

**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
COPPER SANDS LAND CORP., WILLOW RUSH DEVELOPMENT CORP., PRAIRIE
COUNTRY HOMES LTD., MIDTDAL DEVELOPMENTS & INVESTMENTS CORP.,
JL DEVELOPMENTS & INVESTMENTS CORP., AND MDI UTILITY CORP.**

APPLICANTS

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

May 29, 2020

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EXHIBITS

- Exhibit A – April 1, 2020 Fiat
- Exhibit B – April 17, 2020 Request for Proposals Correspondence
- Exhibit C – May 11, 2020 McDougall Gauley Correspondence
- Exhibit D – Amended Mobile Home Park Offer
- Exhibit E – Actual Results for the Period February 17, 2020 to May 24, 2020

INTRODUCTION

1. On November 15, 2017, Copper Sands Land Corp. (“**CSLC**”), Willow Rush Development Corp. (“**Willow Rush**”), Midtdal Developments & Investments Corp. (“**MDI**”), Prairie Country Homes Ltd. (“**Prairie Country**”), JJL Developments & Investments Corp. (“**JJL**”), and MDI Utility Corp. (collectively the “**Companies**” or the “**Applicants**”) filed for protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). The Honourable Justice Gabrielson reserved his decision at the November 15, 2017 hearing, and the initial Order (the “**Initial Order**”) was issued on December 20, 2017.
2. As detailed in the seventh report of the Monitor dated February 21, 2020 (the “**Seventh Report**”), various extensions have been provided to the Applicants since the granting of the Initial Order, and the granting of the amended and restated Initial Order on July 5, 2018 (the “**Amended and Restated Initial Order**”). The current stay of proceedings in these CCAA proceedings expires on June 5, 2020.
3. The Monitor has provided the Court with the following reports in these proceedings:
 - a. A Pre-Filing Report of the Proposed Monitor dated November 10, 2017 (the “**Pre-Filing Report**”) and the Pre-Filing Confidential Report in connection with the Applicants’ application for protection under the CCAA;
 - b. A First Report of the Monitor dated January 16, 2018 (the “**First Report**”) in connection with the Applicants’ motion to extend the stay of proceedings;
 - c. A Second Report of the Monitor dated July 3, 2018 (the “**Second Report**”) in connection with the Applicants’ motion for an increase in the Administration Charge, the creation of the Subordinate Administration Charge, and to extend the stay of proceedings;
 - d. A Third Report of the Monitor dated August 30, 2018 (the “**Third Report**”) in connection with the Applicants’ motion seeking Court approval to sell three (3)

mobile homes owned by Prairie Country by public auction, and to extend the stay of proceedings;

- e. A Fourth Report of the Monitor dated October 12, 2018 (the “**Fourth Report**”) in connection with the Applicants’ motion to extend the stay of proceedings;
- f. A Supplement to the Fourth Report dated October 19, 2018 (the “**Supplement to the Fourth Report**”) in connection with the Applicants’ motion for approval of a proposed sale to Edna Keep or her nominee, the granting of the sale approval and vesting order (the “**Sale Approval & Vesting Order**”), and further extending the stay of proceedings;
- g. A Confidential Supplement to the Fourth Report of the Monitor dated October 19, 2018 (the “**Confidential Supplement to the Fourth Report**”) in support of the Applicants’ motion for approval of the CSLC mobile home park (“**MHP**”) transaction (the “**MHP Transaction**”) and the granting of the Sale Approval & Vesting Order;
- h. A Fifth Report of the Monitor dated December 5, 2018 (the “**Fifth Report**”) in connection with the Applicants’ motion for approval of the MHP Transaction, the granting of the Sale Approval & Vesting Order, the vesting off of a land parcel tie (the “**Parcel Tie**”), the approval of a refinancing transaction (the “**Refinancing Transaction**”), and further extending the stay of proceedings;
- i. A Confidential Supplement to the Fifth Report of the Monitor dated December 5, 2018 (the “**Confidential Supplement to the Fifth Report**”) in support of the Applicants’ motion for approval of the MHP Transaction, approval of the Refinancing Transaction, and the granting of the Sale Approval & Vesting Order;
- j. A Sixth Report of the Monitor dated January 7, 2019 (the “**Sixth Report**”) in connection with the Applicants’ motion for approval of the Sale Approval & Vesting Order, the vesting off of the Parcel Tie, the approval of the Refinancing Transaction, and further extending the stay of proceedings;

- k. A Confidential Supplement to the Sixth Report dated January 7, 2019 (the “**Confidential Supplement to the Sixth Report**”) in support of the Applicants’ motion for approval of the MHP Transaction, approval of the Refinancing Transaction, and the granting of the Sale Approval & Vesting Order; and
 - l. The Seventh Report of the Monitor recommending the commissioning of an independent assessment (the “**Independent Assessment**”) of the water and waste water treatment facilities (the “**Utility Facility**”) servicing the MHP, and further extending the stay of proceedings.
4. Copies of the Initial Order, all previously filed reports of the Monitor, all motion materials and orders in the CCAA proceedings, and certain other documents related to the CCAA proceedings have been posted and are available on the Monitor’s website at www.insolvencies.deloitte.ca/en-ca/coppersands.

PURPOSE

5. The purpose of this eighth report (the “**Eighth Report**”) is to provide the Court with information with respect to the following:
 - a. A summary of the Monitor’s activities since the Seventh Report;
 - b. An update on the status of the Independent Assessment;
 - c. An offer received by the Applicants for LSD 5 (further defined below) (the “**Amended MHP Offer**”);
 - d. An update of the Applicants’ cash flows for the period February 17, 2020 to May 24, 2020; and
 - e. The Applicants’ relief and the Monitor’s recommendations regarding same.

TERMS OF REFERENCE

6. In preparing this Eighth Report, the Monitor has relied upon unaudited interim financial information, the Applicants’ books and records, various affidavits sworn by Jaimey

Midtdal (“**Ms. Midtdal**”), Zachery Wong, and representatives of the secured creditors (Industrial Regina Properties Ltd. (“**IPRL**”) and 101297277 Saskatchewan Ltd. (“**7277**”), collectively the “**Secured Creditors**”) in these proceedings, and discussions with management (“**Management**”) and their financial 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 this Eighth Report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor’s procedures were intended to detect 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 this Eighth Report.
8. 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 this Eighth Report. Any use which any party makes of this Eighth Report, or any reliance or decision to be made based on this Eighth Report, is the sole responsibility of such party.
9. Unless otherwise stated, all monetary amounts contained in this Eighth Report are expressed in Canadian dollars.
10. Capitalized terms used in this Eighth Report but not defined herein are as defined in the reports previously filed by the Monitor in these proceedings, or in the various Court orders.

MONITOR’S ACTIVITIES SINCE THE SEVENTH REPORT

11. Since filing of the Seventh Report, the Monitor has engaged in the following activities:

- a. Held discussions with Management and the Applicants' legal counsel, MLT Aikins LLP ("**MLT Aikins**"), regarding the Companies' business and financial affairs, restructuring activities, creditor matters, and other matters relating to the CCAA proceedings generally;
- b. Monitored on a weekly basis the receipts and disbursements of the Applicants;
- c. Attended to inquiries from creditors of the Companies;
- d. Reviewed various correspondence between the Applicants and the Secured Creditors;
- e. Retained Catterall & Wright Consulting Engineers ("**C&W**") to conduct the Independent Assessment (further detailed below); and
- f. Drafted, reviewed, and finalized this Eighth Report.

INDEPENDENT ASSESSMENT

12. On April 1, 2020, the Honourable Justice Gabrielson issued a Fiat (the "**April 1, 2020 Fiat**"), attached hereto as Exhibit A, ordering the following:
 - a. That the Monitor shall engage an engineer to determine whether the Utility Facility is operational, viable, licensed, and capable of servicing the MHP; and
 - b. Upon receipt of the engineer's report, the Monitor shall file a copy with the Court, together with a copy of the Monitor's recommendations with respect to it, including its effect, if any, upon the sales process proposed by the Secured Creditors.
13. Between April 2, 2020, and April 15, 2020, the Monitor, in consultation with the Applicants and the Secured Creditors, identified thirteen (13) potential engineering firms (the "**Engineers**") to solicit their interest in assessing the Utility Facility. After initially contacting all the Engineers by phone, on April 17, 2020, the Monitor circulated a request for proposals (the "**RFP**") by e-mail in respect of the scope of work contemplated by the April 1, 2020 Fiat to eleven (11) Engineers who continued to express an interest in the

opportunity. A copy of the RFP e-mail correspondence, inclusive of the confidentiality agreement (“CA”) that the Engineers were requested to execute to receive certain preliminary information with respect to the Utility Facility, is attached hereto as Exhibit B.

14. At the close of the RFP process on May 1, 2020 (the “**Submission Deadline**”), the Monitor had not received any proposal submissions from any of the Engineers. However, on May 4, 2020, subsequent to the Submission Deadline, the Monitor received a submission from C&W. During the period May 4, 2020 to May 11, 2020, the Monitor and its legal counsel, McDougall Gauley LLP (“**McDougall Gauley**”), corresponded with C&W to finalize the terms of C&W’s engagement by the Monitor.
15. On May 11, 2020, C&W was formally retained by the Monitor. That same day, McDougall Gauley advised the Applicants and the Secured Creditors of the results of the RFP process and the engagement of C&W by e-mail (the “**May 11, 2020 McDougall Gauley Correspondence**”), attached hereto as Exhibit C.
16. As C&W estimated that the time frame to complete the Independent Assessment was approximately six (6) weeks from the time they were retained, a further extension of the stay of proceedings beyond June 5, 2020 will be required. The extension of the stay will provide time for C&W to complete their assessment, and will provide the Applicants, the Secured Creditors, and the Monitor time to review the C&W report and question C&W thereon, and additional time thereafter for the Monitor to prepare and file the requested reporting with the Court.

MOBILE HOME PARK OFFER

17. On April 9, 2020, the Applicants provided the Monitor with two (2) documents:
 - a. A letter of intent (“**LOI**”) to purchase all of the property owned by MDI Utility Corp., including the Utility Facility, all equipment, the existing lagoons and the willow tree farm, and all piping and connected lines and the lands located on LSD 4 Section 25 Township 17 Range 18 West of the 2nd Meridian (“**LSD 4**”) (“the **LSD 4 LOI**”), signed April 7, 2020; and

- b. An offer to purchase the 38 acres of land located at LSD 5 Sec 25 Twp 17 Rge 18 W2 Ext 38, R.M. of Edenwold No. 158, Saskatchewan (“**LSD 5**”), the MHP located thereon, and all of the plans, documents, and approvals for the Tanglewood Development located on the 20 acres of land adjacent to the MHP (the “**Initial MHP Offer**”), signed April 9, 2020.
18. At the time of provision of the LSD 4 LOI and the Initial MHP Offer on April 9, 2020, the Applicants requested that the name of the prospective purchaser be kept confidential. Although the Applicants further advised the Monitor that they had received confirmation that a deposit cheque was being deposited with the prospective purchaser’s (the “**Prospective Purchaser**”) legal counsel, the Applicants did not raise with the Monitor any intention to bring an application to Court to approve the Initial MHP Offer and/or the LSD 4 LOI at that time. The Monitor has not filed the LSD 4 LOI or the Initial MHP Offer with the Court by confidential supplement or otherwise, as the Applicants do not appear to be pursuing either opportunity. Copies of these documents can, however, be provided to the Court upon request.
19. On May 13, 2020, McDougall Gauley and MLT Aikins received an Amended MHP Offer from the Prospective Purchaser’s legal counsel, Nychuk & Company, signed May 8, 2020. The Amended MHP Offer was conditional on, among other things, the Prospective Purchaser obtaining financing on or before June 15, 2020. As the Amended MHP Offer was publicly disclosed by Ms. Midtdal in related proceedings in the Court of Appeal, the Amended MHP Offer is attached hereto as Exhibit D, and has not been filed on a sealed basis.
20. On May 22, 2020, MLT Aikins advised McDougall Gauley for the first time that, if the Prospective Purchaser is successful in satisfying or waiving its conditions on before June 15, 2020, it is the Applicants’ intention to seek Court approval of the Amended MHP Offer.
21. As at the date of this Eighth Report, the Monitor has not assessed the creditworthiness of the Prospective Purchaser, its ability to close a transaction of this size, or the reasonability of the \$5.625 million purchase price detailed in the Amended MHP Offer.

If the Applicants bring a motion to approve the Amended MHP Offer, the Monitor will provide the Court with further reporting at that time, which will include ascertaining the Secured Creditors' position with respect to the proposed transaction.

22. As the deadline to waive the conditions in the Amended MHP Offer is not until June 15, 2020, an extension of the current stay of proceedings will be necessary to determine if the conditions can be satisfied (or waived).

CASH FLOW STATEMENT AND LIQUIDITY

23. The Companies' actual cash receipts and disbursements (the "**Actual Results**") for the period February 17, 2020 to May 24, 2020 (the "**Review Period**") are attached hereto as Exhibit E. As the Applicants have not prepared a revised cash flow forecast for any period subsequent to February 24, 2019, the Monitor has continued to review weekly receipts and disbursements, but has not been able to compare same against any projection. The Monitor's comments on the Actual Results are as follows:

- a. The net cash outflow for the Review Period approximated \$2,200 and was comprised of the following:
- i. CSLC net cash outflow of approximately \$1,700, resulting from MHP rental income of approximately \$86,500, offset by the following:
 - 1. Utility Facility service fee payments of approximately \$47,400;
 - 2. Transfers to MLT Aikins of approximately \$24,000 (paid in accordance with the March 12, 2019 Court Order in these proceedings);
 - 3. Wages of approximately of \$13,400; and
 - 4. Operating costs and bank fees of approximately \$3,400.
 - ii. MDI Utility Corp. net cash outflow of approximately \$500, resulting from service fee receipts from CSLC of approximately \$47,400, offset by the following:

1. Wages and general labour costs of approximately \$9,600;
 2. Utilities and repairs and maintenance costs of approximately \$8,400;
 3. Management fees of approximately \$11,000 (paid to Ms. Midtdal); and
 4. General operating disbursements of approximately \$18,900.
24. As detailed in the Seventh Report, in accordance with paragraph 57 of the Amended and Restated Initial Order, commencing July 2018, \$5,000 per month (the “**Monthly \$5,000 Payment**”) from the rental revenues from the MHP were to be utilized by the Applicants to pay property tax arrears owed by CSLC to the RM of Edenwold. As at the date of this Eighth Report, the Applicants have not made the July 2018 through May 2020 Monthly \$5,000 Payment. However, on or about August 13, 2019, MLT Aikins paid \$8,240.21 to the R.M. of Edenwold No. 158 on account of outstanding property taxes owing by CSCL from the trust funds (the “**Trust Funds**”) being held in accordance with the March 12, 2019 Court Order issued in these proceedings. As at the date of this Eighth Report, MLT Aikins advised the Monitor that the Trust Funds balance approximates \$167,000.
25. As of the date of this Eighth Report, all expenses incurred by the Applicants, with the exception of professional fees, the Monthly \$5,000 Payment, and certain statutory remittances, have been paid in accordance with the Amended and Restated Initial Order from ongoing operations. As the Amended and Restated Initial Order no longer provided the Applicants with any access to interim financing, as at the date of this Eighth Report, the Companies have not been able to address the significant professional fee arrears, as detailed in the Monitor’s previous reports.
26. Management has further advised that Canada Revenue Agency (“**CRA**”) payroll source deduction remittances have not been made since the commencement of the CCAA proceedings. As such, post filing obligations of approximately \$16,000 are owing by CSLC, and approximately \$16,280 are owing by MDI Utility Corp. as at the date of this

Eighth Report. The Applicants advised that given the COVID-19 pandemic, CRA has not yet commenced its payroll source deduction audit, and timing of same is uncertain.

27. As detailed in the Seventh Report, Management advised that CSLC was not registered to collect goods and services tax (“GST”) or provincial sales tax (“PST”), and accordingly, CSLC had no outstanding remittance obligations. Management advised that MDI Utility Corp. continues its efforts to obtain both GST and PST registration numbers as at the date of this Eighth Report, and remittance obligations, if any, were unknown.

REQUESTED EXTENSION OF THE PROCEEDINGS AND RECOMMENDATIONS

28. The current stay of proceedings under the Amended and Restated Initial Order expires on June 5, 2020. In order to enable C&W to complete the Independent Assessment of the Utility Facility, and to ascertain whether the conditions in the Amended MHP Offer can be satisfied or waived by June 15, 2020, an extension of the Amended and Restated Initial Order (and the stay of proceedings provided therein) is required. The requested extension will enable the Independent Assessment to be completed and reported on by the Monitor, and will enable the Applicants to determine if they are in a position to seek Court approval of the Amended MHP Offer.
29. 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*, it shall so advise the Court without delay after coming to that opinion. As at the date of this Eighth Report, it appears to the Monitor that the Applicants and the Secured Creditors remain aligned in their desire to maximize the underlying value of the Companies’ assets through some form of sale in these proceedings, such that the Monitor has not formed such an opinion. However, if the Amended MHP Offer does not come to fruition and the parties cannot otherwise agree upon an alternative process to move the proceedings forward to a conclusion, a creditor driven receivership process may be more appropriate. If that occurs, the Monitor will apprise the Court of same, will likely concurrently seek its discharge, and recommend that the CCAA proceedings be terminated.

30. The Monitor is of the view that the Companies have acted, and are acting, in good faith and with due diligence.
31. Accordingly, the Monitor respectfully recommends that the Court approve the following:
- a. An extension of the Amended and Restated Initial Order, and the stay of proceedings therein; and
 - b. The Seventh Report and the Eighth Report and the conduct and activities of the Monitor described therein.

All of which is respectfully submitted at Saskatoon, Saskatchewan, this 29th day of May, 2020.

DELOITTE RESTRUCTURING INC.

In its capacity as Monitor of
Copper Sands Land Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JJL Developments & Investments Corp., and MDI Utility Corp., and not in its personal capacity.



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

Exhibit A – April 1, 2020 Fiat

QBG 1693 of 2017 – JCS

In the matter of the *Companies' Creditors Arrangements Act*, RSC 1985, c C-36, as amended

And in the matter of a proposed plan of arrangement for the creditors of Copper Sands Land Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JLL Developments & Investments Corp. and MDI Utility Corp.

Richard M. Van Beselaere, Q.C. for the applicant, 101297277 Saskatchewan Ltd. [7277]

Alexander K.V. Shalashniy for the applicant, Industrial Properties Regina Ltd. [IPRL]

Jeffrey M. Lee, Q.C. for the respondents, Copper Sands Land Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JLL Developments & Investments Corp. and MDI Utility Corp.

Craig P. Frith for the Monitor, Deloitte Restructuring Inc. [Deloitte]

FIAT - April 1, 2020 - GABRIELSON J.

Introduction

[1] This is an application by Industrial Properties Regina Ltd. [IPRL] and 101297277 Saskatchewan Ltd. [7277] (the senior secured lenders) for the following:

- (1) an order authorizing the selling officer to accept the offer to purchase made for the purchase of the assets of Copper Sands Land Corp. [CSLC] (offer) on a conditional basis, such condition being that if a better offer is received during the sales process as amended in this application, such better offer will be approved instead of the offer;
- (2) an order amending the sales process set out in the order of this Honourable Court granted December 7, 2018, to provide new timelines and revisions to the sales process to enable the selling officer to implement a sales effort, to disclose the existence of the agreement to sell the Copper Sands' assets for the price stated in the offer and disclosing the amount of the sale price, but not the identity of the proposed purchaser or its shareholders and principals;

- (3) an order replacing Deloitte Restructuring Inc. as monitor in these *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [CCAA] proceedings with MNP Inc. (unless notice of withdrawal of this requested relief is provided by the applicants);
- (4) an order amending and restating the amended and restated initial order granted July 5, 2018 in these proceedings by the Honourable Mr. Justice N.G. Gabrielson (the initial order) pursuant to the CCAA, as more recently amended by the order of the Honourable Mr. Justice N.G. Gabrielson granted February 12, 2020, such amendments to include enhancing and expanding the powers of the monitor (unless notice of withdrawal of this relief is provided by the applicants);
- (5) an order sealing the affidavit of the representative of 7277 and the exhibit thereto and the order referred to in para. 1 above, until after the sale of the Copper Sands' assets have been sold;
- (6) an order extending the CCAA proceedings until a date that allows the sales efforts by the selling officer to be undertaken and completed; and
- (7) 7277 also seeks an adjournment of the applications made by it in its notice of application dated November 4, 2019.

[2] In response to the application by the senior secured lenders, the monitor filed the Seventh Report of the monitor dated February 21, 2020. In this report, the monitor provided the Court with the following information:

- (a) a summary of the monitor's activities since the Sixth Report;
- (b) the activities of the respondents and the secured creditors since the Sixth Report with respect to the companies' restructuring and sales efforts;
- (c) a possible issue with the sales process order as a result of the closure of the OKR refinancing transaction;
- (d) an update of the respondents' cash flows for the period January 7, 2019 to February 16, 2020;
- (e) the fees and disbursements of the monitor and its legal counsel, McDougall Gauley LLP; and

- (f) the secured creditors' requested relief and the monitor's recommendations regarding the same.

[3] In the report, the monitor recommended that, prior to the implementation of the revised sales process, the monitor engage an engineer and provide an independent report with respect to whether and to what extent the water treatment plant [WTP] and the waste water treatment plant [WWTP], collectively the utility facility, which is the subject matter of a service agreement between CSLC and MDI Utility Corp. [MDI [service agreement], is operational, viable, licensed, and capable of servicing the CSLC mobile home park.

[4] The monitor further stated that the companies' restructuring under the CCAA proceedings will continue to maximize and preserve value for the stakeholders of the companies and affords the only opportunity for many of the stakeholders to achieve a recovery. Therefore, the monitor recommended an extension of the amended and restated initial order and a stay of proceedings therein.

[5] At the hearing of this matter on February 25, 2020, counsel for the senior secured lenders advised that as the monitor was not asking to withdraw from the file, they would not be proceeding with their application for replacement of the monitor or giving the monitor enhanced investigation powers. Counsel for the senior secured lenders stated that they were requesting that these issues be adjourned *sine die*, to be brought back on 14 days' notice. They were, however, still wanting to proceed with the remainder of the issues involved in their application. I, therefore, heard from the parties and reserved my decision on their application, plus the monitor's recommendations. Upon the agreement of counsel, I also made an extension of the amended and restated initial order granted July 5, 2018 as most recently amended by the order granted February 12, 2020 until 11:59 p.m. Saskatchewan time on Wednesday, April 15, 2020. This is my decision in respect to the amended applications and the monitor's recommendations.

Background Facts

[6] Many of the background facts are referred to in the previous fiats rendered in this matter dated November 21, 2017, December 20, 2017, February 2, 2018 and June 28, 2019. In addition, I have issued many consent orders extending the original stay of proceedings granted under the CCAA.

[7] The property at issue in the current application is LSD5. It is owned by Copper Sands. MDI has title to LSD4 on which it has built the utility facility which will service both LSD4 and LSD5. MDI has registered the service agreement as an interest in land against both parcels. While originally the applicants' security had covered both LSD4 and LSD5, the Court approved a refinancing of LSD4 in order to allow the MDI

utility facility to be built on LSD4 and the senior secured lenders released their priority interest in favour of Old Kent Road Financial Inc. [OKR]. OKR lent money to MDI and as part of its security, took a security interest in the service agreement which MDI has with respect to LSD5.

[8] According to the monitor's report, the revised sale process referred to in the application filed by the senior secured creditors does not recognize the service agreement as a permitted encumbrance against LSD5. The revised sale process order would have the legal effect of disclaiming the contract between CSLC and MDI. The monitor has raised this as an issue and submits that OKR should, therefore, be given notice of the senior secured lenders' application.

Position of the Parties

(a) Position of the Applicants

[9] Mr. Van Beselaere, on behalf of the senior secured lenders, submits that the request by the monitor to retain an engineer speaks to the commercial value of the MDI utility facility and is only of interest to MDI. If there is a shortfall after the sale of LSD5, which the applicants say could be as much as \$1.5 million, the cost of engaging the engineer by the monitor might ultimately be borne by the applicants. The applicants also say that their concerns are threefold: 1) to allow the monitor to engage an engineer will delay completion of the sale of the LSD5 and it has already been delayed too long; 2) that the process will be simplified if the selling officer does not have to deal with the value of the utility facility; 3) that 7727 gave up its priority claim to LSD4 and does not want to see the sale of LSD5 be compromised because of concerns about the value of utility facility.

[10] Mr. Shalashniy, on behalf of IPRL, states that IPRL opposes the monitor's application and says that the March 12, 2019 order was issued well after the service agreement was contemplated and therefore OKR ought to have known that the security interest registered against LSD5 was subject to the interests of the senior secured lenders. Any concerns regarding disclaimer should be the concerns of the debtor companies, not a third party which the applicants say is what OKR is. The senior secured lenders therefore say that OKR does not have to be served with the notice of the application.

(b) Position of the Monitor

[11] Mr. Frith, speaking on behalf of the monitor, submits that the point of the refinancing by OKR was to build the utility facility that would serve the mobile home occupants of LSD4 and LSD5.

[12] Furthermore, the relief sought by the monitor in the form of the ordering of an engineering report, which will determine whether the utility facility is operational, would be in the interests of all parties. In addition, Mr. Frith says that as part of the sales process, the monitor would be required to disclaim the service agreement and could not do so without knowing whether the utility facility is operational, viable, licensed, and capable of servicing the mobile home parks. Furthermore, an operational utility facility would add value to LSD5, which additional value will inure to the benefit of all parties.

(c) Position of the Respondent Debtors

[13] Mr. Lee, on behalf of the respondent debtors, supports the application of the monitor to obtain an independent assessment of the utility facility and an extension of the amended and restated initial order and the stay of proceedings. It is also the respondents' position that, if the assessment says that the WTP and the WWTP facility is operational, it will add value to the pool of assets which will inure to the benefit of all the parties.

Analysis

1. Should there be an independent assessment of the utility facility?

[14] Section 23 of the *CCAA* sets out the duties and functions of the monitor. It provides *inter alia*:

23(1) The monitor shall

...

(c) make, or cause to be made, any appraisal or investigation the monitor considers necessary to determine with reasonable accuracy the state of the company's business and financial affairs and the cause of its financial difficulties or insolvency and file a report with the court on the monitor's findings:

d) file a report with the court on the state of the company's business and financial affairs — containing the prescribed information, if any

...

(iii) at any other time that the court may order;

...

(k) carry out any other functions in relation to the company that the court may direct.

[15] As can be seen, the monitor has a duty to determine whether the WTP

and the WWTP, collectively the utility facility, is viable, licensed and capable of servicing the mobile home park and to what extent there is a business case to be made for including access to the utility facility among the assets to be sold in the revised sales process. I have reviewed the monitor's request and have determined that the hiring of an engineer would enable the monitor to carry out his proposed duty and provide the Court with a report. I am also satisfied that it is in the interests of all parties to determine this issue. If the report determines that the WTP and the WWTP, collectively the utility facility, is operational, viable and capable of servicing the mobile home park, it will add value to the sale of LSD5.

[16] The position of the senior secured creditors, as stated at para. 10(b) of the brief filed by IPRL is that they have concerns with "the true state of the water treatment and waste water treatment facilities". The true state of these facilities can be determined by the monitor engaging the engineer as aforesaid.

[17] The costs of engaging the engineer will be payable out of the monies held in trust by the MLT Aikens law firm from the rentals received in the first instance and will be added to the balance owing to the senior secured lenders by the debtors.

2. Extension of the amended and restated initial order

[18] I am prepared to extend the amended and restated initial order granted July 5, 2018 and the stay of proceedings provided therein further until completion of the monitor's report following the receipt of the engineer's assessment which I expect will take no more than 30 days.

3. Should notice of the senior secured lender's application be given to OKR?

[19] I am also satisfied that there may be an issue as to whether the monitor could disclaim the service agreement, which would be required if the sales process should proceed as requested, in the absence of such engineer's report. Without deciding the issue and out of an abundance of caution, I order that 7727 serve OKR with a copy of the notice of application by the senior secured lenders so that the issue of whether the revised sales process has any effect on the service agreement, which would be taken off the title to LSD5 upon the closing of the sale transaction under the revised sales process, could be determined.

Conclusion

[20] I therefore order:

- (1) the monitor shall engage an engineer to determine whether the utility facility is operational, viable, licensed and capable of servicing the

CSLC mobile home park;

- (2) upon receipt of the engineer's report, the monitor shall file a copy with the Court, together with a copy of the monitor's recommendations with respect to it, including its effect, if any, upon the sales process proposed by the senior secured lenders;
- (3) the senior secured lenders shall serve and file notice of their application dated February 13, 2020 upon OKR;
- (4) the application by the senior secured lenders is adjourned *sine die*, to be brought back on seven days' notice after receipt of the monitor's further report; and
- (5) the amended and restated initial order and the stay of proceedings, last extended by me on February 25, 2020 to April 15, 2020, is further extended until June 5, 2020.

A handwritten signature in blue ink, appearing to read "N.G. Gabrielson", written over a horizontal line.

N.G. GABRIELSON

Exhibit B – April 17, 2020 Request for Proposals Correspondence

From: [Fritz, John](#)
Cc: [Warga, Brent](#); [Fritz, John](#)
Subject: Request for Engineering Proposals
Date: Friday, April 17, 2020 5:15:31 PM
Attachments: [20-04-16 Confidentiality Agreement.pdf](#)

Request for Proposals:

On December 20, 2017, Deloitte Restructuring Inc. was appointed by the Saskatchewan Court of Queen's Bench (the "**Court**") as Monitor (the "**Monitor**") in respect of the *Companies' Creditors Arrangement Act* proceedings involving Copper Sands Land Corp., Willow Rush Development Corp., Midtdal Developments & Investments Corp., Prairie Country Homes Ltd., JJJ Developments & Investments Corp. and MDI Utility Corp. (collectively the "**Applicants**").

The Applicants' primary assets consist of two (2) separate parcels of land (approximately 40 acres each) located east of Regina, Saskatchewan, in the Rural Municipality of Edenwold. Located on one of the parcels (LSD5) is a 79-unit mobile home park (the "**Copper Sands Mobile Home Park**"); located on the other parcel (LSD4) is a water treatment and waste water treatment facility (the "**Utility Facility**") which provides services to the Copper Sands Mobile Home Park under a Service Agreement. The Utility Facility is a water treatment system intended to utilize waste water from the Copper Sands Mobile Home Park as an irrigation source for a willow tree farm, eliminating the need to treat and discharge the waste water into nearby natural waterways.

On April 1, 2020, the Court ordered the Monitor to engage an engineer to perform an assessment of the Utility Facility (the "**Assessment**"), to determine whether the Utility Facility is operational, viable, licensed, and capable of servicing the Copper Sands Mobile Home Park. Pursuant to the April 1, 2020 Court Order, the Monitor is soliciting proposals (a "**Proposal**") from engineering/consulting firms to conduct the Assessment and opine on the following:

Is the Utility Facility:

- Operational;
- Viable;
- Licensed; and
- Capable of servicing the Copper Sands Mobile Home Park.

Should the Utility Facility be capable of servicing the Copper Sands Mobile Home Park, we further request that the engineer quantify the Utility Facility's excess capacity, if any, to accommodate:

- A potential expansion of the Copper Sands Mobile Home Park; and/or
- Contract sewage disposal (i.e. "pump and dump") from surrounding communities (for non-commercial waste).

All Proposals must include the following:

- The costs to complete the Assessment;
- An estimate of costs (or basis of compensation) for provision of additional oral or written testimony to the Court, if necessary;
- Expected timeframes for completion of the Assessment, and a written report (reporting requirements are further detailed below);
- A curriculum vitae of the primary engineer(s) which will perform the Assessment, along with a brief summary of their overall area(s) of expertise and previous relevant work experience; and
- Acknowledgement that, upon the Monitor's acceptance of the Proposal, the successful party will be considered an expert witness (an "**Expert Witness**") to the Court (the duties of which are outlined below).

In order to assist with preparation of a Proposal, upon execution and return of the attached Confidentiality Agreement, the Monitor will provide by e-mail select confidential information provided by the Applicants to assist with a submission. Upon selection of a Proposal, the Monitor will make available further confidential information to the successful engineer to assist with the Assessment.

Expert Witness Duties:

In providing the requested Assessment to the Monitor (and the Court) in a Court of Queen's Bench action, you will be functioning as an Expert Witness to the Court. Accordingly, it is important that

you understand the duties imposed upon you and formal requirements with which your report must comply.

The duty of an Expert Witness is codified in Rule 5-37(1) and (2) of The Queen's Bench Rules, which read as follows:

5-37 (1) *In giving an opinion to the Court, an expert appointed pursuant to this Division by one or more parties or by the Court has a duty to assist the Court and is not an advocate for any party.*
(2) *The expert's duty to assist the Court requires the expert to provide evidence in relation to the proceeding as follows:*
(a) *to provide opinion evidence that is objective and non-partisan;*
(b) *to provide opinion evidence that is related only to matters that are within the expert's area of expertise; and*
(c) *to provide any additional assistance that the Court may reasonably require to determine a matter in issue*
[Emphasis added.]

Simply put, the parties to the action, their counsel, and the judge seized with this matter do not possess a working knowledge of civil engineering. The parties to the action disagree as to the viability of the Utility Facility, and the judge has to make a determination on the matter. Your job as the Expert Witness is not to assist the parties to the action, but rather to assist the Court in making this determination. You are, in effect, the Court's expert.

With respect to the content of the report itself, Rules 5-37(3) and 5-39 provide as follows:

5-37 (3) *If an expert is appointed pursuant to this Division by one or more parties or by the Court, the expert shall, in any report the expert prepares pursuant to this Division, certify that the expert:*
(a) *is aware of the duty mentioned in subrules (1) and (2);*
(b) *has made the report in conformity with that duty; and*
(c) *will, if called on to give oral or written testimony, give that testimony in conformity with that duty*

5-39 (1) *An expert's report must:*
(a) *contain, at a minimum, the following information or any modification agreed on by the parties:*
(i) *the expert's name, address and qualifications;*
(ii) *the information and assumptions on which the expert's opinion is based; and*
(iii) *a summary of the expert's opinion; and*
(b) *be served as required by rule 5-40.*
(2) *An expert's report must be accompanied by a statement of the party tendering the expert, or that party's lawyer, in Form 5-39 identifying the area of expertise in which the expert is tendered to offer an opinion.*

In addition to the above, the engineer will need to acknowledge that the Assessment may be relied upon in a Court supervised sales process. Prior to relying on the Assessment for such a purpose, if necessary, the Monitor will seek the consent of the engineer.

Deadline for Proposals:

The Monitor is requesting that all Proposals be provided on or before **12:00 noon, Saskatchewan time on May 1, 2020** via email to jofritz@deloitte.ca.

Questions can be directed to the undersigned at (204)944-3586.

Regards,

John R. Fritz LIT

Deloitte | Financial Advisory
2300 – 360 Main Street
Winnipeg, MB R3C 3Z3
Phone: (204)942-0051 | Fax: (204)947-2689
www.deloitte.ca

THIS CONFIDENTIALITY AGREEMENT made this ____ day of _____, 2020

BETWEEN:

(Insert Legal Name)

(the “**Recipient**”)

OF THE FIRST PART,

and

DELOITTE RESTRUCTURING INC.

in its capacity as Court Appointed Monitor (the “**Monitor**”) of Copper Sands Land Corp., Willow Rush Development Corp., Prairie Country Homes Ltd., Midtdal Developments & Investments Corp., JjL Developments & Investments Corp., and MDI Utility Corp. (the “**Applicants**”)

OF THE SECOND PART,

RECITALS:

A. The Monitor was appointed pursuant to an order of the Court of Queen’s Bench for Saskatchewan (the “**Court**”) dated December 20, 2017 as amended by the Amended and Restated Initial Order dated July 5, 2018 (collectively the “**Appointment Order**”) to monitor the business and financial affairs of the Applicants, with the powers and obligations set out in the *Companies’ Creditors Arrangement Act* (the “**CCAA**”);

B. On April 1, 2020, the Court ordered the Monitor to engage an engineer to determine whether the water and waste water treatment facilities (collectively the “**Utility Facility**”) developed and constructed by the Applicants to service the Copper Sands Mobile Home Park (the “**Mobile Home Park**”) are operational, viable, licensed, and capable of servicing Mobile Home Park;

C. The Monitor has undertaken a process to solicit proposals from engineers interested in assisting with the review and assessment (the “**Review**”) of the Utility Facility;

D. The Recipient wishes to evaluate its interest in the Review of the Utility Facility and, as such, has obtained access to and/or will from time to time hereafter obtain access to certain confidential information (the “**Confidential Information**”) relating to the Utility Facility;

E. The Confidential Information will be received and used by the Recipient for the sole purpose of conducting its Review of the Utility Facility and for no other purpose;

NOW THEREFORE in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Recipient and the Monitor (each, a “**Party**” and collectively, the “**Parties**”) hereby agree as follows:

1. Unless the context otherwise requires, terms used in this Confidentiality Agreement, including terms used in the Recitals to this Confidentiality Agreement, shall have the meaning defined below:

(a) “**Affiliate**” means:

(i) a Person that controls the Recipient;

- (ii) a Person that is controlled by the Recipient;
- (iii) a Person that is under the common control of the Recipient and another Person; or
- (iv) a Person that controls the Recipient with another Person;
- (b) “**Applicants**” has the meaning ascribed to it in the Appointment Order;
- (c) “**Appointment Order**” has the meaning ascribed to it in Recital paragraph A to this Confidentiality Agreement;
- (d) “**CCAA**” means the *Companies’ Creditors Arrangement Act*;
- (e) “**Confidential Information**” means all information that is provided by the Monitor to the Recipient that relates to the Utility Facility or the Applicants, whether provided before or after the date of this Confidentiality Agreement, whether oral or written, regardless of the manner in which such information is provided and, without limiting the generality of the foregoing, includes but is not limited to:
 - (i) all data, records, reports, studies, projections, patents, theories, information (financial, corporate, business or otherwise), intellectual property, designs, drawings, plans, opportunities, prototypes, specifications, manuals, photographs, software, hardware, equipment, printouts, reports, market research, business plans, customer lists, supply sources, and trade secrets;
 - (ii) all analyses, compilations, forecasts, studies, interpretations or other documents prepared by the Recipient or any of the Representatives in connection with the Review of the Utility Facility;
 - (iii) all information relating to existing or potential financiers or investors of or in the Applicants or the Utility Facility; and
 - (iv) any other information, whether written or oral, and whether or not noted thereon to be confidential, pertaining to the businesses, assets, liabilities, products, customers, technology, subsidiaries, affiliates, activities or affairs of the Applicants or the Utility Facility, which have been or which may hereafter be disclosed or provided to the Recipient;

but shall not include:

- (v) any information that is, as of the date of this Confidentiality Agreement, in the public domain, other than as a result of its disclosure by the Recipient, any of the Representatives or any other Person under an obligation of confidentiality to the Monitor or the Applicants;
- (vi) any information that, after the date of this Confidentiality Agreement, becomes part of the public domain through no fault of the Recipient or any of its Representatives;
- (vii) any information that the Recipient can prove was in its possession prior to the date of this Confidentiality Agreement and was not acquired by the Recipient directly or indirectly from the Monitor or any other Person known by

the Recipient to be under an obligation of confidentiality to the Monitor or the Applicants; and

- (viii) any information that the Recipient can prove was developed independently and without the use of any of the Confidential Information provided by the Monitor or any other Person known by the Recipient to be under an obligation of confidentiality to the Monitor or the Applicants;
- (f) “**control**” means the ability to directly or indirectly (including through one or more Affiliates) direct the management or policies of a Person and, without limiting the generality of the foregoing, includes the ability to exercise control through:
 - (i) the legal or beneficial ownership of voting securities, units or other interests in such Person;
 - (ii) the right or ability to appoint or elect officers, managers, executives, or a majority of the directors of such Person; or
 - (iii) a contract, agreement, voting trust or otherwise;and derivatives of control such as “controls” and “controlled” have meanings corresponding to the definition of control;
- (g) “**Court**” means the Court of Queen’s Bench of Saskatchewan;
- (h) “**Mobile Home Park**” has the meaning ascribed to it in Recital paragraph B of this Confidentiality Agreement;
- (i) “**Monitor**” means Deloitte Restructuring Inc., in its capacity as Monitor of the Applicants;
- (j) “**Party**” and “**Parties**” have the meaning ascribed to them in the Recitals to this Confidentiality Agreement;
- (k) “**Personal Information**” means information about an identifiable individual;
- (l) “**Person**” includes, without limitation, individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental organizations;
- (m) “**Recipient**” means the party as defined above;
- (n) “**Representatives**” has the meaning ascribed to it in paragraph 5 of this Confidentiality Agreement; and
- (o) “**Review**” has the meaning ascribed to it in Recital paragraph C of this Confidentiality Agreement; and
- (p) “**Utility Facility**” has the meaning ascribed to it in Recital paragraph B of this Confidentiality Agreement.

2. Subject to paragraph 10 of this Confidentiality Agreement, the Monitor will provide the Recipient with Confidential Information, or access thereto, pursuant to and in accordance with the terms of this Confidentiality Agreement.
3. The Recipient will keep the Confidential Information strictly confidential. Except as otherwise specified herein, the Recipient will not directly or indirectly disclose, publish, communicate, allow access to, transmit or transfer the Confidential Information or any portion thereof to any Person without the Monitor's prior written consent. The Recipient shall establish and maintain reasonable security measures to safeguard the Confidential Information from unauthorized access, use, copying, disclosure, damage or destruction and shall take reasonable steps to enforce the confidentiality obligations under this Confidentiality Agreement.
4. In the event that the Recipient obtains or is provided with access to any Personal Information as part of the Confidential Information, the Recipient shall comply with all applicable laws in respect of such Personal Information including, without limitation, the *Personal Information Protection and Electronic Documents Act (Canada)*. The obligations imposed on the Recipient pursuant to this paragraph 4 are in addition to, and not in modification of, any additional obligations the Recipient has or may have with respect to such Personal Information pursuant to this Confidentiality Agreement.
5. The Recipient may disclose the Confidential Information to the Recipient's directors, employees, accountants, auditors, legal, commercial, and financial advisors, appointed representatives and any Person who is assisting with the Review (collectively referred to as "**Representatives**") who the Recipient determines requires the Confidential Information for the purposes of evaluating the Utility Facility and on a strictly need-to-know basis. Prior to disclosing the Confidential Information to any Representatives, the Recipient shall issue appropriate instructions to such Representative to satisfy the Recipient's obligations herein and obtain such Representative's agreement to receive and use the Confidential Information on a confidential basis on the same conditions as contained in this Confidentiality Agreement and to otherwise comply with the terms hereof. The Recipient shall be liable and responsible for any breach of any term of this Confidentiality Agreement by any of the Representatives.
6. If the Recipient or any of the Representatives is requested pursuant to, or required by, applicable law or legal process to disclose the Confidential Information or any portion thereof, the Recipient shall to the extent permitted under applicable law forthwith provide the Monitor with prompt notice of such request or requirement, in order to enable the Monitor to seek an appropriate protective order or other remedy or to waive compliance with the terms of this Confidentiality Agreement or both. The Recipient will not oppose any action by the Monitor to seek such a protective order or other remedy. If, failing the obtaining of a protective order or other remedy by the Monitor, such disclosure is required, the Recipient or the Representatives, as the case may be, will use reasonable efforts to ensure that the disclosure will be afforded confidential treatment.
7. The Confidential Information will not be copied, reproduced in any form or stored in a retrieval system or data base by the Recipient without the prior written consent of the Monitor.
8. The Confidential Information is and at all time shall remain the property of the Applicants.
9. This Confidentiality Agreement does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of the Confidential Information or

any portion thereof and the Recipient will not be entitled to rely on the accuracy or completeness of the Confidential Information or any portion thereof. Neither the Monitor nor any of its directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers and accountants) or agents will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.

10. The Monitor may refuse to make the Confidential Information available to the Recipient or otherwise terminate the Recipient's access to the Confidential Information at any time as determined by the Monitor in its sole and unfettered discretion. The Recipient will promptly destroy, return or cause the return to the Monitor all of the Confidential Information, and all copies thereof, upon the Monitor requesting the Recipient destroy, return or cause the return of the Confidential Information. Upon request, the Recipient shall provide the Monitor with a certificate from an officer of the Recipient certifying that such destruction or return has occurred in accordance with the terms of this Confidentiality Agreement.
11. Unless and until a binding agreement is entered into between the Recipient and the Monitor with respect to the Review, neither the Recipient nor the Monitor will be under any legal or equitable obligation of any kind whatsoever with respect to or involving the Utility Facility.
12. Except with the prior written consent of the Monitor, neither the Recipient, the Recipient's Affiliates nor any of the Representatives shall, during the term of this Confidentiality Agreement, directly or indirectly, alone, jointly or in concert with any other Person:
 - (a) propose, offer, negotiate or agree to:
 - (i) purchase, sell, transfer or otherwise acquire or dispose of any securities of the Applicants;
 - (ii) acquire a material portion of the assets or property of the Applicants; or
 - (iii) enter into any merger, arrangement, amalgamation or other business combination involving the Applicants;
 - (b) solicit, or participate with any person in the solicitation of any proxies in order to vote, advise or influence any person with respect to the voting of any securities of the Applicants;
 - (c) otherwise attempt to control or to influence the directors, officers or management of the Applicants;
 - (d) solicit for hire or employ, directly or indirectly, any of the Applicants' current directors, officers or employees, other than through general solicitations by newspapers or similar advertisements;
 - (e) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing, except as required by law; and
 - (f) advise, assist or encourage any other person in connection with any of the foregoing.
13. If any provision of this Confidentiality Agreement is held to be invalid or unenforceable in whole in part, such invalidity or unenforceability will attach only to such provision or part

thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

14. This Confidentiality Agreement constitutes the entire agreement between the Parties with respect to the subject matter and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set forth in this Confidentiality Agreement. This Confidentiality Agreement may only be amended in writing by the mutual agreement of the Monitor and the Recipient.
15. This Confidentiality Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the Parties, provided that this Confidentiality Agreement may not be assigned by a Party without the prior written consent of the other Party.
16. This Confidentiality Agreement will expire on the earlier of (i) the date of completion of the Review involving the Monitor and the Recipient or any of their Affiliates; and (ii) two (2) years after the date hereof.
17. The Recipient agrees that monetary damages would not alone be sufficient to remedy any breach by the Recipient or the Representatives of any term or provision of this Confidentiality Agreement and that the Monitor will also be entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof and in addition to any other remedy available pursuant to this Confidentiality Agreement or at law or in equity.
18. In the event that any notice is to be given pursuant to this Confidentiality Agreement, it shall be given by email, facsimile, courier, registered mail, regular mail or personal delivery:

(a) If being given to the Recipient, to:

Legal Name: _____
Address: _____
Attention: _____
Email: _____

(b) If being given to the Monitor, to:

Deloitte Restructuring Inc.
360 Main Street, Suite 2300
Winnipeg, MB R3C 3Z3

Attention: John Fritz
Email: jofritz@deloitte.ca
Facsimile: (204)-944-3586

(c) Notices given pursuant to this Confidentiality Agreement by email or by facsimile shall be deemed to be received when sent. In all other instances, notices given pursuant to this Confidentiality Agreement shall be deemed to be received when delivered to the relevant address, as identified above; and

(d) The Parties may change the individual, email address, facsimile number or postal address designated to receive notices by giving written notice of the new person, email address, facsimile number or postal address, as the case may be, to the other Party.

19. This Confidentiality Agreement is governed by and will be construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

20. For the purpose of all legal proceedings this Confidentiality Agreement will be deemed to have been performed in the Province of Saskatchewan and the Court will have jurisdiction to entertain any action arising under this Confidentiality Agreement. The Recipient hereby attorns to the jurisdiction of the Court.

21. This Confidentiality Agreement may be executed in any number of counterparts, and may be signed by facsimile or other means of electronic communication capable of producing a printed copy, each of which when so signed shall be deemed to be an original and all of the counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have entered into this Confidentiality Agreement effective as of the date written above.

Legal Name: _____

Signatory's Name: _____

Title: _____

DELOITTE RESTRUCTURING INC.

in its capacity as Monitor of Copper Sands Land Corp., Willow Rush Development Corp., Prairie Country Homes Ltd., Midtdal Developments & Investments Corp., JJJ Developments & Investments Corp., and MDI Utility Corp., and not in its personal or corporate capacity

Per:
(sign) _____

Per:
(sign) _____

Exhibit C – May 11, 2020 McDougall Gauley Correspondence

From: [Frith, Craig](#)
To: [Jeff Lee \(JMLee@mtaikins.com\)](#); [Van Beselaere, Rick](#); [Alexander Shalashniy \(ashalashniy@ktllp.ca\)](#); [Kevin Mellor \(kmellor@nychuklaw.com\)](#)
Cc: [Warren Sproule](#); [Warga, Brent](#); [Fritz, John](#)
Subject: [EXT] RE: Q.B. No. 1693 of 2017 - Copper Sands Land Corp. et al.
Date: Monday, May 11, 2020 9:46:12 AM

Hi everyone,

We are writing to provide an update on the Monitor's RFP process, which closed at noon (SK time) on Friday, May 1, 2020.

As of the deadline, the Monitor had not received any proposals; however, Catterall & Wright Consulting Engineers ("**C&W**") subsequently provided a submission on Monday, May 4, 2020. C&W's proposal estimates that the scope of work can be completed in six weeks, and that the associated fees will total \$27,000 (plus tax) (i.e., 120 hours of work at an hourly rate of \$225).

In the absence of a competing bid, the Monitor intends to retain C&W to complete the assessment contemplated by Justice Gabrielson's April 1, 2020 Order. The Monitor and its counsel have reviewed and approved C&W's standard terms of service and will be requesting that C&W begin the assessment as soon as possible.

In the circumstances, the stay of proceedings will need to be extended beyond June 5, 2020 to allow for the assessment to be completed and the Monitor to report to the Court thereon.

For your additional information:

1. Klohn Crippen Berger Ltd. declined the RFP opportunity without providing a reason;
2. Jubilee Engineering Consultants Ltd. declined the RFP opportunity, as they are unlicensed for work in Saskatchewan;
3. Bullee Consulting Ltd. expressed an interest in the RFP opportunity, but failed to respond thereafter and did not execute the Confidentiality Agreement;
4. Stantec declined the RFP opportunity indicating that the project was not a "good fit" for Stantec at this time;
5. Clifton & Associates Ltd. declined the RFP opportunity due to lack of experience with the specific system;
6. Aecom Canada Ltd. (Omar Lopez) declined the RFP opportunity due to a lack of resources;
7. Pinchin Ltd. declined the RFP opportunity due to the fact that Pinchin's specific engineer with experience in this area is located out of the Province;
8. Pinter & Associates Ltd. declined the RFP opportunity due to a potential conflict of interest;

9. WCE Design (Dustin Weiss) declined the RFP opportunity due to pandemic and workload concerns;
10. Bosgoed Project Consultants Ltd. advised it was familiar with the project but suggested it would not provide a proposal and would refer the RFP opportunity to a local (Saskatchewan based) engineer, Associated Engineering;
11. Associated Engineering advised that it would not be providing a proposal due to available resources and timeframes involved;
12. ISL Engineering and Land Services reviewed the opportunity but declined; and
13. Arrow Engineering Inc. requested amendments to the Confidentiality Agreement; however, the Applicants were unwilling to accept the proposed changes.

Please do not hesitate to contact the undersigned should you wish to discuss further.

Regards,

Craig Frith

cfrith@mcdougallgauley.com T: 306-665-5432 F: 306-664-4431

McDOUGALL GAULEY LLP BARRISTERS + SOLICITORS

500-616 Main Street, Saskatoon SK S7H 0J6
www.mcdougallgauley.com

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Exhibit D – Amended Mobile Home Park Offer

OFFER TO PURCHASE

BETWEEN: 101269219 Saskatchewan Ltd.
 (the "Purchaser")

AND: **COPPER SANDS LAND CORP.**
 (the "Vendor")

1. **Offer to Purchase:** The Purchaser hereby offers to purchase from the Vendor the land described as follows:

To purchase the 38 acres of land located at LSD 5 Sec 25 Twp 17 Rge 18 W2 Ext 38, R.M. of Edenwold No. 158, Saskatchewan and the Business of Copper Sands Mobile Home Park (MHP) AND all of the plans, documents and approvals for the Tanglewood Development located on the 20 acres of land adjacent to Copper Sands.

(the "Property"), free and clear of all encumbrances save and except such encumbrances as the Purchaser herein expressly agrees to accept or assume.

2. **Purchase Price:** The purchase price for the Property shall be Five Million, Six Hundred Twenty Five Thousand Dollars (\$5,625,000.00) (the "Purchase Price"), payable as follows:
- (a) \$25,000 deposit (the "First Deposit"), which Deposit shall be paid on the date upon which this Offer is accepted, held in trust by the Purchaser's solicitors and dealt with in accordance with the terms hereof;
 - (b) \$75,000 deposit (the "Second Deposit"), which shall be paid upon the removal of the Purchaser's conditions (collectively the first and second deposit shall form the deposit)
 - (c) the balance of the Purchase Price (as adjusted pursuant to section 12 hereof), by cash and/or mortgage financing, in a proportion to be determined by the Purchaser.
3. **Goods and Services Tax:** The Purchaser shall be liable for and shall indemnify and hold the Vendor harmless from any liability relating to GST which may be payable in respect of this transaction. The Purchaser agrees to self-assess, remit the GST directly to the Receiver General and timely comply with all filing and payment obligations referred to in Section 228(4) of the *Excise Tax Act* (Canada).
4. **Closing Arrangements:** The Purchaser and the Vendor shall each cause their respective solicitors to affect the closing of the transaction of purchase and sale contemplated herein in accordance with usual and customary practices in Saskatchewan, subject to such trust conditions and other arrangements as such solicitors may agree.

5. **Purchaser's Conditions:** This Offer is subject to the following conditions precedent in favour of the Purchaser (collectively, the "**Purchaser's Conditions**"):

- (a) the Purchaser obtaining unconditional written approval of financing on the Property on or before June 15, 2020 (the "**Deadline for Conditions**") to the Purchasers satisfaction;
- (b) the Court of Queen's Bench approval of the sale and purchase contemplated herein that grants the purchaser free and clear title and/or good and marketable title to the Purchasers satisfaction;
- (c) The Purchaser receives all plans of any kind including engineering and survey plans for Tanglewood;

The Purchaser's Conditions are inserted for the exclusive benefit of the Purchaser and any of the Purchaser's Conditions may be waived by the Purchaser at any time up to and including the Deadline for Conditions, which date is June 15, 2020 for all conditions except the financing condition. If the Purchaser's conditions are not satisfied by the Purchaser by June 15, 2020 it shall have the right to terminate this offer without recourse by any person and it shall immediately receive its deposit back notwithstanding any other provision in this offer to purchase.

6. **Vendor's Condition.** This Offer is subject to the following condition precedent in favour of the Vendor (the "**Vendor's Condition**"):

- (a) the Vendor has obtained the approval of the Saskatchewan Court of Queen's Bench for the completion of the transaction of purchase and sale contemplated herein, and an Order pursuant to the *Companies' Creditors Arrangement Act* vesting title to the Property in the Purchaser, in the Vendor's sole and absolute discretion, on or before June 8, 2020.

7. **Deposit:** The Deposit shall be dealt with as follows:

- (a) if all the Purchaser's Conditions are not waived as provided in this Offer, then the Deposit shall forthwith be returned to the Purchaser;
- (b) if this transaction is completed as contemplated hereby, the Deposit shall be credited on account of the Purchase Price;
- (c) if the Purchaser's Conditions are waived as provided in this Offer by the date specified herein and the Purchaser thereafter fails to complete the purchase of the Property in accordance herewith, the Deposit shall be paid to the Vendor upon demand by the Vendor, and the money so paid to the Vendor will be absolutely forfeited to the Vendor, without prejudice to any other rights and remedies which the Vendor may have at law or in equity, as a result of such default by the Purchaser; or

- (d) if the Purchaser's Conditions are waived as provided in this Agreement by the date specified herein and if the Vendor thereafter fails to remove the Vendor's Condition or complete the sale of the Property in accordance with this Offer, the Deposit shall forthwith be refunded to the Purchaser upon demand by the Purchaser.
8. **Interest after Possession:** The Purchaser agrees to pay to the Vendor interest at the rate of 3.0% per annum on any portion of the Purchase Price, less mortgages or other encumbrances assumed, not received by the Vendor or the Vendor's solicitors as of the Possession Date. Such interest shall be calculated from the later of:
- (a) the Possession Date; and
 - (b) the date upon which the Purchaser's solicitors receive registrable transfer documents with respect to the Property,
- until monies are received by the Vendor or the Vendor's solicitors.
9. **Permitted Encumbrances:** The Purchaser hereby agrees to accept title subject to:
- (a) all utility easements and restrictive covenants which are normally found registered against property of this nature;
 - (b) all personal property security interest registrations by lenders who have lent funds to residents of the mobile home park that do not have foreclosure rights; and
 - (c) MDI Utility registered service agreement on LSD5
10. **Completion and Possession:** Unless otherwise agreed to in writing, the transaction contemplated herein shall be completed, and the Purchaser shall be entitled to possession of the Property, at noon (Saskatchewan time) on June 30, 2020 (the "**Possession Date**").
11. **Joint condition:** Prior to all conditions being waived the parties agree to enter into an option agreement or letter of intent pertaining to the sale of MDI Utility and its lands from the vendor to the purchaser.
12. **Adjustments:** Adjustments for property taxes, rents, insurance, utilities and other income and outgoing, shall be made as of Possession Date. Any income or expenses of the Property on the Possession Date shall be for the account of the Purchaser. to the Purchaser that:
13. **Representations and Warranties of the Vendor:** The Vendor represents and warrants
- (a) the Vendor is, and on the Possession Date will be, the exclusive legal and beneficial owner of the Property;
 - (b) subject to the fulfilment of the Vendor's Condition, the Vendor has, and shall on the Possession Date have, full power and authority to enter into and perform the Vendor's obligations hereunder; and

- (c) the Vendor will not, as of the Possession Date, be:
 - (i) a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada); or
 - (ii) agent or trustee of such a non-resident.
- 14. **Binding Agreement:** If this Offer is accepted and notice of such acceptance is received by the Purchaser within the time provided, it will form an agreement that is legally binding on the parties, their respective heirs, executors, administrators, successors and assigns.
- 15. **Miscellaneous:**
 - (a) The terms of this agreement as amended from time to time, together with any schedules, shall not merge with but shall survive the closing of the purchase and sale contemplated herein.
 - (b) Time shall be of the essence of this Offer and the agreement resulting from the acceptance hereof.
 - (c) For the purpose of giving or receiving any notice referred to in this Offer, or the agreement that results from the acceptance hereof, and for acceptance or revocation of this Offer or any counter offer thereto, such notice, acceptance or revocation must be in writing and delivered to the other party or parties, as the case may be, at the mailing address, e-mail address or facsimile number set out above. Any notice, acceptance or revocation to be given by any party to the other or others shall be deemed to be duly given when delivered by hand to such party or parties or when such notice, acceptance or revocation is sent by facsimile or e-mail to such party or parties and receipt thereof is confirmed.
 - (d) This Offer and the agreement resulting from the acceptance hereof may only be altered or amended by way of written memorandum duly executed by the parties hereto.
 - (e) The invalidity of any provision, or portion of a provision, of this Offer shall not affect the validity of rest of this Offer.
 - (f) Each of the parties hereto shall, at the request and expense of the other party, execute and deliver any further or additional documents and do all acts and things that may be reasonably necessary to properly create or confirm title to the Property and to carry out the true intent and meaning of this Offer.
 - (g) If more than one party executes this Offer as a vendor, the obligations of such parties hereunder are joint and several and if more than one party executes this Offer as a purchaser, the obligations of such parties hereunder are joint and several

- (h) This Offer and the agreement of purchase and sale resulting from the acceptance hereof shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.
- (i) This Offer may be executed in counterpart and delivered by facsimile or other means of electronic communication producing a printed copy, each of which, when so executed and delivered, shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument

16. **Open for Acceptance:** Unless sooner revoked, this offer shall be open for acceptance by the Vendor until 5:00 p.m. (Saskatchewan time) on the 12th day of May, 2020.

Dated at the City of Regina in the Province of Saskatchewan this 8th day of May, 2020.

101269219 Saskatchewan Ltd.

Per: 

Tim Probe

ACCEPTANCE

THE UNDERSIGNED VENDOR hereby accepts the above Offer and agrees to carry out the sale of the Property according to the terms thereof.

THIS ACCEPTANCE executed this 8th day of May, 2020.

COPPER SANDS LAND CORP.

Per: 

Jaimey Midtdal

Exhibit E – Actual Results for the Period February 17, 2020 to May 24, 2020

COPPER SANDS LAND CORP. ("CSLC")
WILLOW RUSH LAND CORP. ("Willow Rush")
MDI UTILITY CORP.
JJL DEVELOPMENTS AND INVESTMENTS CORP. ("JJL")
MIDTAL DEVELOPMENTS AND INVESTMENTS CORP. ("MDI")
PRAIRIE COUNTRY HOMES LTD. ("PRAIRIE COUNTRY")
(Collectively the "COMPANIES")

Actual Results for the 14-Week Period
February 17, 2020 to May 24, 2020

	Actual Week 1 17-Feb-20 23-Feb-20	Actual Week 2 24-Feb-20 1-Mar-20	Actual Week 3 2-Mar-20 8-Mar-20	Actual Week 4 9-Mar-20 15-Mar-20	Actual Week 5 16-Mar-20 22-Mar-20	Actual Week 6 23-Mar-20 29-Mar-20	Actual Week 7 30-Mar-20 5-Apr-20	Actual Week 8 6-Apr-20 12-Apr-20	Actual Week 9 13-Apr-20 19-Apr-20	Actual Week 10 20-Apr-20 26-Apr-20	Actual Week 11 27-Apr-20 3-May-20	Actual Week 12 4-May-20 10-May-20	Actual Week 13 11-May-20 17-May-20	Actual Week 14 18-May-20 24-May-20	Actual Weeks 1 - 14 Cumulative Totals
CSLC Receipts															
CSLC monthly rent (existing CSLC tenants)	\$ 4,815	\$ -	\$ 35,775	\$ 1,350	\$ -	\$ -	\$ 16,925	\$ 5,100	\$ 1,050	\$ -	\$ 19,425	\$ -	\$ 2,075	\$ -	\$ 86,515
Total CSLC Receipts	4,815	-	35,775	1,350	-	-	16,925	5,100	1,050	-	19,425	-	2,075	-	86,515
CSLC Disbursements															
Operating Costs															
Bank Fees	-	51	15	8	-	-	62	-	8	-	55	8	8	-	213
Miscellaneous operating costs	950	-	-	1,907	300	-	-	-	-	-	-	-	-	-	3,157
Transfer to MLT Aikins	-	-	16,900	-	-	-	-	-	3,600	-	-	-	3,550	-	24,050
Wages	-	950	2,620	-	2,619	1,600	621	-	1,919	-	-	1,150	1,919	-	13,399
Subtotal	950	1,001	19,535	1,915	2,919	1,600	683	-	5,527	-	55	1,158	5,477	-	40,819
MDI Utility Corp.															
Service Fee	-	-	15,800	-	-	-	15,800	-	-	-	15,268	532	-	-	47,400
Loan payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	15,800	-	-	-	15,800	-	-	-	15,268	532	-	-	47,400
Financing Costs and Professional Fees															
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CSLC Disbursements	950	1,001	35,335	1,915	2,919	1,600	16,483	-	5,527	-	15,323	1,690	5,477	-	88,219
Net CSLC Cash Flows	3,865	(1,001)	440	(565)	(2,919)	(1,600)	442	5,100	(4,477)	-	4,102	(1,690)	(3,402)	-	(1,704)
MDI Utility Corp. Receipts															
Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	740	-	-	-	-	-	-	-	-	-	-	-	-	489	1,229
Service Fee	-	-	15,800	-	-	-	15,800	-	-	-	15,268	532	-	-	47,400
Total MDI Utility Corp. Receipts	740	-	15,800	-	-	-	15,800	-	-	-	15,268	532	-	489	48,629
MDI Utility Corp. Disbursements															
Operating Costs															
Bank Fees	8	57	4	12	58	-	9	-	3	-	77	8	-	-	234
Insurance	-	-	-	-	-	-	-	-	544	-	-	-	302	-	846
Lab fees	-	-	-	430	-	-	-	-	-	-	-	-	615	-	1,045
Management fee	-	-	3,000	-	-	-	4,000	-	-	-	4,000	-	-	-	11,000
Miscellaneous operating costs	263	-	3,650	1,707	-	-	2,500	-	736	-	3,150	689	-	598	13,293
Office supplies	-	-	-	900	-	-	-	-	-	-	-	-	-	388	1,288
Repairs and maintenance	-	-	1,500	-	-	-	-	-	-	-	-	1,189	-	-	2,689
Software	-	-	-	-	-	-	-	-	782	-	-	-	-	-	782
Utilities	-	-	-	-	-	-	-	3,576	489	-	1,200	-	469	-	5,714
Wages	-	-	680	1,175	1,150	-	1,919	-	1,033	-	2,569	425	620	-	9,572
Waste disposal	375	500	-	800	-	-	-	-	-	-	-	-	-	-	1,675
Website	-	-	-	-	-	-	-	-	318	-	-	-	-	-	318
Workers compensation board	-	-	-	650	-	-	-	-	-	-	-	-	-	-	650
Total MDI Utility Corp. Disbursements	646	557	8,834	5,673	1,208	-	8,428	3,576	3,885	-	10,997	2,310	2,006	986	49,106
Net MDI Utility Corp. Cash Flows	94	(557)	6,966	(5,673)	(1,208)	-	7,372	(3,576)	(3,885)	-	4,271	(1,778)	(2,006)	(497)	(477)
Opening CSLC Cash Position	1,787	5,652	4,651	5,091	4,527	1,607	7	449	5,549	1,073	1,073	5,175	3,485	84	1,787
Opening MDI Utility Cash Position	483	577	20	6,986	1,313	105	105	7,477	3,901	16	16	4,287	2,509	503	483
Opening Cash Position	\$ 2,270	\$ 6,229	\$ 4,671	\$ 12,077	\$ 5,840	\$ 1,712	\$ 112	\$ 7,927	\$ 9,450	\$ 1,089	\$ 1,089	\$ 9,462	\$ 5,994	\$ 586	\$ 2,270
Net CSLC Cash Flows	3,865	(1,001)	440	(565)	(2,919)	(1,600)	442	5,100	(4,477)	-	4,102	(1,690)	(3,402)	-	(1,704)
Net MDI Utility Corp. Cash Flows	94	(557)	6,966	(5,673)	(1,208)	-	7,372	(3,576)	(3,885)	-	4,271	(1,778)	(2,006)	(497)	(477)
Closing CSLC Cash Position	5,652	4,651	5,091	4,527	1,607	7	449	5,549	1,073	1,073	5,175	3,485	84	84	84
Closing MDI Utility Corp. Cash Position	577	20	6,986	1,313	105	105	7,477	3,901	16	16	4,287	2,509	503	6	6
Closing Cash Position	\$ 6,229	\$ 4,671	\$ 12,077	\$ 5,840	\$ 1,712	\$ 112	\$ 7,927	\$ 9,450	\$ 1,089	\$ 1,089	\$ 9,462	\$ 5,994	\$ 586	\$ 90	\$ 90