8. Leftovers \$1 after 3PM Sat.

**MERCHANDISE FOR SALE**

**ESTATE SALE**  
Washer, Drier, fridge, dining room table, 6 chairs, 8ft. deck swing, commercial tools, 1349 FORGET ST. 306-949-1685

**Estate Sale by Transition Estate Services**  
3606 Argyle Rd Regina May 28<sup>th</sup> 8-5PM. Living Room/ bedroom/patio furniture. Decornare and yard ware.

**Estate Sale by Transition Estate Services**  
5414 Ballantyne Court, Regina June 4<sup>th</sup> 8-5PM. Liv Rm/ Bdrm/ Kitchen/Furn.

**Patio / Deck Furniture**  
5 piece pub height dining set, Hampton Bay brand, 4 cushions, \$500, love seat, 2 chairs & coffee table, + all cushions, \$450  
**Call: 761-0003 b/t 11 & 6**

**Regina Trap & Skeet Club**  
Invites you to our open house, **Wednesday, May 25 at 6pm and Saturday, May 28 at 1pm.** Weather permitting. Come out and try shooting at no charge. Coaches will be available to assist you. Located off Inland Dr. 4 kms east of #6 Hwy. Phone Larry 789-0000 or Alick 789-6343.

**Miscellaneous Garage Sale**  
2000 golf balls for \$5. 4538 McMillan Drive, Lakeridge, Reg. Thurs. 5-9, Fri 10-5 & Sat 10-5 761-0713

**REGINA - LAKERIDGE**  
1331 Hahn Crescent, huge garage sale, lots of great finds, everything MUST go, **Saturday May 28, 8-4 & Sunday May 29, 8-1.**

**REGINA, MOUNT ROYAL**  
978 McCarthy Blvd, Bedroom set Queen, Many new items and also collectibles plus misc., **May 27 & May 28, Fri 9-8 Sat 9-Noon.**

**NOTICES**

**LEGAL & TENDERS NOTICES**

**Notice to Creditors**  
IN THE ESTATE OF: —  
**JOHN (ALSO KNOWN AS JACK) CYRIL JARNETT, ALSO KNOWN AS CYRIL JOHN JARNETT, LATE OF REGINA, SASKATCHEWAN, DECEASED**  
All claims against the above estate, fully verified by Statutory Declaration and with particulars and valuation of Security held, if any, must be sent to the undersigned before the 27<sup>th</sup> day of June, 2016.  
Sherri A. Cybulski, solicitor for the estate  
**GATES & COMPANY**  
Barristers and Solicitors  
Avonhurst Plaza  
3132 Avonhurst Drive  
REGINA, Saskatchewan  
S4R 3J7

**Regina Palliative Care Inc.**  
supports a wide range of palliative care services in the Regina Qu'Appelle Health Region such as home care equipment, volunteers and counselling, all for individuals and families when they need it most.  
ph. 306.766.2300 | [www.rpci.org](http://www.rpci.org)

**Regina Palliative Care Inc.**  
P.O. Box 5054  
Regina SK S4P 3M3  
Dated this 19th day of May, 2016.  
Pursuant to Section 62 of The Act, the above advertisement shall be published once each week for two successive weeks, in a newspaper published in the municipality in which the proposed outlet is or is to be situated, or if no newspaper is published in the area, then in a newspaper published in Saskatchewan and circulating in the area.

**REGINA Palliative Care Inc.**

**PUBLIC NOTICES**

(Under the provisions of The Alcohol and Gaming Regulations Act, 1997)  
Notice is hereby given that 101287128 SASKATCHEWAN LTD. has applied to the Liquor and Gaming Authority for a RESTAURANT Permit to sell alcohol in premises known as MUCHO BURRITO at 4409 ROCHDALE BLVD., CITY OF REGINA, SK  
Written objections to the granting of the permit may be filed with SLGA no more than two weeks from the date of publication of this notice.  
Every person filing a written objection with SLGA shall state their name, address and telephone number in printed form, as well as the grounds for the objection(s). Petitioners must name a contact person, state grounds and be legible. Each signatory to the Petition, and the contact person must provide an address and telephone number. Frivolous, vexatious or competition-based objections within the beverage alcohol industry may not be considered, and may be rejected by the Saskatchewan Liquor and Gaming Licensing Commission, who may refuse to hold a hearing.  
Write to:  
Saskatchewan Liquor and Gaming Authority  
P.O. Box 5054  
Regina SK S4P 3M3

Dated this 19th day of May, 2016.  
Pursuant to Section 62 of The Act, the above advertisement shall be published once each week for two successive weeks, in a newspaper published in the municipality in which the proposed outlet is or is to be situated, or if no newspaper is published in the area, then in a newspaper published in Saskatchewan and circulating in the area.

**REGINA Palliative Care Inc.**

**CHECK YOUR AD**

Please check your ad the first day that it runs to see that all of the information is correct. This will ensure that your ad is exactly what you want readers to see. Occasionally instructions are misunderstood and an error may occur in an ad. If this happens to you please contact us the first day your ad appears and we will be happy to correct it as soon as possible. Our number is 1-800-667-9999. We must limit our financial responsibility, if any, to the charge for the space and cannot be responsible for incorrect ads AFTER THE FIRST DAY OF PUBLICATION.  
**OMISSION OF ADS**  
The LEADER-POST assumes no financial responsibility for errors in an ad beyond the cost of the ad itself, and no responsibility for the omission of an ad.  
**CHANGES TO AN AD**  
Changes other than price or phone number may be considered a new ad and may affect your rate.

**Deloitte.**

**AUTOMOTIVE**

**AUTOMOTIVE PARTS & ACCESSORIES**  
Bridgestone Tires all seasonal. P195/55R16. 4 for \$300. 306-565-3325  
C1299706

**CLASSIC & COLLECTOR VEHICLES**  
**CHEVROLET CORVETTE 2016 DEVIL 5 RUN CLASSIC CAR AUCTION JUNE 4TH** [master.com](http://master.com)  
C1302999

**CARS**

**2009 PONTIAC G5 SE**  
2dr auto air loaded alloys  
POWER PRICED AT 7995.00 plus tax  
Stk#36136A CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2011 FORD FUSION SEL**  
4dr auto air loaded alloys, ONLY 78000KMS  
POWER PRICED 12655.00 Plus tax  
Stk#36047A CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2015 CHEV SONIC LT**  
4dr auto air loaded sunroof  
POWER PRICED 12395.00 plus taxes  
Stk#16272a CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2015 CHEV CRUZE LT TURBO**  
4dr auto air loaded, remote start, back up camera  
POWER PRICED 13910.00 plus taxes  
Stk#16114A CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**CARS**

**SELECTION HEADQUARTERS**  
Good Deals from the Good Guys  
Jack Guy Kevin Guy David Guy  
**Trucks**

2010 GMC Sierra SLE Crewcab..... \$22,835  
4x4, Loaded, V8, Auto, 72,000KM  
2010 Ford F150 XLT S/Crew 4x4 .....\$18,987  
Loaded, 4.6L, Auto  
2009 GMC Sierra 2500 HD Crewcab .. \$25,887  
4x4, Loaded, 6.0L, Auto, 107,000Km  
2007 Ford F350 S/Duty Lariat .....\$27,987  
4x4, Loaded, 6.0L, Diesel, 80,000Km  
2007 Chev Avalanche LTZ.....\$15,987  
4x4, Loaded, 5.3L, Leather, 130,000Km  
2007 Ford F150 XLT S/Cab .....\$13,854  
4x4, Loaded, 5.4L, 126,000Km  
2000 Ford F250 XL S/Cab .....\$8,987  
Air, tilt, Cruise, 7.3L Powerstroke, 122,000Km

**Sport Utilities**  
2014 Honda CRV EX .....\$26,987  
AWD, Loaded, Sunroof, Heated Seats, 66,000Km  
2012 Mazda CX-7 AWD .....\$21,887  
Loaded, Leather, Sunroof, only 36,000Km  
2012 GMC Terrain SLT.....\$22,987  
AWD, Loaded, V6, Auto, Leather, 61,000Km  
2010 BMW X3 3.0i.....\$23,986  
AWD, Loaded, Leather, 73,000Km  
2010 Ford Escape XLT .....\$10,987  
AWD, Loaded, V6, Auto, 126,000Km  
2009 Toyota Venza XLE.....\$15,887  
AWD, Loaded, Leather, Nav system  
2007 Saturn Vue .....\$7,987  
Loaded, 3.5L, Auto

**Cars**  
2012 Nissan Altima S.....\$10,987  
Loaded, 2.5L, Auto  
2012 Honda Civic EX 2 door .....\$11,987  
Loaded, 4cyl, 5spd, Sporty  
2011 Ford Fusion SE.....\$12,987  
Loaded, 2.5L, Auto, 92,000Km, Mint  
2010 Chev Impala LT.....\$10,987  
Loaded, V6, Auto, 80,000Km  
2009 Chev Aveo LT .....\$8,473  
Loaded, Auto, Sunroof, 24,000Km  
2009 Pontiac Vibe .....\$10,987  
Loaded, 4cyl, Auto, Only 57,000Km  
2008 Dodge Avenger SXT .....\$9,887  
Loaded, 2.7L, Auto, 79,000Km

**Midtown Auto Sales**  
1020 8th Ave  
306-347-2277  
Financing Available  
Warranty on ALL Vehicles  
[www.midtownautosales.ca](http://www.midtownautosales.ca)

**TRUCKS**

**2015 GMC DENALI CREW**  
4X4 Leather, sunroof, nav, only 8500 kms  
POWER PRICED 54995.00 Plus taxes  
Stk#16268A CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2015 GMC YUKON DENALI**  
4X4 6.2V8 Leather, sunroof, nav, 20s, dvd  
POWER PRICED 67998.00 Plus taxes  
Stk#16278a CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2015 CHEV SUBURBAN LT1**  
4X4 6.2V8 Leather, sunroof, nav, 20s, dvd  
POWER PRICED 63995.00 plus taxes  
Stk#16281A CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2013 CADILLAC ESCALADE ESV**  
PREMIUM AWD, 6.2L Sunroof, 22s  
POWER PRICED 47998.00 Plus taxes  
Stk#36198A CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

**2013 GMC ACADIA DENALI**  
AWD, V6, Leather, sunroof, dvd, 36800kms  
POWER PRICED 41998.00 Plus tax  
Stk#36567a CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

Please recycle this paper  
  
**REGINA LEADER-POST**

**NEED NEW RECRUITS?**  
Place your employment ad with us. The LEADER-POST has several options to give you the most exposure for your ad.  
**Call your Sales Rep today!**  
**1-800-667-9999**

**2013 GMC ACADIA DENALI**  
AWD, V6, Leather, sunroof, dvd, 36800kms  
POWER PRICED 41998.00 Plus tax  
Stk#36567a CALL 1-855-315-1222  
**CAPITAL**  
GMC • BUICK • CADILLAC  
4020 Rochdale Blvd. Phone 1-855-315-1222

Discuss organ donation with your family.  
Maybe, thanks to you, life can go on.  
  
We can't live without you.





Golden State Warrior Stephen Curry answers questions after practice Wednesday. The Warriors host the Cleveland Cavaliers in Game 1 of the NBA Finals on Thursday, a rematch of last year's final series. *THE ASSOCIATED PRESS*

## Thunder star not rushing to decide on his future

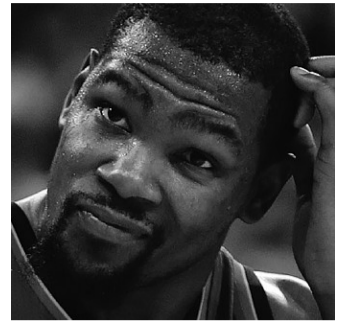
CLIFF BRUNT

OKLAHOMA CITY Kevin Durant has a lot to consider in the next month.

The face of the Thunder franchise since its move from Seattle in 2008 is heading into free agency and what he chooses to do after July 1 could shake up the NBA landscape.

Durant was the 2014 MVP and is a four-time scoring champion. He led the Thunder to the NBA Finals in 2012 and to the Western Conference Finals in four of the past six years. He recovered from a broken bone in his right foot that cost him much of last season to post one of the best years of his career. At just 27, he is in his prime and capable of being the centrepiece of a championship squad here — or elsewhere.

Durant would stand to make significantly more money if he signs for a year with Oklahoma City, then signs a longer deal with the Thunder the following year.



Kevin Durant

really haven't thought about next week, more so than next month or what's going to happen."

With the salary cap going up, many teams will have the money to make a run at him. Washington, Durant's hometown team, recently hired former Thunder coach Scott Brooks, whom Durant has great respect for. Philadelphia's Joel Embiid and Boston's Isaiah Thomas have taken to Twitter in hopes of luring Durant east.

Durant said there will be little outside influence on his decision. "I've got to just hear from me and hear what I want, and talk to myself on what I need and how I can make this thing work for myself, and just try to be a little selfish," he said.

*The Associated Press*

# WARRIORS HAVE ENOUGH TO HOLD OFF CAVS IN REMATCH

*But James hoping to turn the tables for Cleveland, writes Ryan Wolstat*

OKLAND NBA Finals rematches were a rarity for a long time.

It's only happened 14 times, including just once between 1990 and 2012 (those memorable Chicago Bulls triumphs over Karl Malone, John Stockton and the Utah Jazz in 1997 and '98).

But anomalies do take place — or maybe these really are the best teams in each conference the past two years — and the NBA is set to cash in ratings-wise, with Golden State vs. Cleveland Part 2.

Oddly, after so much time between rematches, this is the second straight time it has happened, with the Miami Heat and San Antonio Spurs meeting back to back in 2013 and 2014.

LeBron James led the Miami Heat to victory over San Antonio in 2013 in seven epic games (remember Ray Allen's shot for the ages to deny the Spurs the title?), then the Spurs exacted revenge with a clinical five-game triumph in 2014, setting the stage for James' return to the Cavaliers. James' sole stated goal was to end a Cleveland sporting drought that stood at 50 years.

James did his best, posting unheard of numbers a year ago in nearly winning MVP on a losing side, a truly difficult feat, but it has now been 52 years since the Browns won the NFL Champion-

ship, 68 since the Indians won the World Series and the Cavs take an 0-2 Finals mark into this one.

With Kevin Love and Kyrie Irving injured last year (Irving got hurt in Game 1, Love was lost much earlier in the playoffs), somehow James still willed the Cavs to a sixth game. The Warriors won, but most observers thought Cleveland should have been finished off far earlier.

That's why now so many pundits are picking the Cavs to triumph. Irving is playing the best basketball of his career, Love has finally found his niche, newcomer Channing Frye is shooting even better than the great Stephen Curry on three-pointers, Tristan Thompson is cleaning up the glass and there are other weapons.

Meanwhile, how much do the Warriors have left in the tank after digging as deep as you can to erase a 3-1 deficit against Oklahoma City and beat a great team that had already taken out the Spurs?

Cleveland's had an easy road to this point, losing only two games to the Raptors over the first three rounds.

Not to mention the revenge factor. "I think motivation can only go so far. How much motivation can carry you to a championship,

I'm not sure," James had said before the rematch against the Spurs a couple of years ago.

In the end, it seems like motivation had an awful lot to do with San Antonio's dismantling of Miami that year.

Has Cleveland had that same fire burning inside for a full year now the way the Spurs did?

Defending champions are 6-7 in rematches, but just 1-6 in the past seven meetings, with the Jordan-led Bulls the only ones to win both in that span.

Basically, a lot of things favour the Cavs turning the tables this time around.

All that said, Golden State just set the regular season victory mark with 73 wins and some see this group as the greatest team ever assembled.

The juggernaut boasts the repeat MVP winner in Curry, a record-setting outside shooter in Thompson, a great two-way player in Draymond Green, versatile LeBron-stopper Andre Iguodala, more youth, the inside knowledge of longtime Cav Anderson Varejao, and more.

Golden State has won 85 combined games in the regular season and playoffs, the second-most ever (three more wins and the 1995-96 Chicago Bulls get passed again this season, after already seeing their regular campaign victory mark overtaken).

But Cleveland has been on some kind of roll since going small and James is driven to deliver northeast Ohio a title and cement his legacy as one of the three or four best players ever.

It was close last year without Irving, Love and Frye.

It might be even tighter this time around.

Warriors in seven. [rwolstat@postmedia.com](mailto:rwolstat@postmedia.com) [Twitter.com/WolstatSun](https://twitter.com/WolstatSun)

**NOTICES**

**LEGALS & TENDERS NOTICES**

**THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN DISTRICT OF SASKATOON FILE: 643 of 2016**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED ("CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF 101133330 SASKATCHEWAN LTD. (O/A ORR CENTRE) AND 101149825 SASKATCHEWAN LTD. (collectively the "Companies")

Notice is hereby given that the Companies commenced proceedings under the CCAA on May 20, 2016 and were granted an order of the Court of Queen's Bench for Saskatchewan (the "Initial Order").

The Initial Order granted the Companies various reliefs including, but not limited to, a stay of proceedings against the creditors in respect to the Companies and its assets, and appointing Deloitte Restructuring Inc. as Monitor.

The Initial Order has been posted on the Monitor's website: [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd)

Creditors requiring further information not made available on the website should contact:

Deloitte Restructuring Inc.  
 PCS Tower, Suite 400  
 122 - 1st Avenue South  
 Saskatoon, SK S7K 7E5  
 Canada  
 Tel: 306-343-4200  
 Fax: 306-343-4240  
[www.deloitte.ca](http://www.deloitte.ca)

**Deloitte.**

**JUMBLE** THAT SCRAMBLED WORD GAME  
 by David L. Hoyt and Jeff Knurek

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LEYNW  
 THIWD  
 FLUNEG  
 TOMIRP

Check out the new, free JUST JUMBLE app

I wanted to play it safe and decided not to go for three. Good for you.

HE TOOK THE DOUBLE. MAYBE HE COULD HAVE TRIPLED. BUT HE DIDN'T WANT TO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumbles: FUDGE HOBBY  
 Answer: The cow was late for the big get-together because she hadn't — "HERD" ABOUT IT

**Crossword**  
 By Eugene Sheffer  
 2016 King Features Syndicate, Inc

**ACROSS**

37 Good (fixed) vehicle  
 39 Tibetan "Tasty!"  
 4 Pop bovine  
 41 Sony rival  
 42 Decay  
 44 Coffee-house bill collector  
 46 Cake in the shower  
 50 "O Sole —"  
 51 Protective barriers  
 52 Feature of some stationery  
 56 Actress Lena  
 57 Ireland  
 58 Big fuss  
 59 Hawaiian coast

**DOWN**

1 Ghana's cont.  
 2 Nest egg acronym  
 3 Gab, gab, gab ...  
 4 Ill-natured family herb  
 5 Not 'neath  
 6 Used car sites  
 7 Plus  
 8 Tart pie filling  
 9 Holler  
 10 Birthright  
 11 Logical  
 16 Luau bowlful

20 Coach Par-seghian  
 21 Butte's kin  
 22 Piercing tools  
 23 Online address  
 27 Utter  
 29 Mint  
 30 Killer whale  
 31 Caboose  
 33 Public image  
 35 Bit of butter  
 38 Romance  
 40 Geisha's garment  
 43 Less wild  
 45 Glutton  
 46 Volume  
 47 Woody's son  
 48 Check  
 49 Skin opening  
 53 Chill in the air  
 54 USN bigwig  
 55 May honoree

**Solution time: 24 mins.**

P	A	L	D	O	A	S	P	I	A	F
O	R	O	I	O	N	E	I	S	L	E
E	C	O	E	X	T	R	I	C	A	T
M	O	N	E	T	A	N	N			
	S	E	M	I	T	I	M	E	S	
N	E	U	T	R	I	N	O	C	A	L
I	C	K	S	L	U	M	P	G	E	T
B	R	E	T	D	I	E	T	R	I	C
S	U	S	A	N	T	R	O	T		
	M	O	D	L	E	A	K	Y		
P	A	R	T	R	I	D	G	E	R	O
T	U	B	A	N	O	R	M	G	O	P
S	K	I	M	A	W	R	Y	O	K	S

Yesterday's answer 6-2

## BRIDGE BY DAVE WILLIS June 2

**Choices**  
**Dealer: East**  
**N-S vulnerable**

**NORTH**  
 ♠A6  
 ♥K4  
 ♦KQJ843  
 ♣Q86

**WEST** ♠J84  
 ♥J652  
 ♦102  
 ♣K1072

**EAST** ♠K75  
 ♥Q987  
 ♦A76  
 ♣J54

**SOUTH** ♠Q10932  
 ♥A103  
 ♦95  
 ♣A93

W	N	E	S
		Pass	Pass
Pass	1♦	Pass	1♠
Pass	2♦	Pass	2NT
Pass	3NT	All Pass	

**Opening Lead: ?**  
 West began with the deuce of hearts as declarer drove out the ace of diamonds but the heart return held South to nine tricks, N-S +600.

A club lead would allow South to record an overtrick when he puts up dummy's queen. A heart lead from such a feeble holding is normally not a good idea but South had basically denied four hearts by rebidding 2NT. This beginning

would be innocuous and was far less dangerous than a club lead. A spade, South's bid suit, could not be a consideration and would permit declarer to score at least ten tricks.

The nine-trick game would be reached at virtually all tables where West's opening lead selection would go a long way in determining the matchpoint award.

Some North players would offer a jump rebid of three diamonds which would be a slight overbid. This action would be taken based on the solidity of the diamond suit. South would be more confident in advancing to 3NT in this scenario. South's resolve to try for game was also a trifle optimistic when partner simply rebid two diamonds. However, he found partner with a solid opening bid in addition to an excellent six-card suit.

*Author: Dave Willis - visit his website at [www.insidebridge.ca](http://www.insidebridge.ca)*

Questions on bridge can be sent with a stamped, self-addressed envelope to The New Canadian Bridge c/o Torstar Syndication Services, One Yonge St., Toronto, M5E 1E6. Copyright 2016 Torstar Syndication Services

1 2 3 4 5 6 7 8 9 10 11  
 12  
 15 16 17  
 18 19 20  
 21 22 23 24 25 26 27 28 29 30 31  
 32 33 34 35 36  
 37 38 39 40 41  
 42 43 44 45  
 46 47 48 49 50  
 51 52 53 54 55  
 56 57 58  
 59 60 61

**6-2 CRYPTOQUIP**

S XNXRQQK YXI EUZ NTRQQ,  
 ORNCSEURJQZ JRL LZIIZ SU TK  
 CRSL. S OSUB SI RBBN R  
 IEXDC EO DQRNY.

**Yesterday's Cryptoquip:** I HEARD THE LITTLE SIDEWALK SHOP HAS BEEN GOING SO BROKE THAT IT'S SHOWING ITS AWNING.

Today's Cryptoquip Clue: B equals D

The Cryptoquip is a substitution cipher in which one letter stands for another. If you think that X equals O, it will equal O throughout the puzzle. Single letters, short words and words using an apostrophe give you clues to locating vowels. Solution is by trial and error.



FOR SALE

AUCTIONS

**FARM EQUIPMENT AUCTION FOR FRANK & PEARL FAHLMAN 10 am, Sunday, June 26, 2016.** Belle Plaine, SK. For info call Warren 403-504-4837. Loc. 0.5 miles East & 0.5 South of Belle Plaine, SK. 2008 Ford F350 Harley Davidson Diesel Power Stroke, 4x4, Fully Loaded, Leather, Sun Roof, Chip, 5th wheel Hitch, PushBar, Reg. Cab 2wd Truck; 1980 Versatile 80H Sprayer; 32ft White Cultivator, w/ Valmar; 1984 JD 6601 Combine; 1987 JD 540 25ft PTO Swother; Grain Augers; 1975 Degelman R5705 Rock Picker; Flexi-coil 95 & 50ft Hyd. Harrow Packer Bars; 1992 Brandt Tailgate Drill Fil 15x6 & Electric Drill Fil; 1983 IM 1620 Valmar; Swath Roller; Water & Fertilizer Tanks; 1983 Hesston 1091 Mower Conditioner; 1979 NH 851 Round Baler; JD 350A Side Delivery Rake; Wilcar Bale Wagon; MacLeod's Wagon-Auto-steer; 1970 NH 352 Mixmill; Cattle Squeeze; Panels; Gates; Feed Troughs; Bale Feeders; Tipping Table; Misc. livestock equipment; 2 - Westale Hoppers; 2 - Behlen Bins - Concrete; 3 - Aeration Fans, Consigned; Bob Gaetz; Mid 1990's Flexicoil Sprayer, system 65, 90ft, 800 gal. PL#333133 **More Info call Frank: 306-722-3550** [www.2sauctioneers.ca](http://www.2sauctioneers.ca)

**RETIRED AUCTION FOR MARY MAIER 10 am, Monday, June 6, Fort Qu'Appelle, SK.** For more info call Mary evenings after 8pm. 306-331-5995. From Fort Qu'Appelle, SK, off of #10 highway turn S onto Bay Ave S, then Son Cemetery Hill Road for 3/4 mile, W 1/2 mile. Farm is on South Side of Road. On offer: Kubota MX125X w/ Loader; 1973 Case 1270 Tractor; 2006 Dodge Ram 2500 Quad Cab, 4x4, Diesel; 2003 Ford F250 Super Duty Crew Cab, 4x4, Diesel; 2011 Southland Trailer, Tri-axle, 7x24; 2009 Trail-tech Flat-deck Trailer; 2010 18ft MacDon Mower Conditioner; Vermeer 605M Round Baler w/ Kicker; Real Industries Cattle Squeeze, holding pen, round tub; 2W Maternity Pens; 1978 Boat w/ Trolling motor, open bow; 2000 Tahoe 5th wheel Camper. And many other items! **Brad 306-551-9411 or Darren 306-660-8070 PL#333133** [www.2sauctioneers.ca](http://www.2sauctioneers.ca)

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**Take Notice:** misc goods & chattels belonging to the following persons stored at Storage-Mart Regina will be sold due to unpaid charges: **2750 Sandra Schmirler Way - # 2.2.5 - Brandi Thompson-Office Chair, Tires, Racing wheel and pedals.** \*The sale will be **June 21/16 @ 12:00PM** Auction will be held at [bid4storage.com](http://bid4storage.com), all bids are for entire contents of storage unit. **CASH ONLY!**

**FOOD & MARKETS**  
Canada Number 1 White Honey  
Locally produced, 500 Grams: \$5; 1KG: \$8. Evenings: 306-584-5329

**FURNITURE**  
**MOVE OUT SALE**  
Bedroom set (55" bed); Kitchen set (Oak table and 4 chairs); large china cabinet; 2 matching recliners; 4 cubic foot stand up freezer; Microwave and stand; household wares; coffee table + 2 matching end tables. **3110 - 4550 - 10th Avenue / 306-545-1332** All offers negotiable.

Three piece leather living room suite, Couch, Love seat and Chair. Leather is coloured "ice" (egg shell) and is in a damaged condition as originally purchased in 1991. It is neither "overstuffed" as most are today. Sold separately or as unit. **Make offers. 306-789-3012 npagefond@myaccess.ca**

**GARAGE SALES**  
3724 Queen St - Lakeview Multi Family. Lots of great items. Thurs & Fri 9:30-8, Sat 9-3

**ALBERT PARK 452 Habkirk Drive.** Misc. household items for sale. **Jun. 3 - 5, Fri 12 - 7; Sat 10 - 5; Sun 12 - 3.**

**ALBERT PARK 143 Lockwood Rd., Fri, June 3 & Sat, June 4: 9am - 5pm, Sun, June 5: 12pm - 5pm**

**ALBERT PARK 11 Cowie Road.** Friday and Saturday 9-8. Huge Estate/Multi-Family clear out - Priced to sell.

GARAGE SALES

**HILLSDALE** Garage Sale. Multi Family, 9 Scott St., Friday 6/3 & Saturday 6/4, 10am-7pm.

**LAKERIDGE 4719** Mazinke Cres. Multi Family Sale. Thurs, June 2nd & Fri, June 3rd, 10am-6pm.

**Living Spirit Centre** at 3018 Doan Drive will be holding its annual Garage Sale on Saturday, June 4th from 9am-3pm.

**Multi Dwelling Garage Sale** on Mahony Crescent Thurs, June 2nd, Fri, June 3rd and Sat, June 4th 8:30am-6pm. Items priced to sell.

**PILOT BUTTE COMMUNITY GARAGE SALE** Friday, June 3, 5-8 and June 4, 8-8. Maps available at service station and confectionary. **Jun. 03 & Jun. 04, 8:00-8:00.**

**REGINA 30** Wood Cres. Dressers, cabinets, chairs, 10' x 20' canopy, walker, drivers & woods, & more! **June 2, 3, 4 - 10am-8pm.**

**Varsity Park - We're Downsizing!** Decades of accumulating to be distributed in 2 days. Everything from furniture, over 1,000 books, ornaments, kids' toys, airplane golf bag, scroll saw, garden accessories, 10 a.m. to 5 p.m. June 4th and 5th. 2727 Aster Crescent.

**Whitmore Park, 3076 Grant Rd** Multi Family, Books, laptop, kids stuff, perennials, etc. Thurs-Sat, 9am.

**MERCHANDISE FOR SALE**  
Washer, Drier, fridge, dining room table, 6 chairs, 8ft. deck swing, commercial tools. **1349 FORGET ST. 306-949-1685**

**Estate Sale by Transition Estate Services** 5414 Balfour Court, Regina June 4th - 8:5PM. Liv Rm/ Bdrm/ Kitch Furn.

**Moving Sale by Transition Estate Services** 3722 Queens Gate Regina June 11th 8-5PM. Living Room/ bedroom/Kitchen furniture.

**Treadmill and Round Living Room Table.** Call For Details **306-586-1678**

NOTICES

PUBLIC NOTICES

**Under the provisions of The Alcohol and Gaming Regulation Act, 1997**  
Notice is hereby given that 101103825 Saskatchewan Ltd. (Name of applicant(s); individual, corporation, or partnership) has applied to the Liquor and Gaming Authority for a Special Use Home Delivery Permit to deliver alcohol in the name of the business known as

Roger's Pub - Delivery (Name of Business) located at 2415 Dewdney Ave., City of Regina, SK (Civic address & name of city/town/village/hamlet)

Written objections to the granting of the permit may be filed with SLGA not more than two weeks from the date of publication of this notice.

Every person filing a written objection with SLGA shall state their name, address, and telephone number in printed form, as well as the grounds for the objections. Petitions must name a contact person, state grounds and be legible. Each signatory to the petition and the contact person must provide an address and telephone number. Frivolous, vexatious, or competition-based objections within the beverage alcohol industry may not be considered, and may be rejected by the Saskatchewan Liquor and Gaming Licensing Commission, who may refuse to hold a hearing.

Write to: Saskatchewan Liquor and Gaming Authority Box 5054 REGINA SK S4P 3M3

LEGALS & TENDERS NOTICES

**THE COURT OF QUEEN'S BENCH FOR SASKATCHEWAN DISTRICT OF SASKATOON FILE: 643 of 2016**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED ("CCAA") AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF 101133330 SASKATCHEWAN LTD. (O/A ORR CENTRE) AND 101149825 SASKATCHEWAN LTD. (collectively the "Companies")**

Notice is hereby given that the Companies commenced proceedings under the CCAA on May 20, 2016 and were granted an order of the Court of Queen's Bench for Saskatchewan (the "Initial Order").

The Initial Order granted the Companies various reliefs including, but not limited to, a stay of proceedings against the creditors in respect to the Companies and its assets, and appointing Deloitte Restructuring Inc. as Monitor.

The Initial Order has been posted on the Monitor's website: [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd)

Creditors requiring further information not made available on the website should contact: Deloitte Restructuring Inc. PCS Tower, Suite 400 122 - 1st Avenue South Saskatoon, SK S7K 7E5 Canada Tel: 306-343-3328 Fax: 306-343-4240 [www.deloitte.ca](http://www.deloitte.ca)

LEGALS & TENDERS NOTICES

Notice to Creditors

IN THE ESTATE OF: **JOHN (ALSO KNOWN AS JACK) CYRIL JARNETT, ALSO KNOWN AS CYRIL JOHN JARNETT, LATE OF REGINA, SASKATCHEWAN, DECEASED**

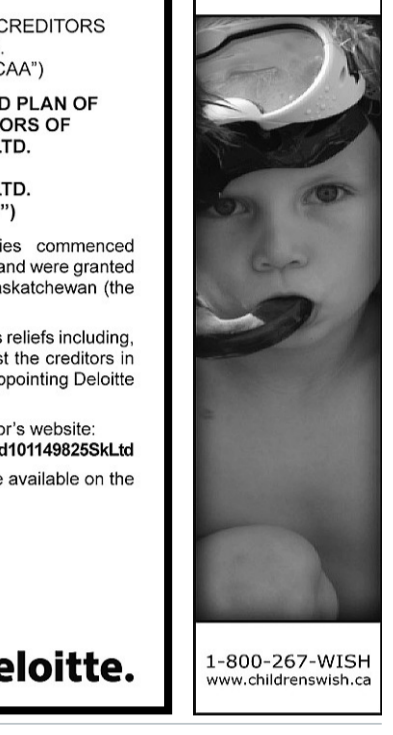
All claims against the above estate, duly verified by Statutory Declaration and with particulars and valuation of Security held, if any, must be sent to the undersigned before the 27th day of June, 2016.

Sherri A. Cybulski, solicitor for the estate **GATES & COMPANY** Barristers and Solicitors Avonhurst Plaza 3132 Avonhurst Drive REGINA, Saskatchewan SAR 3J7

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**MINIVANS & VANS**  
2001 GMC Savana 3500 Cargo Van. \$5500 OBO. 306-539-9632

**TRUCKS**  
2006 Toyota Tundra SR5TRD only 60,000kms. Gray, Raider hard top. Complete with rug. \$15,000. 306-692-4910

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**2012 MAZDA CX-7 GS** SUV AWD Loaded, Alloys, Only 60000kms GM Certified Sale 14998.00 Plus tax Stk#15923b CALL 1-855-315-1222

**2010 CHEV COBALT LT** 2dr Auto Air Loaded Alloys Capital Choice Sale 7995.00 plus tax Stk#16118B CALL 1-855-315-1222

**2011 BUICK LUCERNE CX** 4DR V6 Loaded, alloys, super clean car! GM Certified Sale 8710.00 plus tax Stk#36011a CALL 1-855-315-1222

MOTORHOMES

**FORD VANGUARD, CLASS C 1989** 128,240 km, DUAL FUEL MOTOR USES PROPANE OR GAS, 460 inch motor, sleeps 6, canopy, TV., \$9,000. Call: **306-584-1064** [dwinston@sasktel.net](mailto:dwinston@sasktel.net)

Looking to buy a used motorhome 21-26 ft. Low kilometers, Call Dianne 306-261-4798

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CARS

**2012 CHEVY CRUZE** P16289A Auto, Loaded, 18,085 km! Great Deal! 12,998+tax **306-543-1115** **WHEATON** [www.wheatonchev.com](http://www.wheatonchev.com)

**2015 JEEP COMPASS SPORT** T5174C 4x4, Auto, Loaded Car Proof Included! 14,598+tax **306-543-1115** **WHEATON** [www.wheatonchev.com](http://www.wheatonchev.com)

**2011 KIA SORRENTO LX** T3099A AWD, Loaded Alloy's Car Proof Included 15,998+tax **306-543-1115** **WHEATON** [www.wheatonchev.com](http://www.wheatonchev.com)

**2002 GMC 2500** T5092A Leather Loaded 4x4 6.6L Dent and Scratch Special 8,000+Tax **306-543-1115** **WHEATON** [www.wheatonchev.com](http://www.wheatonchev.com)

**2013 FORD ESCAPE AWD** T5932C Leather Loaded Alloy's Car Proof Included! 17,998+Tax **306-543-1115** **WHEATON** [www.wheatonchev.com](http://www.wheatonchev.com)

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TRUCKS

**2010 RAM SLT CREW** 4X4, 5.7L Hemi, Loaded, Power Seat, Tonneau Cover GM Certified Sale 21700.00 plus tax Stk#351655C CALL 1-855-315-1222

**2010 F150 LARIAT SUPERCREW** 4X4, Leather, Sunroof, Tonneau cover GM Certified Sale 23700.00 plus tax Stk#36423B CALL 1-855-315-1222

**2011 GMC YUKON DENALI HYBRID** 4X4, 6.0L, Leather, sunroof, nav, 22inch wheels White Diamond, 72000kms GM Certified Sale 40500.00 Plus taxes Stk#16267a CALL 1-855-315-1222

**CAPITAL** • GMC • BUICK • CADILLAC • 4020 Rochdale Blvd. Phone 1-855-315-1222

**CAPITAL** • GMC • BUICK • CADILLAC • 4020 Rochdale Blvd. Phone 1-855-315-1222

The right to learn, the power to achieve. Contact Learning Disabilities Association of Saskatchewan at 790-8452

**Idcas** Learning Disabilities Association of Saskatchewan The right to learn, the power to achieve

**CAPITAL** • GMC • BUICK • CADILLAC • 4020 Rochdale Blvd. Phone 1-855-315-1222

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But the gene may not die with me. You see, my son faces that same 50% risk I did. If he's unlucky, too, the same horrific fate awaits him.

But there is hope. We are near the finish line in finding a cure. Will it be next year? Five years from now? Ten years? I don't know.

It may be too late for me, but it would be tragic to lose momentum now. Won't you take a moment to call the Huntington Society of Canada today at 1-800-998-7398? Thank you for your kindness."

**We need your help 1-800-998-7398**

**Huntington Society of Canada HUNTINGTON** Société Huntington du Canada

[www.hsc-ca.org](http://www.hsc-ca.org)

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**Exhibit D – Creditor Notice Sent May 24, 2016**





Deloitte Restructuring Inc.  
PCS Tower, Suite 400  
122 – 1<sup>st</sup> Avenue South  
Saskatoon, SK S7K 7E5  
Canada

Tel: 306-343-3328  
Fax: 306-343-4240  
[www.deloitte.ca](http://www.deloitte.ca)

May 24, 2016

## NOTICE TO CREDITORS

**RE: IN THE MATTER OF AN ORDER UNDER *THE COMPANIES' CREDITORS ARRANGEMENT ACT* OBTAINED BY 101133330 SASKATCHEWAN LTD. and 101149825 SASKATCHEWAN LTD.**

101133330 SASKATCHEWAN LTD. and 101149825 SASKATCHEWAN LTD. have obtained an Order of the Court of Queen's Bench for Saskatchewan under the *Companies' Creditors Arrangement Act* (the "Order"). A copy of the Order is posted on the following website: [www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd](http://www.insolvencies.deloitte.ca/en-ca/101133330and101149825SkLtd).

You are being given notice of the Order as you are a creditor of 101133330 SASKATCHEWAN LTD. or 101149825 SASKATCHEWAN LTD. or the Order may affect your rights.

If you would like to receive a notice of all further proceedings in relation to this matter, please complete the Demand for Notice attached to this Notice and send the Demand for Notice by electronic mail (email) or facsimile to each of the following persons:

1. 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.  
c/o McDougall Gauley LLP  
Attention: Ian Sutherland / Craig Frith  
Email: [isutherland@mcDougallgauley.com](mailto:isutherland@mcDougallgauley.com) / [cfrith@mcDougallgauley.com](mailto:cfrith@mcDougallgauley.com)  
Fax: (306)652-1323
2. Deloitte Restructuring Inc.  
c/o MacPherson Leslie & Tyerman LLP  
Attention: Paul Olfert  
Email: [polfert@mlt.com](mailto:polfert@mlt.com)  
Fax: (306)975-7145

**If you fail to properly complete the Demand for Notice and forward the Demand for Notice by email or facsimile to each of the above referenced persons indicating that you request further notice of the proceedings, then you will not receive, nor will you be entitled to receive, any further notice of the proceedings.**

Yours Truly,

A handwritten signature in blue ink that reads "B. Warga". The signature is written in a cursive, slightly slanted style.

**DELOITTE RESTRUCTURING INC.**

in its capacity as CCAA Monitor  
of 101133330 Saskatchewan Ltd. and  
101149825 Saskatchewan Ltd.  
and not in its personal capacity.

Per: B. Warga  
Senior Vice-President

C A N A D A  
PROVINCE OF SASKATCHEWAN

IN THE COURT OF QUEEN’S BENCH  
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENTS ACT*, R.S.C.  
1985, c. C-36, AS AMENDED (the “CCAA”)

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE  
CREDITORS OF 101133330 SASKATCHEWAN LTD. and  
101149825 SASKATCHEWAN LTD.

(the “Applicant”)

**DEMAND FOR NOTICE**

**TO:**

- |   |  |
|---|--|
| <p>1. 101133330 Saskatchewan Ltd. and<br/>101149825 Saskatchewan Ltd.<br/>c/o McDougall Gauley LLP<br/>Attention: Ian Sutherland<br/>Email: <a href="mailto:isutherland@mcdougallgauley.com">isutherland@mcdougallgauley.com</a><br/><a href="mailto:cfrith@mcdougallgauley.com">cfrith@mcdougallgauley.com</a><br/>Fax: (306) 652-1323</p> | <p>2. Deloitte Restructuring Inc.<br/>c/o MacPherson Leslie &amp; Tyerman LLP<br/>Attention: Paul Olfert<br/>Email: <a href="mailto:polfert@mlt.com">polfert@mlt.com</a><br/>Fax: (306) 975-7145</p> |
|---|--|

**I hereby request** that notice of all further proceedings on this matter be served on me and hereby elect that service may be effected on me in the following manner: **[Please select either (a) or (b), but not both.]**

(a) by email, at the following email address:  
\_\_\_\_\_, or

(b) by facsimile, at the following facsimile number:  
\_\_\_\_\_.

Signature: \_\_\_\_\_  
Name of Creditor: \_\_\_\_\_  
Address of Creditor: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone Number: \_\_\_\_\_

**Exhibit E – Actual vs. Forecast Cash Flows for the Period May 9, 2016 to June 5, 2016**

101133330 SASKATCHEWAN LTD. AND 101149825 SASKATCHEWAN LTD.

Actual Versus Forecast Cash Flows

May 9, 2016 through June 5, 2016

Week Start	Notes	Forecast Week 1	Actual Week 1	Forecast Week 2	Actual Week 2	Forecast Week 3	Actual Week 3	Forecast Week 4	Actual Week 4	Forecast Total	Actual Total	Variance Actual vs Forecast
Week End		9-May-16	9-May-16	16-May-16	16-May-16	23-May-16	23-May-16	30-May-16	30-May-16	9-May-16	9-May-16	Actual vs Forecast surplus/(shortfall)
		15-May-16	15-May-16	22-May-16	22-May-16	29-May-16	29-May-16	5-Jun-16	5-Jun-16	5-Jun-16	5-Jun-16	
<b>Receipts</b>												
Deposit Recovery	(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dormitory Rentals	(2)	-	-	-	830	-	610	1,435	1,260	1,435	2,700	1,265
GST Collections	(3)	2,646	-	-	-	-	-	1,594	-	4,240	-	(4,240)
Janitorial Income	(4)	7,000	-	-	-	-	-	-	-	7,000	-	(7,000)
Prince Albert Condo Income	(5)	2,300	2,300	-	-	-	-	2,300	2,400	4,600	4,700	100
Parking Income	(6)	-	-	-	-	-	-	550	-	550	-	(550)
Rental Income	(7)	45,914	61,960	-	11,400	-	-	31,885	16,900	77,799	90,260	12,461
DIP Facility Advance		-	-	-	-	-	-	-	500,000	-	500,000	500,000
<b>Total Receipts</b>		<b>57,860</b>	<b>64,260</b>	<b>-</b>	<b>12,230</b>	<b>-</b>	<b>610</b>	<b>37,764</b>	<b>520,560</b>	<b>95,624</b>	<b>597,660</b>	<b>502,037</b>
<b>Disbursements</b>												
Development Costs												
Initial Survey	(8)	-	-	-	-	5,000	-	-	-	5,000	-	(5,000)
Land Rezoning	(9)	-	-	-	-	78,019	26,000	-	-	78,019	26,000	(52,019)
Environmental Geotech Groundwater Assessments	(10)	-	-	-	-	15,000	-	-	-	15,000	-	(15,000)
Subdivision Survey	(11)	-	-	-	-	10,000	-	-	-	10,000	-	(10,000)
Subtotal		-	-	-	-	108,019	26,000	-	-	108,019	26,000	(82,019)
Operating Costs												
Bank Service Charges	(12)	-	10	-	20	-	292	197	405	197	727	530
Bookkeeping	(13)	-	-	-	-	-	-	7,500	-	7,500	-	(7,500)
City Taxes (Orr Centre)		-	-	-	8,704	-	-	8,704	8,704	8,704	17,408	8,704
City Taxes (Prince Albert Condos)		-	-	-	-	-	-	469	-	469	-	(469)
Computer Internet		-	-	-	-	145	-	-	-	145	-	(145)
Event Staging		-	415	-	1,200	-	-	-	-	-	1,615	1,615
Garbage Disposal		-	-	-	-	-	-	171	-	171	-	(171)
GST Remittance	(14)	-	-	-	-	-	-	-	-	-	-	-
Insurance		-	-	2,500	-	-	-	6,635	-	9,135	-	(9,135)
Janitorial Supplies		-	225	-	23	-	-	859	700	859	948	89
Maintenance & Repair		-	152	-	-	-	-	-	977	-	1,129	1,129
Office / Miscellaneous		-	453	-	1,194	-	76	-	160	-	1,884	1,884
Payroll		13,343	9,640	-	6,304	13,343	6,197	-	6,924	26,686	29,066	2,380
Payroll Deductions (CRA)		6,395	4,780	-	-	6,395	-	-	-	12,789	4,780	(8,009)
SaskEnergy		7,552	-	-	6,163	-	-	7,552	-	15,104	6,163	(8,941)
SaskPower		10,888	-	-	-	-	-	10,888	3,396	21,776	3,396	(18,381)
Security Contract		350	-	-	912	-	120	350	120	700	1,152	452
Telephone		-	-	-	-	235	-	-	-	235	-	(235)
Television		621	-	-	-	-	-	-	266	621	266	(356)
Vehicle Expense		150	114	150	35	150	52	150	235	600	436	(164)
Subtotal		39,299	15,790	2,650	24,556	20,267	6,737	43,475	21,887	105,692	68,969	(36,723)
Restructuring Costs												
Professional Fees	(15)	50,000	-	25,000	-	25,000	8,400	20,000	146,600	120,000	155,000	35,000
DIP Charges	(16)	-	-	25,000	-	-	2,500	-	21,000	25,000	23,500	(1,500)
Subtotal		50,000	-	50,000	-	25,000	10,900	20,000	167,600	145,000	178,500	33,500
<b>Total Disbursements</b>		<b>89,299</b>	<b>15,790</b>	<b>52,650</b>	<b>24,556</b>	<b>153,287</b>	<b>43,637</b>	<b>63,475</b>	<b>189,487</b>	<b>358,711</b>	<b>273,469</b>	<b>(85,242)</b>
<b>Cash Surplus / (Deficit)</b>		<b>\$ (31,439)</b>	<b>\$ 48,470</b>	<b>\$ (52,650)</b>	<b>\$ (12,325)</b>	<b>\$ (153,287)</b>	<b>\$ (43,026)</b>	<b>\$ (25,711)</b>	<b>\$ 331,074</b>	<b>\$ (263,087)</b>	<b>\$ 324,192</b>	<b>\$ 587,279</b>
Consolidated Cash Balance (beginning of period)		\$ 155,405	\$ 155,405	\$ 123,966	\$ 203,875	\$ 71,316	\$ 191,550	\$ (81,970)	\$ 148,524	\$ 155,405	\$ 155,405	\$ -
Consolidated Cash Balance (end of period)		\$ 123,966	\$ 203,875	\$ 71,316	\$ 191,550	\$ (81,970)	\$ 148,524	\$ (107,682)	\$ 479,597	\$ (107,682)	\$ 479,597	\$ 587,279

## Summary of Notes and Assumptions

- (1) Approximately \$287,000 of pledged collateral was being held on deposit with the two secured lenders under different agreements. Management has received \$119,211 from one of the lenders (included in the Opening Cash Balance), and Management is working with legal counsel to have the residual balance returned, although the request is being resisted by the secured creditor.
- (2) Estimated rental revenues for existing dormitory rentals.
- (3) GST collections are based on 5% of rental and janitorial income.
- (4) Janitorial revenue is based on monthly payments under a long term contract.
- (5) Prince Albert Condo revenue is based on a monthly rental agreement.
- (6) Parking revenue is based on monthly parking contracts/usage.
- (7) Rental revenue is based on long term and monthly tenancy agreements.
- (8) Estimated survey costs required prior to commencing the rezoning process.
- (9) Estimated land rezoning costs based on quote from Stantec Consultants. Approximately \$195,000 to be incurred over 6 months.
- (10) Estimated costs associated with ground water assessments on the 825 Land.
- (11) Estimated costs associated with the surveying of the 825 Land. Necessary offsite levies will be assessed and determined at a later date.
- (12) Operating expenses are based on historical operations with actual first quarter (2016) results. Disbursements exclude any deposits that could be required by the various service providers in order to continue servicing 101133330 Saskatchewan Ltd.
- (13) Estimated costs to engage a bookkeeper to assist with financial statement preparation and reporting.
- (14) GST remittance is net of GST collected and GST paid to suppliers.
- (15) Estimated based on expenses already incurred and future expenses pertaining to professional services to be provided with respect to the initial May 20, 2016 hearing, a subsequent DIP hearing, and an extension hearing, if required.
- (16) 33330 and 825 are currently in discussions with potential DIP Lenders. Estimated fees associated with negotiating and finalizing a DIP Facility.

**Exhibit F – Revised Cash Flow Statement**

101133330 SASKATCHEWAN LTD. AND 101149825 SASKATCHEWAN LTD.  
**13-Week Cash Flow Projections**  
 June 6, 2016 through September 4, 2016

Week Start	Notes	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
Week End		6-Jun-16	13-Jun-16	20-Jun-16	27-Jun-16	4-Jul-16	11-Jul-16	18-Jul-16	25-Jul-16	1-Aug-16	8-Aug-16	15-Aug-16	22-Aug-16	29-Aug-16	
		12-Jun-16	19-Jun-16	26-Jun-16	3-Jul-16	10-Jul-16	17-Jul-16	24-Jul-16	31-Jul-16	7-Aug-16	14-Aug-16	21-Aug-16	28-Aug-16	4-Sep-16	
<b>Receipts</b>															
Dormitory Rentals	(1)	-	-	-	1,435	-	-	-	-	1,435	-	-	-	1,435	4,305
GST Collections	(2)	2,646	-	-	1,662	2,646	-	-	877	785	2,646	-	-	1,662	12,922
Janitorial Income	(3)	7,000	-	-	-	7,000	-	-	-	-	7,000	-	-	-	21,000
Prince Albert Condo Income	(4)	-	-	-	2,300	-	-	-	-	2,300	-	-	-	2,300	6,900
Parking Income	(5)	-	-	-	550	-	-	-	-	550	-	-	-	550	1,650
Rental Income	(6)	45,914	-	-	33,235	45,914	-	-	17,542	15,692	45,914	-	-	33,235	237,447
<b>Total Receipts</b>		<b>55,560</b>	<b>-</b>	<b>-</b>	<b>39,181</b>	<b>55,560</b>	<b>-</b>	<b>-</b>	<b>18,420</b>	<b>20,762</b>	<b>55,560</b>	<b>-</b>	<b>-</b>	<b>39,181</b>	<b>284,224</b>
<b>Disbursements</b>															
825 Development Costs															
Initial Survey	(7)	-	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Land Rezoning	(8)	13,010	-	39,010	-	-	-	-	39,010	-	-	-	39,010	-	130,038
Environmental Geotech Groundwater Assessments	(9)	-	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Subdivision Survey	(10)	-	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Owner's Representative	(11)	-	-	-	7,500	-	-	-	7,500	-	-	-	7,500	-	22,500
33330 Development Costs															
Renovations and Repairs	(12)	-	12,500	-	-	-	12,500	-	-	-	-	-	-	-	25,000
Property Manager / Agent Costs	(13)	-	5,000	-	-	-	5,000	-	-	-	5,000	-	-	-	15,000
<b>Subtotal</b>		<b>13,010</b>	<b>22,500</b>	<b>64,010</b>	<b>7,500</b>	<b>-</b>	<b>17,500</b>	<b>-</b>	<b>46,510</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>46,510</b>	<b>-</b>	<b>222,538</b>
Operating Costs															
Bank Service Charges	(14)	-	-	-	197	-	-	-	-	197	-	-	-	197	592
Bookkeeping	(15)	-	-	-	7,500	-	-	-	7,500	-	-	-	-	7,500	22,500
City Taxes (Orr Centre)		-	-	-	8,704	-	-	-	-	8,704	-	-	-	8,704	26,112
City Taxes (Prince Albert Condos)		-	-	-	469	-	-	-	-	469	-	-	-	469	1,407
Computer Internet		-	-	-	145	-	-	-	145	-	-	-	145	-	434
Event Staging		1,498	-	-	-	1,498	-	-	-	-	1,498	-	-	-	4,495
Garbage Disposal		-	-	-	171	-	-	-	171	-	-	-	-	171	512
GST Remittance	(16)	2,182	-	-	-	-	4,386	-	-	-	-	-	-	-	6,568
Insurance		9,135	2,500	-	6,635	-	2,500	-	-	6,635	-	2,500	-	6,635	36,541
Janitorial Supplies		-	-	-	859	-	-	-	859	-	-	-	-	859	2,577
Maintenance & Repair		1,000	-	-	-	1,000	-	-	-	-	1,000	-	-	-	3,000
Office / Miscellaneous		1,213	463	-	463	463	463	463	463	463	463	463	463	463	5,375
Payroll		13,343	-	13,343	-	13,343	-	13,343	-	13,343	-	13,343	-	13,343	93,402
Payroll Deductions (CRA)		11,395	-	6,395	-	6,395	-	6,395	-	6,395	-	6,395	-	6,395	49,763
SaskEnergy		-	-	-	-	7,552	-	-	-	7,552	-	-	-	7,552	22,655
SaskPower		-	-	-	-	10,888	-	-	-	10,888	-	-	-	-	21,776
Security Contract		-	-	-	350	-	-	-	-	350	-	-	-	350	1,050
Telephone		-	-	235	-	-	-	235	-	-	-	-	235	-	705
Television		-	621	-	-	-	621	-	-	-	-	621	-	-	1,864
Vehicle Expense		150	150	150	150	150	150	150	150	150	150	150	150	150	1,950
<b>Subtotal</b>		<b>39,916</b>	<b>3,734</b>	<b>20,123</b>	<b>25,642</b>	<b>41,288</b>	<b>8,120</b>	<b>20,585</b>	<b>8,824</b>	<b>55,146</b>	<b>3,111</b>	<b>23,472</b>	<b>530</b>	<b>52,787</b>	<b>303,277</b>
Restructuring Costs															
Professional Fees	(17)	50,000	25,000	20,000	15,000	15,000	15,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	210,000
DIP Charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Monitoring Fee	(18)	-	-	-	500	-	-	-	500	-	-	-	-	500	1,500
Interest	(19)	-	-	-	6,250	-	-	-	6,250	-	-	-	-	6,250	18,750
<b>Subtotal</b>		<b>50,000</b>	<b>25,000</b>	<b>20,000</b>	<b>21,750</b>	<b>15,000</b>	<b>15,000</b>	<b>10,000</b>	<b>16,750</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>16,750</b>	<b>230,250</b>
<b>Total Disbursements</b>		<b>102,925</b>	<b>51,234</b>	<b>104,132</b>	<b>54,892</b>	<b>56,288</b>	<b>40,620</b>	<b>30,585</b>	<b>72,084</b>	<b>65,146</b>	<b>18,111</b>	<b>33,472</b>	<b>57,039</b>	<b>69,537</b>	<b>756,066</b>
<b>Cash Surplus / (Deficit)</b>		<b>\$ (47,365)</b>	<b>\$ (51,234)</b>	<b>\$ (104,132)</b>	<b>\$ (15,711)</b>	<b>\$ (728)</b>	<b>\$ (40,620)</b>	<b>\$ (30,585)</b>	<b>\$ (53,664)</b>	<b>\$ (44,384)</b>	<b>\$ 37,449</b>	<b>\$ (33,472)</b>	<b>\$ (57,039)</b>	<b>\$ (30,356)</b>	<b>\$ (471,841)</b>
Consolidated Cash Balance (beginning of period)		\$ 479,597	\$ 432,232	\$ 380,998	\$ 276,866	\$ 261,155	\$ 260,427	\$ 219,807	\$ 189,222	\$ 135,557	\$ 91,173	\$ 128,623	\$ 95,151	\$ 38,112	\$ 479,597
Consolidated Cash Balance (end of period)		\$ 432,232	\$ 380,998	\$ 276,866	\$ 261,155	\$ 260,427	\$ 219,807	\$ 189,222	\$ 135,557	\$ 91,173	\$ 128,623	\$ 95,151	\$ 38,112	\$ 7,756	\$ 7,756



## Summary of Notes and Assumptions

- (1) Estimated rental revenues for existing dormitory rentals.
- (2) GST collections are based on 5% of rental and janitorial income.
- (3) Janitorial revenue is based on monthly payments under a long term contract.
- (4) Prince Albert Condo revenue is based on a monthly rental agreement.
- (5) Parking revenue is based on monthly parking contracts/usage.
- (6) Rental revenue is based on long term and monthly tenancy agreements.
- (7) Estimated survey costs required prior to commencing the rezoning process.
- (8) Estimated land rezoning costs based on quote from Stantec Consultants. Approximately \$169,000 to be incurred over 6 months.
- (9) Estimated costs associated with ground water assessments on the 825 Land.
- (10) Estimated costs associated with the surveying of the 825 Land. Necessary offsite levies will be assessed and determined at a later date.
- (11) Estimated costs associated with the engagement of an Owner's Representative to assist with facilitation of the 825 Land development.
- (12) Estimated costs associated with HVAC and rooftop repairs.
- (13) Estimated costs associated with the engagement of a property manager / agent to assist with attracting events and new tenants.
- (14) Operating expenses are based on historical operations and actual first quarter (2016) results. Disbursements exclude any deposits that could be required by the various service providers in order to continue servicing 101133330 Saskatchewan Ltd.
- (15) Estimated costs to engage a bookkeeper to assist with financial statement preparation and reporting.
- (16) GST remittance is net of GST collected and GST paid to suppliers.
- (17) Estimated based on expenses already incurred and future expenses pertaining to professional services to be provided with respect to the June 13, 2016 extension hearing and ongoing monitoring and plan development.
- (18) In accordance with the DIP Facility Agreement, a \$500 monthly monitoring fee is payable on the last day of each calendar month.
- (19) In accordance with the DIP Facility Agreement, the interest rate charged on the DIP Facility is 1.25% per month (15% per annum) on the balance outstanding. The entire \$500,000 DIP Facility (net of Facility Fee) was advanced to the Applicants on June 2, 2016.