CANADA

PROVINCE OF QUÉBEC
DISTRICT OF **MONTRÉAL**

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended)

Nº: **500-11-057549-194**

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

9227-1584 QUÉBEC INC.

-and-

9336-9262 QUÉBEC INC.

Debtors

-and-

KPMG INC.

Petitioner / Monitor

-and-

110302 CANADA INC.

-and-

9325-7277 QUÉBEC INC.

Mises en cause

MOTION FOR (i) THE APPROVAL OF INTERIM FINANCING AND THE CREATION OF AN INTERIM FINANCING CHARGE, (ii) THE EXTENSION OF THE STAY OF PROCEEDINGS, AND (iii) THE ISSUANCE OF A SECOND AMENDED AND RESTATED INITIAL ORDER
(Sections 4, 5, 11 and *ff.* of the *Companies' Creditors Arrangement Act* ("**CCAA**"))

TO THE HONOURABLE JUSTICE PETER KALICHMAN, J.S.C. OR ANOTHER ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, PETITIONER / MONITOR, KPMG INC., SUBMITS AS FOLLOWS:

1. INTRODUCTION AND REQUESTED RELIEF

1. On October 8, 2019, the Petitioner / Monitor herein, KPMG Inc. ("**KPMG**"), was appointed as administrative agent and manager over the assets and property of the Debtors 9227-1584 Québec Inc. ("**9227**") and 9336-9262 Québec Inc. ("**9336**"; collectively with 9227, the "**Debtors**") with powers tantamount to those of a receiver pursuant to the

applicable provisions of the *Business Corporations Act*[1] ("**QBCA**"), pursuant to an *Order Appointing an Administrative Agent and Manager and Issuing Other Orders for Redress*, as rectified on October 9, 2019 (the "**QBCA Order**") in Superior Court file number 500-11-057283-190, with the consent of all party to those proceedings, as appears from the QBCA Order communicated herewith as **Exhibit R-1**, *en liasse*.

2. On November 20, 2019, KPMG, in its capacity as administrative and manager of the Debtors pursuant to the QBCA Order, filed a Motion for the Issuance of an Initial Order (the "**Motion for an Initial Order**") pursuant to the CCAA, as appears from the Motion for an Initial Order appearing in the Court record and communicated herewith for convenience as **Exhibit R-2**.

3. On November 22, 2019, the Honourable Peter Kalichman, J.S.C. issued an Initial Order herein, as appears from the Initial Order (as rectified on November 25, 2019 and amended and restated on December 2, 2019, the "**Amended and Restated Initial Order**"), as appears from the Court record and from the Amended and Restated Initial Order communicated herewith for convenience as **Exhibit R-3**.

4. Pursuant to the Amended and Restated Initial Order (Exhibit R-3), *inter alia*:

   a) KPMG's mandate pursuant to the QBCA Order (Exhibit R-1) was terminated, and KPMG was appointed as monitor of the Debtors, with various expanded powers appropriate to the situation (para. 36*ff.* of the Amended and Restated Initial Order);

   b) a stay of proceedings was order until December 20, 2019 (the "**Stay Period**") (para. 15*ff.* of the Amended and Restated Initial Order);

   c) procedural consolidation was ordered in respect of the Debtors (para. 12 of the Amended and Restated Initial Order); and

   d) an Administration Charge (as defined in the Amended and Restated Initial Order) of $250,000 (para. 50 of the Amended and Restated Initial Order), ranking ahead of all Encumbrances (as defined in the Amended and Restated Initial Order) (para. 52 of the Amended and Restated Initial Order).

5. On December 20, 2019, the Stay Period was extended to January 31, 2019, as appears from the Court record.

6. KPMG informed the Court that the Debtor's had enough liquidity to support operations until the expiry of the Stay Period, but that KPMG intended to return to Court for the approval of interim financing before the expiry of the Stay Period.

7. By way of the present Motion, KPMG is seeking approval of such interim financing up to a total amount of $3.3 million, for the purpose of maximizing the value of the Debtors' business and property by supporting the Debtors' activities during their restructuring, including notably for working capital and for urgent infrastructure expenses (the "**DIP**

---

[1] CQLR c. S-31.1, ss. 450 and 451.

Usage"), with the ultimate goal of completing the development of the project and/or completing the restructuring of the Debtors' affairs generally.

8. KPMG hereby seeks the following relief from the Court:

   a) the approval of interim financing in respect of the Debtors and the creation of a superpriority charge in relation thereto pursuant to section 11.2 of the CCAA;

   b) the extension of the Stay Period to June 30, 2020 pursuant to sections 11.02 and 11.03 of the CCAA; and

   c) the issuance of a Second Amended and Restated Initial Order reflecting the foregoing, substantially in the form of the draft order communicated herewith as **Exhibit R-4** (the "**Draft Second Amended and Restated Initial Order**"). A blackline comparing the Draft Second Amended and Restated Initial Order with the Amended and Restated Initial Order (Exhibit R-3) is communicated in support hereof as **Exhibit R-4A**.

9. Unless expressly provided to the contrary, any reference herein to monetary amounts refers to Canadian dollars.

2. INTERIM FINANCING

2.1 Need for Interim Financing

10. KPMG, in its capacity as Monitor, has prepared weekly cash flow projections for the 23-week period from January 26, 2020 through July 4, 2020 (the "**Cash Flow Forecast**"), which provide disbursements of up to $3.3 million pursuant to the DIP Agreement (as defined below) for the DIP Usage, as appears from the Cash Flow Forecast which will be filed under seal of confidentiality at the hearing of the present Motion as **Exhibit R-5**, *en liasse*.

11. Without interim financing, the Debtors will not have the cash availability necessary to pay their immediate term obligations or to continue the present restructuring proceedings, and the value of their property as well as the viability of the construction project will be significantly jeopardized.

12. In light of this cash flow situation, KPMG estimates that the Debtors require the financing pursuant to the DIP Agreement on an urgent basis, in order to, *inter alia*:

    - meet immediate cash flow needs for infrastructure work and operational expenses that must be completed, including the payment of post-filing suppliers;

    - maximize the value of the Debtors' property or ensure that such value is not diminished through adverse claims, registrations and hypothecs; and

    - enable the Monitor and stakeholders to continue to analyse, explore and negotiate restructuring avenues, including being involved in negotiations between the Mises en cause and their respective principals in view of settling the pending litigation between them.

13. In order to ensure that the value of the Debtors' assets and business will be protected, KPMG is hereby seeking Court approval up to $3.3 million of interim financing for the DIP Usage, for the purpose of completing a successful restructuring for the benefit of all of the Debtors' stakeholders.

2.2 Interim Financing Solicitation Process

14. In order to address the Debtors' financing needs both generally and during these proceedings, KPMG formally or informally contacted potential lenders so as to secure interim financing for the Debtors' operations.

15. When 9227's senior secured lender, Caisse Desjardins de Terrebonne ("**Desjardins**"), manifested the most interest, flexibility and ability to proceed rapidly, KPMG also determined that having an existing secured lender as interim lender would be ideal, and pursued discussions with Desjardins, providing it with a confidential information package on December 9, 2019 (the "**DIP Solicitation Package**"), as appears from the DIP Solicitation Package to be filed under seal of confidentiality at the hearing of the present Motion as **Exhibit R-6**.

16. On January 23, 2019—following extensive negotiations and due diligence, and after consultation with the beneficial owners of 9227 and other stakeholders, including certain secured creditors—KPMG, on behalf of 9227 and in its capacity as Monitor thereof, agreed on a credit agreement with Desjardins (the "**DIP Agreement**") providing for a revolving line of credit with availability up to $3.3 million, as appears from the copy of the DIP Agreement to be filed under seal of confidentiality at the hearing of the present Motion as **Exhibit R-7**.

17. The DIP Agreement is granted by Desjardins to 9227, and it is an essential condition thereof that it be secured by a first priority charge of up to $5 million granted on a post-petition super priority basis on the universality of 9227's movable and immovable property (with the exception of the immovables known and designated as lot numbers 6 022 112 and 6 073 665 at the Land Registry office of Laprairie (the "**Registry Office**"), including all constructions, works and buildings thereof) (the "**DIP Charge**"),[2] subject only to the Administrative Charge.

18. Indeed, these terms were deemed acceptable to 9227 and the Monitor, having regard for the circumstances, including, *inter alia*, the rights and interests of the various parties, and in light of the risks at play.

19. The DIP Agreement is the only interim financing option available to the Debtors, and it is less onerous than what is generally available on the market. In part owing to Desjardin's existing knowledge of the Debtor, its operations, stakeholders and assets, the negotiations in relation to the DIP Agreement advanced efficiently, such that the Debtors are currently

---

[2] Moreover, the DIP Charge will not affect the rights of the Garadex Inc. pursuant to the conventional hypothec in its favour in a principal amount $3.4 million published in the Land Register on June 25, 2019 under inscription number 24 709 503 and reduced pursuant to the partial release published on December 5, 2019 under inscription number 25 083 935, in relation to the immovable known and designated as lot number 6 289 503 of the Registry Office.

in a position to receive disbursement of interim financing very shortly after the Court's issuance of the Order sought by way of the present Motion.

20. The DIP Agreement is subject to standard terms and conditions, such as, *inter alia*, execution of standard documentation and final approval by the Court of the DIP Agreement and the creation of the DIP Charge.

21. The DIP Agreement was the only offer selected by KPMG, as KPMG quickly concluded that the terms proposed were advantageous to the Debtors and that obtaining interim financing from 9227's existing senior secured lender—who is familiar with the project, its potential and its history—was preferable to other possible financing avenues.

22. The DIP Terms Sheet provides adequate long-term liquidity and the requisite commercial certainty that is critical during the Debtors' restructuring.

23. The DIP Agreement is to be used for the DIP Usage—i.e. the expenditures provided for in the Cash Flow Forecast, fees and administrative expenditures associated with the Debtors' restructuring and costs, expenses, interest and other obligations due to the Desjardins pursuant to the DIP Agreement.

24. KPMG therefore determined that it would be in its best interest, as well as that of the Debtors and their stakeholders, to agree to the DIP Agreement, given its necessity to bring a restructuring to fruition.

25. KPMG, in consultation with numerous stakeholders, including the beneficial owners of 9227, therefore determined that it would be in the best interests of the Debtors and their stakeholders, to enter into the DIP Agreement, given the primary objective of bringing the restructuring to fruition as quickly as possible, which is a key consideration given the nature and stage of the construction project and the ongoing litigation between the beneficial owners.

2.3 Factors in Favour of the Approval of the DIP Agreement and the Granting of the DIP Charge (section 11.2(4) of the CCAA)

2.3.1 The Period during which the Debtors are Expected to be subject to the CCAA Proceedings (section 11.2(4)(a) of the CCAA)

26. KPMG expects that the Debtors' restructuring will take several months. Among the tasks and steps to be completed KPMG expects to work towards maximizing the value of the Debtors' business and property by, *inter alia*: supporting the Debtors' activities and operations; securing the construction site and taking steps necessary to preserve its value and potential, including addressing needs for working capital and for urgent infrastructure expenses and resolving the stalemate between the beneficial owners so as to allow the development project and / or sale of assets in the ordinary course of business.

2.3.2 Management of the Debtors during the CCAA Proceedings (section 11.2(4)(b) of the CCAA)

27. KPMG will actively manage the Debtors during the CCAA Proceedings.

28. In so doing, KPMG will, *inter alia*:

a) exercise any rights that the Debtors have and operate and carry on the Debtors' business;

b) preserve, protect and maintain the control of the Property and carry out the sale or disposition of the Property, if appropriate and advisable;

c) retain the necessary personnel to assist with the powers and duties conferred by this Court and to terminate employees or contractors;

d) monitor the Debtors' receipt and disbursements and make any distribution or payment required;

e) implement procedures for the monitoring of the Debtors' financial circumstances;

f) prepare the Debtors' all necessary projections (including cash flow projections) and develop, negotiate and cause the Debtors to implement the Plan;

g) review the Debtors' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;

h) hold meetings, discussions and negotiations with creditors and other interested Persons during the Stay Period and hold and administer any meetings held to consider a potential Plan or exit strategy;

i) oversee and accompany the beneficial shareholders and certain creditors in negotiations and steps taken to resolve the pending litigation between the beneficial owners;

j) report to the Court on the state of the business and financial affairs of the Debtors or developments in these proceedings;

k) report to the Court and interested parties with respect to the Monitor's assessment of, and recommendations with respect to the restructuring options;

l) take all steps and actions considered necessary or desirable in these proceedings.

29. The need for adequate post-filing financing is urgent, as appears from the Cash Flow Forecast (Exhibit R-5), for the Debtors to meet their post-filing obligations to continue development and work on their property, including, *inter alia*:

a) $1,556,000 of infrastructure expenses;

b) $375,000 for taxes and permits;

c) $168,000 to the site manager;

d) $429,000 for sales taxes;

e) $72,000 of site maintenance expenses; and

f) $60,000 for insurance.

30. The Debtors do not current have sufficient cash on hand to pay the foregoing payments that will come due in the coming weeks. Additionally, the revenues from the expected sale of the Debtors' property that is foreseen in the coming months will not provide certain or steady enough cash flow to allow the Debtors' to meet their obligations as they come due.

2.3.3 Confidence of the Debtors' Major Creditors in KPMG (section 11.2(4)(c) of the CCAA)

31. In light of the fact that the Debtors are actively managed by KPMG pursuant to the terms of the Amended and Restated Initial Order, there is no reason for any creditor to lack confidence in how the Debtors are being managed throughout these restructuring proceedings.

32. Additionally, Desjardins, 9227's primary secured creditor, is providing the DIP Agreement, and has confidence in KPMG.

33. The secured creditors have been duly notified of the present Motion and of the relief sought herein.

2.3.4 The DIP Agreement Will Enhance the Prospects of a Viable Compromise or Arrangement (section 11.2(4)(d) of the CCAA)

34. As described above, the Debtors need interim financing to, *inter alia*, continue construction of infrastructure, ensure maintenance of the site, pay taxes, permits and insurance costs, and pay the site manager, the whole in order to maximize the value of their property and business.

35. The DIP Agreement will accomplish these goals, which will enhance the value that the Debtors can expect to receive for their assets, thereby increasing the possibility that the proceeds of any eventual sale will be sufficient to pay secured creditors with an additional amount available for unsecured creditors by way of an eventual plan of arrangement or compromise.

36. Despite the current liquidity crisis, with additional time and funding, KPMG believes that the Debtors' have a strong basis for a successful restructuring.

37. Without the DIP Agreement, on the other hand, the Debtors (a) will not have access to operating credit, (b) will not be able to operate in the ordinary course, and (c) will not be able to maximize the value of their assets for the benefit of all stakeholders.

2.3.5 The Nature and Value of the Debtors' Property (section 11.2(4)(e) of the CCAA)

38. As of October 31, 2019, the book value of the Debtors' assets was significant, consisting mostly—in the case of 9227—of land for development and sale, and—in the case of 9336—of the building and land currently serving, *inter alia*, as the sales office for the Square Candiac Project, as appears from KPMG's report dated November 21, 2019 that is filed in the Court record.

39. Indeed, KPMG estimates that in the context of a Plan of Arrangement, or upon the completion of the work required to develop the Debtors' property, the market value of the

Debtors' property would be enhanced, such that there would be sufficient equity and value to permit reimbursement of Desjardins and all other secured creditors, while still potentially leaving amounts for unsecured creditors, as appears from the DIP Solicitation Package (Exhibit R-6).

40. Therefore, the restructuring of the Debtors with the liquidity provided by the DIP Agreement and the DIP Charge will maximize the value of this property by allowing it to be developed and sold.

2.3.6 No Creditor will be Materially Prejudiced as a Result of the DIP Charge (section 11.2(4)(f) of the CCAA)

41. In light of the nature and value of the Debtors' Property, the expected value to be generated by the restructuring will more than offset the DIP Charge sought in favour of Desjardins, such that existing creditors will recover more from the Debtors than they would without the DIP Agreement in place to finance the restructuring.

2.3.7 The Monitor's Report (section 11.2(4)(g) of the CCAA)

42. KPMG is supportive of the DIP Agreement and the DIP Charge, and will file a report in support of the relief sought in this Motion.

2.4 Conclusion Regarding the Interim Financing Sought

43. As appears from the foregoing, the benefits of authorizing the DIP Agreement and the DIP Charge outweigh the inconveniences, if any, suffered by the creditors of the Debtors.

44. The DIP Agreement is essential for the ongoing operations and the successful restructuring of Debtors, as it will allow for the maximization of the value of the Debtors' assets well beyond the amount of the DIP Agreement and the DIP Charge that are sought.

45. The need for DIP Agreement is urgent. Without it, the Debtors will be forced to liquidate, which will yield significantly less for their creditors, and will have severely negative effects on the rest of its stakeholders.

46. Without the superpriority DIP Charge, the Debtors would not be able to obtain interim financing pursuant to the DIP Agreement, as the requested DIP Charge is a condition to Desjardins' disbursement of financing pursuant to the DIP Agreement.

47. Therefore, KPMG hereby requests the Court's approval of the DIP Agreement, the authorization of 9227 to borrow from Desjardins pursuant to the terms thereof and the granting of the DIP Charge in favour of Desjardins as security for payment of the amount borrowed pursuant to the DIP Agreement with the priority set out in the Draft Second Amended and Restated Initial Order (Exhibit R-4).

3. CASH FLOW FORECAST

48. Based on the disbursements provided for pursuant to the DIP Agreement, KPMG has prepared the Cash Flow Forecast (Exhibit R-5).

49. Based on the financial position of the Debtors and based on the assumptions set out in the Cash Flow Forecast, KPMG believes that the Cash Flow Forecast is fair and reasonable.

50. Based on the Cash Flow Forecast, the Debtors should be able to meet their post-filing obligations in the ordinary course to the extent that the DIP Loan Facility is approved as described above.

4. EXTENSION OF THE STAY PERIOD

51. Since the issuance of the Initial Order, KPMG has acted and continues to act in good faith and with due diligence.

52. In particular, KPMG has diligently managed the interim financing solicitation process, in order to arrive at the DIP Agreement that will allow for it to conduct the Debtors' restructuring for the benefit of all stakeholders.

53. Among other things, KPMG has:

a) secured an offer for much-needed interim financing, which is subject mainly to this Court's approval;

b) continued to manage and ensure the stability of the Debtors' business, as it has done since the issuance of the QBCA Order;

c) implemented procedures for the monitoring of the Debtors' business, operations and financial circumstances;

d) held meetings and discussions with the Debtors' principals, creditors, suppliers and other stakeholders—including many discussions and meetings with the principals of the Debtors' two undivided co-owners and with secured creditors, mainly for the purpose of gauging their respective visions and expectations for the restructuring, and to examine ways in which resolving the deadlock between the undivided co-owners can be accomplished;

e) continued its analysis of the nature and status of the Debtors' operations, being the development of the Square Candiac project.

54. It is respectfully submitted that the extension of the Stay Period to June 30, 2020 is required to provide the KPMG and the Debtors with sufficient time to, *inter alia*:

a) receive disbursement of funding pursuant to the DIP Agreement;

b) continue to manage and ensure the stability of the Debtors' business;

c) continue its analysis of the nature and status of the Debtors' operations;

d) interface with various stakeholders, including, *inter alia*, the City of Candiac, the Mises en cause and this principals, as well as secured creditors, prospective purchasers, and counterparties to various contracts (including deeds of sale and offers to purchase), in order to, *inter alia*, better understand and circumscribe their respective positions and potential claims;

e) analyze the existence, validity and quantum of various secured and unsecured claims against 9227 or involving the property of the Debtors, and pursue the payment of any sums due to the debtors;

f) generally oversee and, if it considers advisable, provide assistance in relation to Debtors' involvement in the proceedings for a partition of the respective of beneficial interests of the undivided co-owners in the property of 9227;

g) analyze of the opportunity of selling certain property of the Debtors; and

h) such other matters that may arise throughout the process.

5. PROCEDURAL MATTERS

5.1 Confidentiality

55. KPMG submits that, regardless of the outcome of the present Motion, the Cash Flow Forecasts, the DIP Solicitation Package and the DIP Agreement, produced and/or communicated in the context of the present proceedings, respectively, as Exhibit R-5, Exhibit R-6 and Exhibit R-7 should be kept strictly confidential and shall be filed under seal, pending the issuance of an order approving the DIP Agreement, as which point, the DIP Agreement (Exhibit R-7) will be attached as a schedule to the Second Amended and Restated Initial Order to be rendered.

56. Such information will be made available to creditors of the Debtors who execute a confidentiality agreement.

57. It is submitted that public disclosure of such sensitive financial information and documentation would be very prejudicial to the Petitioners, notably due to the potential use of this information by potential purchaser, competitors or alternative lenders.

58. At the same time, this would cause no prejudice to their creditors, as the information would nevertheless be filed with this Honourable Court and could be made available to certain creditors upon signature of a confidentiality agreement.

5.2 Execution Notwithstanding Appeal

59. In view of the urgency and severity of the circumstances confronting the Debtors, it is essential that execution of the order requested be granted notwithstanding appeal.

5.3 Service

60. The Petitioners submit that the notices given of the presentation of the present Motion are proper and sufficient.

61. Pursuant to paragraph 59a) of the Amended and Restated Initial Order (Exhibit R-3), all motions in these CCAA Proceedings are to be brought on not less than five (5) calendar

days' notice to all Persons on the service list. Each Motion must specify a date (the "**Initial Return Date**") and time for the hearing.

62. The service of the present Motion serves as notice pursuant paragraph 59a) of the Initial Order.

63. Paragraph 59b) of the Amended and Restated Initial Order requires that an Person wishing to object to the relief sought on a motion in the CCAA Proceedings must serve responding motion materials or a notice stating the objection to the motion and ground for such objections (a "**Notice of Objection**") in writing to the moving party and the Monitor, with a copy to all persons on the service list, by no later than 5 p.m. Montréal time on the date that is three (3) calendar days prior to the Initial Return Date (the "**Objection Deadline**"). Accordingly, any parties wishing to object to the relief sought on this Motion must serve responding motion materials or a Notice of Objection by no later than 5 p.m. Montréal Time on January 27, 2020.

64. Paragraph 59c) of the Amended and Restated Initial Order further provides that if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion may determine whether a hearing is necessary, whether such hearing will be in person, by telephone or in writing and the parties from whom submissions are required (collectively, the "**Hearing Details**").

65. Paragraph 59d) of the Amended and Restated Initial Order provides that KPMG shall communicate with the Judge and the service list with respect to the Hearing Details.

6. CONCLUSIONS

66. For the reasons set forth above, KPMG believes that it is both appropriate and necessary that the relief being sought herein be granted for the purposes of maximizing the restructuring and realization efforts of the Debtors for the benefit of their stakeholders, and that a Second Amended and Restated Initial Order be issued substantially in the form of the Draft Second Amended and Restated Initial Order (Exhibit R-4).

67. Considering the urgency of the situation, KPMG respectfully submits that the notices given of the present motion are proper and sufficient and that this motion should be granted in accordance with its conclusions.

68. The present motion is well-founded in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Motion for (i) the Approval of Interim Financing and the Creation of an Interim Financing Charge, (ii) the Extension of the Stay of Proceedings, and (iii) the Issuance of a Second Amended and Restated Initial Order*;

AMEND the Amended and Restated Initial Order rendered herein on December 2, 2019, and **ISSUE** a Second Amended and Restated Initial Order in the form of the Draft Second Amended and Restated Initial Order communicated in support hereof as Exhibit R-4;

THE WHOLE WITHOUT COSTS, save and except in case of contestation.

Montréal, January 23, 2020

Blake, Cassels & Graydon

BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioner / Monitor
(Court Code: BB-8098)
1 Place Ville-Marie, Suite 3000
Montréal, Québec H3B 4N8
M[tre] Bernard Boucher
bernard.boucher@blakes.com
Telephone: 514-982-4006
M[tre] Sébastien Guy
sebastien.guy@blakes.com
Telephone: 514-982-4020
M[tre] Adam T. Spiro
adam.spiro@blakes.com
Telephone: 514-982-5074
Fax: 514-982-4099
Our reference: 72396-22

AFFIDAVIT

I, the undersigned, **Dev Coossa**, LIT, CIRP, practicing my profession at KPMG Inc., having a place of business at 1500-600 De Maisonneuve Blvd. West, in the city of Montréal, Québec, solemnly affirm that all the facts alleged in the present *Motion for (i) the Approval of Interim Financing and the Creation of an Interim Financing Charge, (ii) the Extension of the Stay of Proceedings, and (iii) the Issuance of a Second Amended and Restated Initial Order* are true.

AND I HAVE SIGNED:

DEV COOSSA

SOLEMNLY DECLARED before me
at Montréal, Québec
this 23rd day of January, 2020

Pour le Québec
198545
MAXIME CODERE
Commissaire à l'assermentation

Commissioner of Oaths for the Province of Québec

NOTICE OF PRESENTATION

To: SERVICE LIST

TAKE NOTICE that the present *Motion for (i) the Approval of Interim Financing and the Creation of an Interim Financing Charge, (ii) the Extension of the Stay of Proceedings, and (iii) the Issuance of a Second Amended and Restated Initial Order* will be presented for adjudication before the Honourable Peter Kalichman, J.S.C., or another Justice of the Superior Court of Québec, sitting in the commercial division for the district of Montréal on **January 29, 2020** or so soon thereafter as counsel may be heard, at a time and in a room of the Montréal Courthouse, located at 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6 to be further announced to the Service List.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, January 23, 2020

Blake, Cassels & Graydon

BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioner / Monitor
(Court Code: BB-8098)
1 Place Ville-Marie, Suite 3000
Montréal, Québec H3B 4N8
Mtre Bernard Boucher
bernard.boucher@blakes.com
Telephone: 514-982-4006
Mtre Sébastien Guy
sebastien.guy@blakes.com
Telephone: 514-982-4020
Mtre Adam T. Spiro
adam.spiro@blakes.com
Telephone: 514-982-5074
Fax: 514-982-4099
Our reference: 72396-22

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF **MONTRÉAL**

N°: **500-11-057549-194**

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended)

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

9227-1584 QUÉBEC INC.

9336-9262 QUÉBEC INC.

Debtors

-and-

KPMG INC.

Petitioner / Monitor

-and-

110302 CANADA INC.

9325-7277 QUÉBEC INC.

Mises en cause

LIST OF EXHIBITS

(in support of the *Motion for (i) the Approval of Interim Financing and the Creation of an Interim Financing Charge, (ii) the Extension of the Stay of Proceedings, and (iii) the Issuance of a Second Amended and Restated Initial Order*)

R-1 QBCA Order (October 8, 2019)

R-2 Motion for an Initial Order (November 20, 2019)

R-3 Amended and Restated Initial Order (December 2, 2019)

R-4 Draft Second Amended and Restated Initial Order

R-4A Blackline comparing Draft Second Amended and Restated Initial Order (Exhibit R-3) against Amended and Restated Initial Order (Exhibit R-4)

R-5 UNDER SEAL: Cashflow Forecast, *en liasse*

R-6 UNDER SEAL: DIP Solicitation Package

R-7 UNDER SEAL: DIP Agreement

The exhibits, except for exhibits under seal, can be downloaded at the following link:

https://blakes.sharefile.com/d-s18de7c316054efda

Montréal, January 23, 2020

Blake, Cassels & Graydon

BLAKE, CASSELS & GRAYDON LLP
Attorneys for the Petitioner / Monitor
(Court Code: BB-8098)
1 Place Ville-Marie, Suite 3000
Montréal, Québec H3B 4N8
M^{tre} Bernard Boucher
bernard.boucher@blakes.com
Telephone: 514-982-4006
M^{tre} Sébastien Guy
sebastien.guy@blakes.com
Telephone: 514-982-4020
M^{tre} Adam T. Spiro
adam.spiro@blakes.com
Telephone: 514-982-5074
Fax: 514-982-4099
Our reference: 72396-22

N°: 500-11-057549-194

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

9227-1584 QUÉBEC INC.
9336-9262 QUÉBEC INC.

Debtors

-and-
KPMG INC.

Petitioner / Monitor

-and-
110302 CANADA INC.
9325-7277 QUÉBEC INC.

Mises en cause

MOTION FOR (i) THE APPROVAL OF INTERIM FINANCING AND THE CREATION OF AN INTERIM FINANCING CHARGE, (ii) THE EXTENSION OF THE STAY OF PROCEEDINGS, AND (iii) THE ISSUANCE OF A SECOND AMENDED AND RESTATED INITIAL ORDER

ORIGINAL

Mtre. Bernard Boucher **BB-8098**
BLAKE, CASSELS & GRAYDON LLP
Barristers & Solicitors
1 Place Ville Marie
Suite 3000
Montréal, Québec H3B 4N8
Telephone: 514 982-4006
Fax: 514 982-4099
Email: bernard.boucher@blakes.com

Our File: 72396-22

8657330.10