

- (b) providing that the Initial Order, the stay of proceedings in favour of the Applicants contained in the Initial Order and the period of time within which the Applicants shall be permitted to file one or more plans of compromise or arrangement with one or more classes of their creditors shall be and are hereby extended to and including 11:59 p.m. (Saskatchewan Time) on Sunday, January 1, 2017;
- (c) providing that the Pre-Filing Report of the Monitor dated May 12, 2016, the First Report of the Monitor dated June 8, 2016, and the Second Report of the Monitor dated August 12, 2016, and the activities described therein, are approved;
- (d) authorizing and empowering the Applicants to enter into an agreement with Staheli Construction Co. Ltd. (the "**DIP Lender**") on the terms and conditions referenced in the term sheet appended as Exhibit "A" to the Confidential Supplementary Affidavit of John Orr dated August 12, 2016 (the "**Commitment Letter**"), and to take all such steps as are necessary to comply with the said agreement, including, among other things, granting the security outlined therein;
- (e) directing that the Confidential Supplementary Affidavit of John Orr sworn August 12, 2016, shall be sealed, *nunc pro tunc* the date of filing, and shall not be opened by any person other than a Justice of the Court of Queen's Bench for Saskatchewan without further Order of this Court;
- (f) authorizing and directing the Applicants to repay all indebtedness owing to Pillar Capital Corp. pursuant to the DIP Facility Order of the Honourable Mr. Justice N.G. Gabrielson dated May 20, 2016 ("**DIP Facility #1**"), upon payment of which indebtedness, all liability and obligations of the Applicants in regard to DIP Facility #1 shall be deemed to be satisfied; and
- (g) granting such other and further relief as the circumstances may require and this Honourable Court deems appropriate.

2. In addition, the Applicants seek an order pursuant to Rule 13-7(2) abridging the time for service of this Notice of Application and all materials filed in support of such application.

Grounds for making this application:

3. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Initial Order, Affidavit of John Orr sworn on May 12, 2016, the Affidavit of John Orr sworn June 6, 2016, the Affidavit of John Orr sworn on August 12, 2016, and the Affidavit of David Calyniuk sworn August 12, 2016, respectively.

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

5. The stay of proceedings granted by the Initial Order was extended by the Order of the Honourable Mr. Justice G.A. Meschishnick dated June 13, 2016 (the “**First Extension Order**”), and expires on Wednesday, August 31, 2016, at 11:59 p.m. Saskatchewan time.

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

7. Since the granting of the First Extension Order, the Applicants have, among other things, conducted the following activities diligently and in good faith, namely:

- (a) have fully drawn down the debtor-in-possession financing loan and have secured further debtor-in-possession financing;
- (b) worked diligently to prevent any material changes to the Applicants’ cash flows and other circumstances from occurring;

- (c) worked to reduce expenses in relation to the Orr Centre, controlled by the Applicant 101133330 Saskatchewan Ltd.;
- (d) worked to resolve a number of HVAC and roofing issues with the Orr Centre to prepare the building for the upcoming winter and address stakeholder concerns;
- (e) worked to increase revenues in relation to the Orr Centre, including through the planned retention of a property management consultant (to perform the services more particularly described in the Affidavit of John Orr) and ongoing discussions with a seniors' housing provider in Regina regarding a potential long-term lease;
- (f) retained professional land developer, North Ridge Developments Inc., to act as 825's consultant in navigating the development process for the 825 Lands; and
- (g) continued to work with North Ridge to further develop the 825 Lands.

8. An extension of the stay of proceedings to January 1, 2017, is necessary to enable the Applicants to continue their restructuring efforts, including to allow the Monitor and the Applicants to continue communicating and working with the various professional advisors and stakeholders of the Applicants in order to develop and present a plan of compromise and arrangement.

9. If the requested extension is granted, the Applicants will be able to continue to operate and to formulate a plan of arrangement whereby their creditors and other stakeholders will derive greater benefit than they would through the immediate liquidation of the assets of the Applicants.

10. The most recent cash flow projections for the Applicants are appended to the Second Report of the Monitor. As detailed therein, the Applicants require additional debtor in possession financing ("**DIP Financing**") in order to repay the prior DIP lender,

Pillar Capital Corp., move forward with the development of the 825 Lands and complete improvements to the Orr Centre.

11. The Applicants have secured a commitment for DIP Financing in the amount of \$1,000,000.00 from Staheli Construction Co. Ltd. (the "**Proposed DIP Lender**"), to be advanced by the Proposed DIP Lender to the Applicants on the terms contained in the commitment letter (the "**Commitment Letter**") attached as Exhibit "A" to the Confidential Supplementary Affidavit of John Orr. The Applicants respectfully submit that the benefits of accepting the financing arrangement outlined in the Commitment Letter outweigh any potential prejudice to the creditors.

12. The secured creditors likely to be affected by this application have received notice of the same.

13. It may be necessary in the course of these proceedings to obtain new or further DIP financing. In order that the negotiation of the terms of any such future financing is not compromised by disclosure of the present financing terms (including interest rate and fees), it is necessary and appropriate that the Confidential Affidavit of John Orr be sealed until further order of the court.

Material or evidence to be relied on:

- (a) this Notice of Application;
- (b) the Affidavit of John Orr sworn August 12, 2016;
- (c) the Affidavit of David Calyniuk sworn August 12, 2016;
- (d) Confidential Supplementary Affidavit of John Orr dated August 12, 2016;
- (e) the Second Report of the Monitor;
- (f) a Brief of Law;

- (g) a draft Order; and
- (h) such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

- 14. The Applicants rely on Rule 13-7(2).

Applicable Acts and Regulations:

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

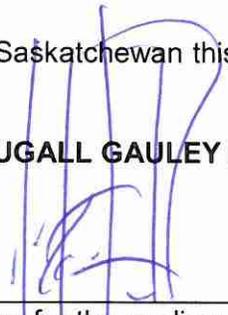
NOTICE

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

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

Dated at the City of Saskatoon, in the Province of Saskatchewan this 12th day of August, 2016.

McDOUGALL GAULEY LLP

Per: 

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

CONTACT INFORMATION AND ADDRESS FOR SERVICE

Name of firm: McDougall Gauley LLP
Name of lawyer in charge of file: Ian A. Sutherland / Craig Frith
Address of legal firm: 500-616 Main Street, Saskatoon, SK S7H 0J6
Telephone / Facsimile: (306) 653-1212 / (306) 652-5432
Email address: isutherland@mcdougallgauley.com
cfrith@mcdougallgauley.com

SERVICE LIST

PARTY	COUNSEL
<p>101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.</p>	<p><u>Attention: Ian Sutherland</u> McDougall Gauley LLP 500 – 616 Main Street Saskatoon, SK S7H 0J6 Phone: (306) 665-5417 FAX: (306) 664-4431 Email: isutherland@mcdougallgauley.com</p> <p><u>Attention: Craig Frith</u> McDougall Gauley LLP 500 – 616 Main Street Saskatoon, SK S7H 0J6 Phone: (306) 665-5432 FAX: (306) 664-4431 Email: cfrith@mcdougallgauley.com</p>
<p>Firm Capital Corp.</p>	<p><u>Attention: David Gerecke</u> Miller Thomson LLP 300, 15 – 23rd Street East Saskatoon, SK S7K 0H6 Phone: (306) 667-5615 FAX: (306) 652-1586 Email: dgerecke@millerthomson.com</p>
<p>Deloitte Restructuring Inc.</p>	<p><u>Attention: Jeff Lee, Q.C.</u> MacPerson Leslie & Tyerman LLP 1500, 410 – 22nd Street East Saskatoon, SK S7K 5T6 Phone: (306) 975-7136 FAX: (306) 975-7145 Email: jmlee@mlt.com Email: polfert@mlt.com</p>
<p>Deloitte Restructuring Inc.</p>	<p><u>Attention: Brent Warga</u> 2300 - 360 Main Street Winnipeg, MB R3C 3Z3 Phone: (204) 944-3611 FAX: (204) 947-2689 Email: bwarga@deloitte.ca</p> <p><u>Attention: John R. Fritz</u> 2300 - 360 Main Street Winnipeg, MB R3C 3Z3 Phone: (204) 944-3611 FAX: (204) 947-2689 Email: jofritz@deloitte.ca</p>

Atlantic (HS) Financial Corporation	<p>Attention: Frank Pa 211 – 80 Acadia Ave Markham, ON L3R 9V1 Phone: (905) 940-2783 Email: frankpa@atlfn.com</p>
Affinity Credit Union	<p>Attention: Randall M. Sandbeck, Q.C. 1000 – 2002 Victoria Avenue Regina, SK S4P 0R7 Phone: (306) 347-2105 FAX: (306) 352-0771 Email: rsandbeck@owzw.com Attention: Shelley Joyce Phone: (306) 347-2109 Email: sjoyce@owzw.com</p>
SaskPower	<p>Attention: Anne Laliberte Phone: 1-888-757-6937 (option 1,1,4&5) FAX: (306) 566-2430 Email: estatesandinsolvencies@saskpower.com</p>
SaskEnergy	<p>Attention: Wendi Frederick 900 – 1777 Victoria Avenue Regina, SK S4P 4K5 Phone: (306) 777-9321 FAX: (306) 777-9223 Email: collections@saskenergy.com Email: WFrederick@saskenergy.com</p>
Cobra Mortgage Services Ltd.	<p>Attention: Eric Johnson c/o Miller Thomson LLP 600, 2103 11th Avenue, Regina, Saskatchewan S4P 3Z8 Phone: (306)-347-8337 Fax (306)-347-8350 Email: ejohnson@millერთhompson.com</p>
Canadian Western Trust Company	<p>Attention: M. Kim Anderson, Q.C. Robertson Stromberg LLP Suite 600, 105 – 21st Street East Saskatoon, Saskatchewan S7K 0B3 Email: mk.anderson@rslaw.com</p>
City of Regina	<p>Attention: Jana-Marie Odling City of Regina 2476 Victoria Avenue PO Box 1790 Regina, Saskatchewan S4P 3L8 Email: jodling@regina.ca</p>

Atlas Sanitary Sewer Services	<p>Attention: <u>Joy White</u> 2333 6th Avenue Regina, Saskatchewan S4R 1B4 Email: <u>joy.atlas@sasktel.net</u></p>
Prairie Meats	<p>Attention: <u>Kelly Leahy</u> 2450 Dudley Street Saskatoon, Saskatchewan S7M 5S9 Email: <u>kelly@prairiemeats.ca</u></p>
Pro AV – Professional Audio Visual Ltd.	<p>Attention: <u>Richard Kowalyk</u> 1370 Cornwall Street Regina, Saskatchewan S4R 2H5 Email: <u>info@proavltd.com</u></p>
GV Audio Inc.	<p>Attention: <u>Derek Gould</u> 1355 Scarth Street Regina, Saskatchewan S4R 2E7 Email: <u>derekg@gvaudio.ca</u></p>
D-Code Engineering Ltd.	<p>Attention: <u>Lara DeRosier</u> 306 Dore Way Saskatoon, Saskatchewan S7K 4Y2 Email: <u>dcodeengineering@sasktel.net</u></p>
SaskTel	<p>Attention: <u>F. Pelletier</u> 12th Floor, 2121 Saskatchewan Drive Regina, Saskatchewan S4P 3Y2 Facsimile: 877-790-0011</p>
Blue Chip Leasing Corporation	<p>Attention: <u>Juanita Gaona</u> Unit 16 - 156 Duncan Mill Road Toronto, Ontario M3B 3N2 Email: <u>juanita@bluechipleasing.com</u></p>

Western Litho Printers	<p>Attention: <u>Terry Leigh</u> 300 Dewdney Avenue Regina, Saskatchewan S4N 0E3 Email: terry@westernlitho.ca</p>
A-1 Rent Alls	<p>Attention: <u>Deborah Wright</u> 1270 Halifax Street Regina, Saskatchewan S4R 1T8 Email: debbie@rent1.net</p>
Momentum HVAC Services	<p>Attention: <u>Mikolay A. Cupial</u> SQL LLP 302 – 2201 11th Avenue (Canada Place) Regina, Saskatchewan S4P 0J8 Email: mcupial@sqlllp.com</p> <p>Momentum HVAC Services 1411 1st Avenue Regina, Saskatchewan S4R 3T8</p>
Darlene Hanis	<p>Box 446 Esterhazy, Saskatchewan S0A 0X0 Email: dhanis1976@gmail.com</p>
Firm Capital Mortgage Fund Inc.	<p>Attention: <u>Jonathan Mair</u> 103 Cartwright Avenue Toronto, Ontario M2P 1A2 Email: jmair@firmcapital.com</p>
University of Saskatchewan	<p>Attention: <u>Nicole Rozon</u> E287 – 105 Administration Place Saskatoon, Saskatchewan S7N 5A2 Email: nicole.rozon@usask.ca</p>
We An-ser Communications Group	<p>Attention: <u>Jennifer Harkes</u> Box 32058 Regina, Saskatchewan S4N 7L2 Email: accounting@wean-ser.com</p>

Saskatchewan Association of Licensed Practical Nurses	<p>Attention: <u>Lynsay Nair</u> 700 – A, 4400 – 4th Avenue Regina, Saskatchewan S4T 0H8 Email: <u>lnair@salpn.com</u></p>
Saskatchewan Workers Compensation Board	<p>Attention: <u>Dean Marcia</u> 200 – 1881 Scarth Street Regina, Saskatchewan S4P 4L1 Email: <u>dmarcia@wcbsask.com</u></p>
Access Communications	<p>Attention: <u>Laurie Nickel</u> 2250 Park Street Regina, Saskatchewan S4N 7K7 Email: <u>laurie.nickel@myaccess.coop</u></p>
Dale Anderson	<p>Attention: <u>Michelle M. Tobin</u> c/o W Law Group LLP Suite 300, 110 – 21st Street East Saskatoon, Saskatchewan S7K 0B6 Email: <u>mtobin@wlawgroup.com</u></p>
Myron Derow	<p>Attention: <u>Michelle M. Tobin</u> c/o W Law Group LLP Suite 300, 110 – 21st Street East Saskatoon, Saskatchewan S7K 0B6 Email: <u>mtobin@wlawgroup.com</u></p>
Brunsdon Lawrek and Associates	<p>Attention: <u>Kimberly Maber</u> 301 20th Street West Saskatoon, Saskatchewan S7M 0X1 Email: <u>kimberlymaber@brunsdonlawrek.com</u></p>
Able Contracting Ltd.	<p>Attention: <u>George Hounjet</u> 1908 14th Street East Saskatoon, Saskatchewan S7H 0B1 Email: <u>georgehounjet@hotmail.com</u></p>

Robin Brockett	300 – 1870 Albert Street Regina, Saskatchewan S4P FW1 Facsimile: 306-798-8001
Saskatchewan Employment Standards	<u>Attention Conni Almquist</u> 1870 Albert Street – 3 rd Floor Regina, Saskatchewan S4P 4W1 Email: conni.almquist@gov.sk.ca
Ministry of Finance	<u>Attention: Harlynn Tank</u> 2350 Albert Street Regina, Saskatchewan S4P 4A6 Email: harlynn.tank@gov.sk.ca
Counsel for Canada Revenue Agency	<u>Attention: Denyse Cote</u> 301- 310 Broadway Winnipeg, Manitoba R3C 0S6 Email: denyse.cote@justice.gc.ca
Racquetball Canada	<u>Attention: Darrell Davis</u> c/o 2102 Janzen Crescent Regina, Saskatchewan S4V 2J2 Email: darddavis@hotmail.com